![WP holding logo]

Integrated Report

for the year
2022

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Letter from the CEO of Wirtualna Polska Holding

Jacek Świderski
CEO

GRI 2-22

The last three years have been a roller-coaster ride for all the businesses in the internet industry. After the unexpected pandemic acceleration, came just as sudden post-covid stagnation.

Users turning from online to offline triggered a series of upheavals in the digital world in 2022, which indirectly affected us too. Among the greatest losers of the year were those who had recently bought online companies at a high price, those who operated on corroded business models, those who over-invested, counting on a quick breakthrough to the next levels of digitalization, and those who were imprudent in making promises to investors. Those who made more than one of those mistakes had to painfully retreat their troops like Napoleon from Moscow.

What did this mean for us? The advertising and subscription business grew by 14% at WP Holding in 2022. Our managers set their internal goals even higher, but the problems of the e-commerce world are not indifferent to the advertising market. We made up for it with the travel segment, which grew by as much as 90%, beating all forecasts. EBITDA across the group grew, in line with our expectations, by 21%. It is worth stressing that our full-year revenue exceeded one billion zloty for the first time.

In 2022, we received the "ESG Leaders" award of the of the Warsaw Stock Exchange. Have we deserved it? At all levels:

→ **Environmentally** - our server rooms are zero-carbon (which also proved to be our shield against drastically rising energy costs).

→ **Socially** - we were particularly pleased with the three Grand Press 2022 awards for the best journalists in Poland, which went to the editors of WP Media. Providing reliable information is an important social function that we consistently fulfill.

In the area of corporate governance, we kept up our efforts to level the playing field for women in business, who make up the majority of our employees and are strongly represented among the holding company's management team.

Since the outbreak of the pandemic, we froze all new significant financial commitments at WP Holding. We tried to use the time of covid-induced acceleration and post-covid deceleration to observe and learn lessons. We updated our vision for the future, distilling it down to the four pillars already familiar to all of us - advertising, subscription, tourism, and consumer finance.

We saw the final months of 2022 as an excellent opportunity to take advantage of revisions to the companies' valuation expectations and make investments of almost PLN 600 million. Including, the first significant acquisitions outside Poland. We truly hope to build the champion of Central and Eastern Europe in the area of domestic tourism. And those hopes stand on a firm footing. Even in the first quarter of 2023, despite the difficult macroeconomic situation, the Szallas team achieved as much as 23% growth in the value of bookings. At the same time, we recognize the limitations of expansion opportunities in the media market in Poland.

The first year of the war in Ukraine is behind us. Since the intervention in the Gulf, we have had time to get used to watching live coverage from the front on TV. However, showing a mother the death of her own son on screen seemed an insurmountable boundary. Nowadays, almost every soldier carries a camera, and swarms of hungry crows hovering over the battlefields were replaced by swarms of camera-equipped drones.

Jacek Świderski
CEO

The role and responsibility of the media have become incomparable to anything we have faced before. The war is no longer just fought on the frontline. We acknowledge our great responsibility in building the public sentiment for much-needed support for the defenders of Ukraine's freedom. It was the media's almost live coverage of the atrocities of the armed conflict, that made public opinion press Western European leaders to increase aid. Recognizing the power and responsibility of media, we were the first to take radical action to reduce the possibility of manipulation of public opinion in comments under articles. We constantly monitor emerging attempts and respond accordingly. We want editorial content to be a safe place with reliable information, even if we have to resign from part of the advertising revenue - this is an important part of our ESG strategy. For all ouf us, this war is also a glaring example of what depriving a peaceful society of a free media leads to and the important role it plays in the fight against the degeneration of power.

What lies ahead? Just as in March 2020, 2021, 2022, this March 2023, we find ourselves in a situation where, knowing the results of the first quarter already, it is not easy to describe the coming year. However, we are not overly concerned. The strength of our group is our business diversification and management flexibility, which has allowed us, since the IPO, to maintain average annual EBITDA growth of 20%. The first quarter of 2023 shows that we can make up for the shortfall in advertising revenue targets with the travel segment. Will this be the case for the whole of 2023?

In the baseline scenario, we assume that the economic downturn, which is already visible to the naked eye, will last no longer than the end of the first half of the year. Every sailor knows that the best way to hoist the sails is to stand under the wind.

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Wirtualna Polska Holding

About the Group

GRI 2-1, 2-6

The Wirtualna Polska Group is a technology holding. It includes companies conducting business in the media, travel and consumer finance sectors. The registered office of Wirtualna Polska Holding S.A. is located in Warsaw at ul. Żwirki i Wigury 16. The headquarters of other Group companies are located, among others, in Gdańsk, Wrocław, Lublin, Chorzów and Budapest.

The Group conducts its business primarily in Poland, however starting in 2022, after acquiring the Szallas Group and Audioteka, also across the Central and Eastern Europe, i.e. in countries such as Hungary, Czech Republic, as well as Romania, Croatia, Germany and Lithuania. In 2022, the Group's revenues exceeded PLN 1 billion. When the companies acquired in late 2022 are taken into account, there are almost 3 thousand people working for the Group.

Line of business

The Wirtualna Polska Group is a technology holding. It conducts media, advertising, subscriptions and e-commerce activities. It is the owner of the WP Home Page, operates specialized topical websites and offers online subscription services (Audioteka, Pilot WP, Patronite, Poczta WP).

In e-commerce services, the Group operates mainly in the travel sector (among others, Wakacje.pl, Szallas Group, Nocowanie.pl) and the financial sector (Superauto.pl and Totalmoney.pl).

Our business priorities include:
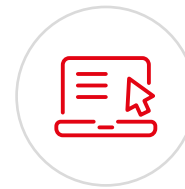
Creating and distributing quality online content
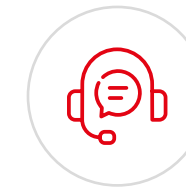
Selling advertising services
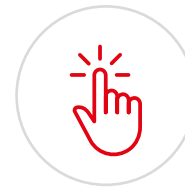
Engaging users of our subscription products

Inspiring and supporting users in making daily online shopping decisions

Offering e-commerce (financial and travel) services

We prepare Grupa WP's services on the basis of innovative solutions that allow us to expand the group of recipients and deliver services and advertisements suited to the needs of users and advertisers.

As a group whose portfolio includes mainly electronic services based on its own IT infrastructure, we do not have an extensive supply chain. We use services of our trusted partners.

wp holding

The Group does business in the following areas:

Advertising and Subscriptions

Grupa WP is one of the largest Internet groups in Poland and its websites and services attract more than 23 million users every month. It creates content, sells advertising on its own space and outdoor advertising, and also sells subscription products (access to TV programs through the Pilot WP service, audiobooks produced and distributed by Audioteka, electronic mail services).

Travel

The Group is in the business of organized international travel (Wakacje.pl) as well as local and individual travel (Szallas Group, Nocowanie.pl). Wakacje.pl, a company that sells organized international trips in Poland, operates using an omnichannel model, offering the widest range or products and maintaining long-term relationships with tour operators. The Szallas Group, acquired in 2022, is the leading platform offering local tourism services in the Central and Eastern Europe region.

Consumer Finance

Superauto is an online car financing intermediary (offering leases, loans, insurance) and is the largest company selling new cars on the Polish Internet. Totalmoney is a leading platform to compare various financial products, including cash loans. Both companies are important customer acquisition channels for financial institutions.

The Group additionally sells house designs through Extradom. It also has "green assets" – photovoltaic farms operating under the WP Naturalnie brand, which produce energy from renewable sources.

Revenues by segment

3% Other
14% Consumer Finance
54% Advertising and Subscriptions
29% Travel

Adjusted EBITDA by segment

1% Other
7% Consumer Finance
70% Advertising and Subscriptions
22% Travel
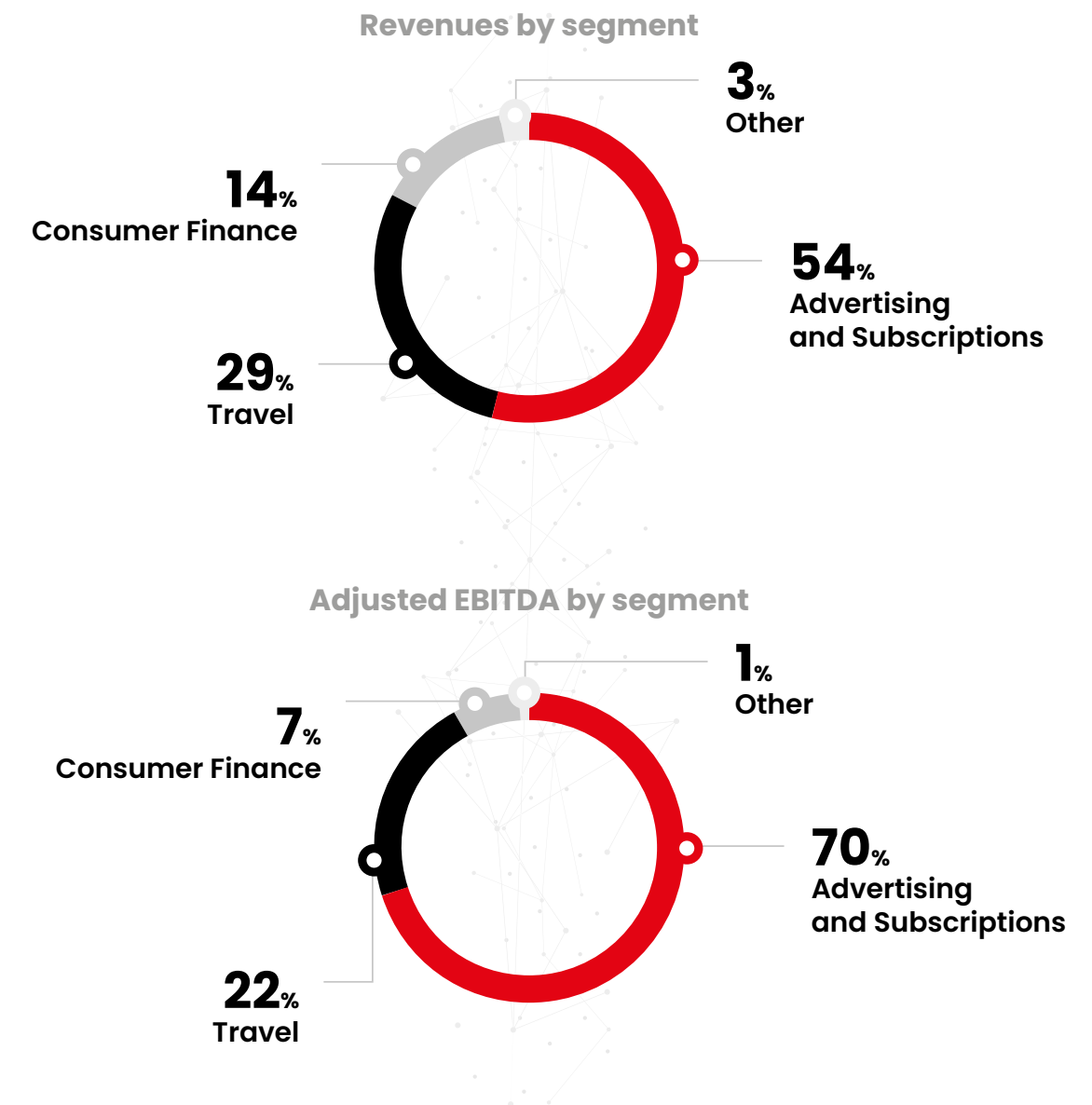
We want to be the partner of first choice, providing engaging information, entertainment and services and inspiring in everyday decisions. We create Grupa WP's websites on the basis of innovative solutions that allow us to expand the group of recipients and precisely deliver services and advertisements.

wp holding

Wirtualna Polska Group's business has a number of strong, recognizable brands:

Advertising and Subscriptions

Travel

Consumer Finance
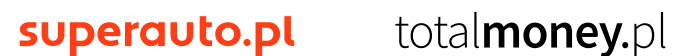
Other

Governance structure

The Wirtualna Polska Group is managed by Wirtualna Polska Holding, whose management board develops and monitors the fulfillment of the Group's business strategy. The management team of the Holding consists of the persons responsible for the respective business divisions. Group Companies have their management teams responsible for operations and for the fulfillment of the adopted strategies.

Ownership structure

Name of the subsidiary	% of shares held (as at 31 December 2022)
Advertising and Subscriptions	
Wirtualna Polska Media S.A.	100%
Benchmark sp. z o.o.	100%
Mediapop sp. z o.o.	100%
Netwizor sp. z o.o.	100%
BusinessClick sp. z o.o.	100%
Open FM sp. z o.o.	100%
Stacja Służew sp. z o.o.*	100%
WEV Partners Limited	100%
Domodi.pl Sp. z o.o. (until 1 July 2022)	–
Homebook Sp. z o.o. (until 1 December 2022)	–
Audioteka S.A. (Grupa)	61%
Travel	
Wakacje.pl S.A.	100%
Parklot sp. z o.o.	100%
Grupa Szallas	100%
Nocowanie.pl sp. z o.o.	100%
Camellia Investments Kft*	100%
Consumer Finance	
Totalmoney sp. z o.o.	100%
Superauto24.com sp. z o.o.	51%
Other	
Extradom sp. z o.o.	100%
WP Naturalnie Solar 1 sp. z o.o.	100%
Casalan Investments sp. z o.o.	100%

* The Company does not conduct any operating activity

As at the date of publication of this report Benchmark Sp. z o.o., Mediapop Sp. z o.o, Parklot Sp. z o.o. no longer operate as separate companies.

WP holding

Shareholders

Stake held

48.72 %
Number of shares: 14,270,258
Others

12.92 %
Number of shares: 3,785,667
Jacek Świderski through subsidiaries

12.91 %
Number of shares: 3,781,416
Michał Brański through subsidiaries

12.90 %
Number of shares: 3,777,164
Krzysztof Sierota through subsidiaries

12.55 %
Number of shares: 3,676,553
Allianz OFE Allianz DFE II

Total
29,291,058

% of votes

35.17 %
Number of votes: 14,270,258
Others

18.60 %
Number of votes: 7,548,904
Jacek Świderski through subsidiaries

18.59 %
Number of votes: 7,544,652
Michał Brański through subsidiaries

18.58 %
Number of votes: 7,540,400
Krzysztof Sierota through subsidiaries

9.06 %
Number of votes: 3,676,553
Allianz OFE Allianz DFE II

Total
40,580,767

Management Board and Supervisory Board

GRI 2-9, 2-10, 2-11, 2-12, 2-14, 2-17, 2-18

The Management Board is appointed for a joint three-year term of office. It operates on the basis of Management Board Regulations and constitutes the executive body of Wirtualna Polska Holding S.A. All of the Management Board members are obligated and entitled to manage the company's business jointly.

The CEO is appointed and dismissed by the Shareholder Meeting. Other Management Board members are appointed and dismissed by the Supervisory Board of the company, upon request of the CEO. The Supervisory Board decides about the number of management board members. A Management Board Member may be dismissed or suspended in his/her duties by a Shareholder Meeting resolution.

The Supervisory Board consists of 3 to 9 members appointed by the Shareholder Meeting for a joint term of office. The Shareholder Meeting appoints and dismisses Supervisory Board members, who elect the Chairperson from among themselves.

Composition of the Management Board in 2022:

Jacek Świderski
—
President of the Management Board, CEO

Elżbieta Bujniewicz-Belka
—
CFO, responsible for the ESG area

Michał Brański
—
Management Board Member, VP Strategy

Krzysztof Sierota
—
Management Board Member, VP Engineering

Composition of the Supervisory Board in 2022:

Piotr Walter
—
Supervisory Board Chairman, Supervisory Board Member satisfying the independence criterion

Beata Barwińska Piotrowska
—
ESG Committee Member

Aleksander Wilewski
—
Audit Committee Chairman, Supervisory Board Member satisfying the independence criterion

Katarzyna Beuch
—
Audit Committee Member, Supervisory Board Member satisfying the independence criterion

Grzegorz Konieczny
—
ESG Committee Chairman, Supervisory Board Member satisfying the independence criterion

Witold Woźniak
—
Supervisory Board Member

Mariusz Jarzębowski
—
ESG Committee Member, Audit Committee Member, Supervisory Board Member satisfying the independence criterion

Supervisory Board candidates may be proposed by shareholders, in accordance with the applicable provisions of law (in particular the Commercial Company Code).

The CEO of Wirtualna Polska Holding S.A. also acts as a member of supervisory boards of subsidiaries; other than that, he does not hold any management positions in the organization. The Supervisory Board Chairman does not does not hold any senior management positions in the organization and meets the independence criteria.

The CFO is responsible for the ESG area in the Group. Currently, this function is discharged by Elżbieta Bujniewicz-Belka, and the managers coordinating the work on the sustainable development area (Director of the Corporate Communication Department and the Investor Relations Director) report directly to her.

Within the framework of Wirtualna Polska Holding's Supervisory Board, the Audit Committee functions as a body overseeing the financial reporting process in the Group. It consists of three members, of whom at least two (including the Committee Chairperson) meet the independence requirements.

The Sustainable Development Strategy Committee has also been established within the

Supervisory Board of Wirtualna Polska Holding. It is a permanent advisory and opinion-forming body of the Supervisory Board and is composed of at least three of its members. Periodically, not less frequently than once a year, it submits a report on its activity to the Supervisory Board.

The members of the Management Board and Supervisory Board continuously update their knowledge on sustainable development, for example through involvement in different initiatives of social and industry organizations, including the 30% Club Poland or the Polish Association of Listed Companies. They also took an active part in the work on Sustainable Development Strategy.

Actions taken by the Management Board and its effectiveness in overseeing the management of the economic, environmental and social impact of the organization is evaluated and supervised by the company's Supervisory Board. On the other hand, the activities of the Management Board and the Supervisory Board in this respect are evaluated by the Shareholder Meeting, among others within the framework of the annual process of granting discharges to the members of these bodies. The financial statements and reports are audited annually by an independent auditor.

Financial data

In 2022, the Group's revenues were PLN 1.08 billion, up 24% y/y. Part of this growth was associated with the acquisitions effected in 2022 (Szallas Group, Audioteka, Benchmark, MediaPop). Without acquisitions, revenues increased organically by 18% y/y.

Adjusted EBITDA increased by 21% y/y up to PLN 371.4 million. Without the impact of acquisitions, the increase was 19% y/y.

Net profit attributable to shareholders of the parent company was PLN 170.5 million, compared to PLN 182.7 million in 2021. The improvement in business results in all of the Group's segments had a positive impact on net profit. The net profit was adversely affected by higher transaction costs, finance costs and depreciation and amortization related to acquisitions carried out in 2022. Additionally, in 2021 net profit was positively affected by non-recurring events (i.e. forgiveness of the loan from PFR, revaluation of the amount receivable related to the sale of a stake in eSky).

Net profit attributable to shareholders of the parent company adjusted for non-recurring events amounted to PLN 164.0 million, compared to PLN 158.8 million in 2021.

Revenues from the Group's largest segment, Advertising and Subscriptions, rose by 14% y/y and adjusted EBITDA by 12% y/y. For the first time, the Group recognized the results of the companies acquired during 2022, which were consolidated in Q3 and Q4 2022 (Audioteka, Benchmark, MediaPop). This segment was positively affected by an increase in the online advertising market, however the growth rate fell compared to 2021, which was associated with the high base and geopolitical and economic challenges. The Publicis Groupe media agency reported that in 2022, the online advertising market grew by 7% y/y, compared to 22% y/y recognized in 2021. The continuing dynamic growth of the subscription area (Pilot WP) made a positive contribution to the segment's revenues, while the decline in the Domodi clothing site had an adverse effect.

Summary of financial results

PLN million	2021	2022	% change
Sales revenues	872.2	1,077.7	+24%
Cash sales revenues	847.5	1,048.2	+24%
Adjusted EBITDA	307.8	371.4	+21%
EBITDA	310.1	340.1	+10%
Operating profit	227.6	239.6	+5%
Net profit	187.8	178.3	−5%
Net profit attributable to shareholders of the parent company	182.7	170.5	−7%
Net debt	161.7	551.3	–
Net debt / Adjusted EBITDA pro forma*	0.6x	1.3x	
Net cash flows from operating activities	244.7	265.8	+9%
Net cash flows from investing activities	−114.3	−576.4	–
Free cash flows (FCF)**	147.3	132.9	−10%

* Pro forma EBITDA includes the results of companies acquired during 2022 as if they were consolidated from the beginning of the year

** cash generated from operating activities less capital expenditures and costs of interest and leasing

In 2022, Travel was the Group's fastest growing segment, with revenues increasing by 90% y/y and adjusted EBITDA by 121% y/y. When the impact of the acquisition of the Szallas Group is excluded, this growth was 77% and 119%, respectively. The dynamic growth of this area was due to the very high interest of tourists in both international and domestic (local) travel, and a general increase in the price of tourism services in the market.

The Consumer Finance segment grew its revenues by 30% y/y and adjusted EBITDA by 20% y/y. The segment's main growth driver was Superauto, a car financing intermediary supporting online sales of new cars, which recorded dynamic growth in performance despite the current unfavorable situation in the passenger car market.

In 2022, the Group generated strong operating cash flows at PLN 266 million, up 9% from 2021. Capital expenditures amounted to PLN 97 million. In 2022, the Group spent PLN 496 million for acquisitions (reduced by acquired cash).

Free cash flows (FCF), calculated as cash generated in operating activities, less capital expenditures and costs of interest and leasing, amounted to PLN 133 million in 2022.

The M&A activity was financed by a bank loan, in line with the company's strategy. At the end of 2022, the ratio of net debt to adjusted pro forma EBITDA was 1.3x, which is considered safe and provides the Group with further growth opportunities.

The Management Board of the Group recommended a dividend to be paid from 2022 profits at PLN 2.5 per share. The recommendation is consistent with the Group's dividend policy.

Taking into account the impact of the companies acquired in 2022, pro-forma revenues would amount to PLN 1.27 billion in 2022, while adjusted EBITDA PLN 427.9 million.

Summary of segment performance and pro-forma results

PLN million	2021	2022	y/y	2022 pro forma*
GROUP				
Sales revenues	872.2	1,077.7	+24%	1,271.6
Adjusted EBITDA**	307.8	371.4	+21%	427.9
Adjusted EBITDA margin	35%	34%		34%
Advertising and Subscriptions				
Sales revenues	546.1	624.6	+14%	708.5
Adjusted EBITDA**	251.2	282.3	+12%	299.9
Adjusted EBITDA margin	48%	45%		44%
Travel				
Sales revenues	127.8	242.8	+90%	363.0
Adjusted EBITDA**	27.7	61.2	+121%	95.8
Adjusted EBITDA margin	24%	25%		26%
Consumer Finance				
Sales revenues	131.8	171.0	+30%	171.0
Adjusted EBITDA**	25.0	30.0	+20%	30.4
Adjusted EBITDA margin	19%	18%		18%

* Pro forma performance includes the results of companies acquired during 2022 as if they were consolidated from the beginning of the year

** Adjusted EBITDA of the Group is calculated as operating profit plus depreciation and amortization (excluding depreciation and amortization of purchased programming assets), adjusted for events that include, among others: transaction costs related to acquisitions and restructuring, result on barter transactions, remeasurement of non-current assets and costs of the management option program.

Starting in Q4 2014, EBITDA of the Wirtualna Polska Group has been growing dynamically,
at an average annual growth rate above 20%.

Wirtualna Polska Group - Adjusted EBITDA LTM (PLN million)

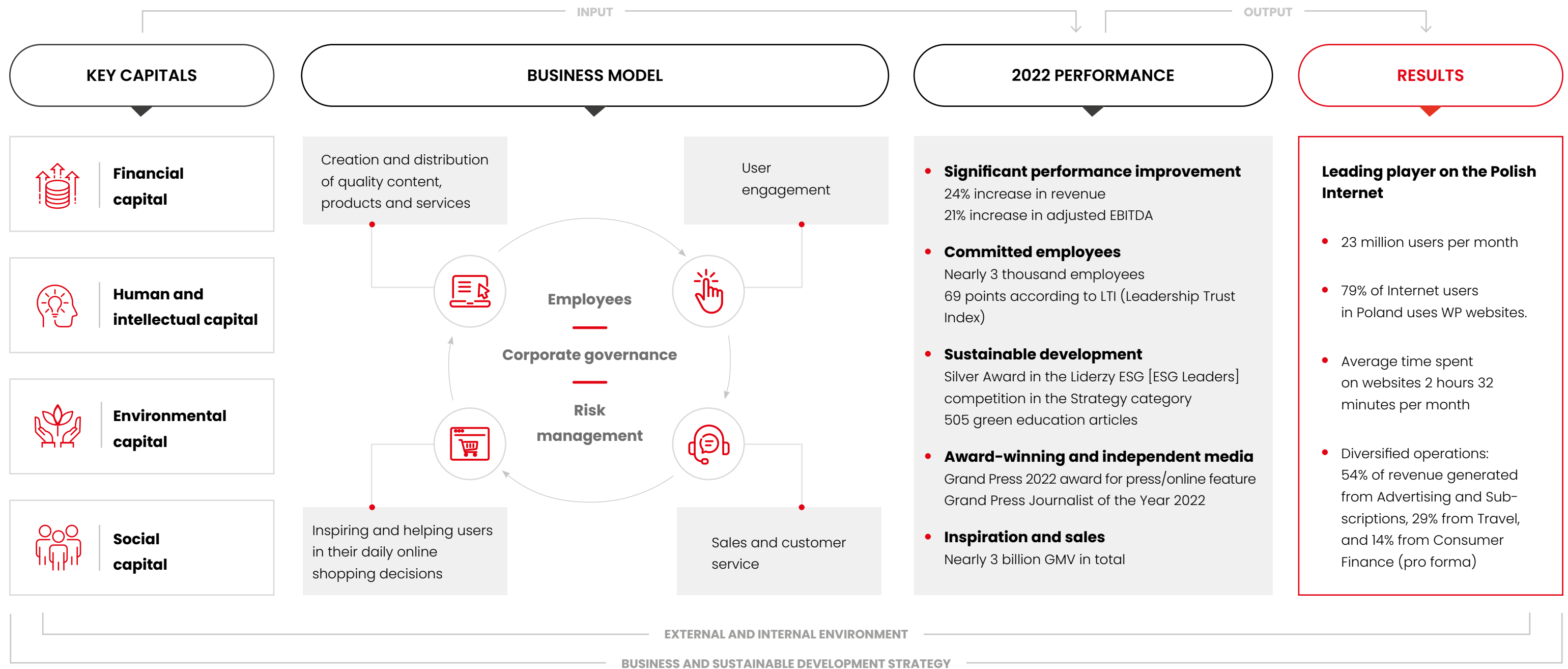*x5 including the results of the acquisitions in 2022*
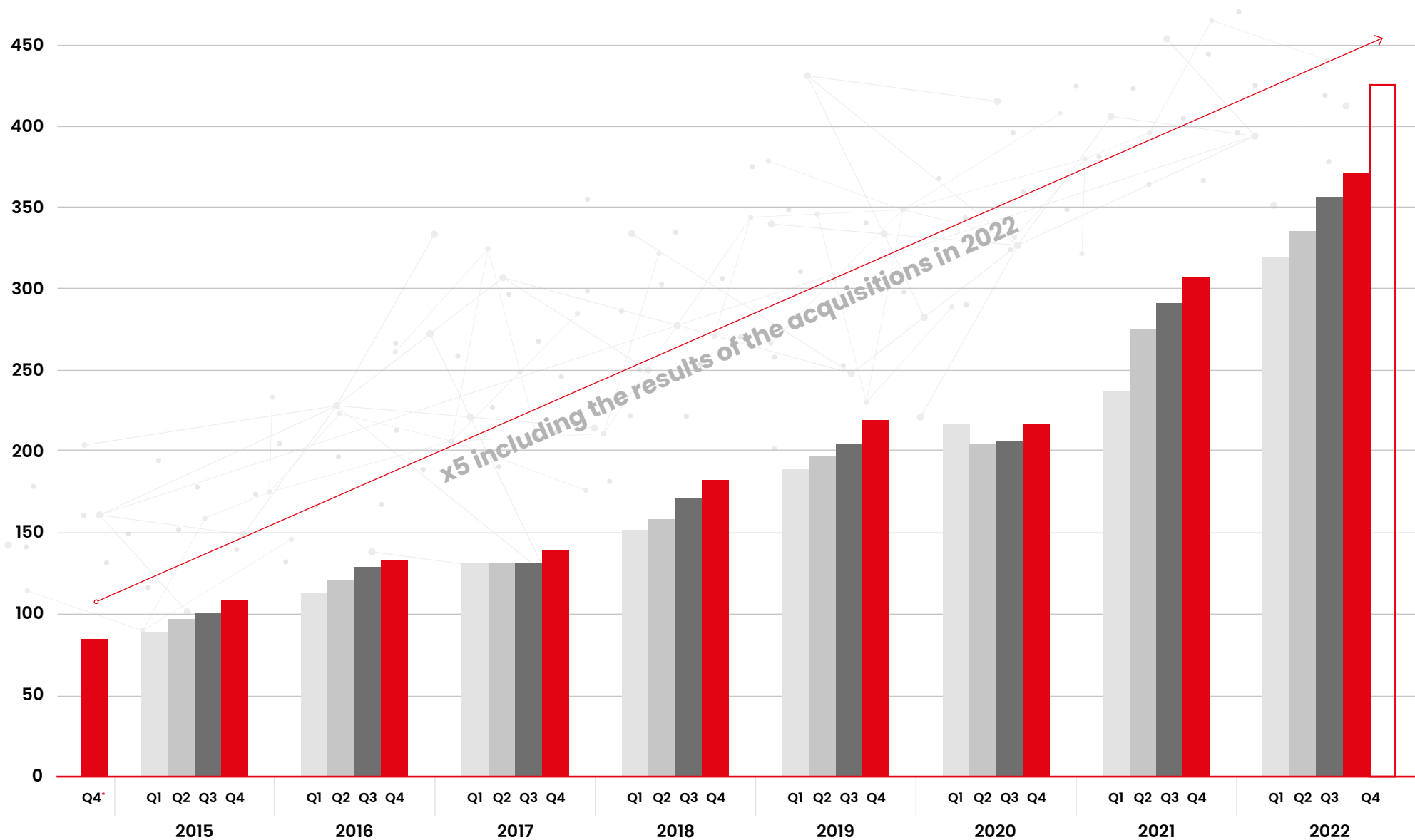
☐ **pro forma adj. EBITDA includes the results of companies acquired during 2022 as if they were consolidated from the beginning of the year**

Strategic value creation process

Value creation model

INPUT   **OUTPUT**

KEY CAPITALS   **BUSINESS MODEL**   **2022 PERFORMANCE**   **RESULTS**

Financial capital

Human and intellectual capital

Environmental capital

Social capital

Creation and distribution of quality content, products and services

User engagement

Employees

Corporate governance

Risk management

Inspiring and helping users in their daily online shopping decisions

Sales and customer service

- **Significant performance improvement**
  24% increase in revenue
  21% increase in adjusted EBITDA

- **Committed employees**
  Nearly 3 thousand employees
  69 points according to LTI (Leadership Trust Index)

- **Sustainable development**
  Silver Award in the Liderzy ESG [ESG Leaders] competition in the Strategy category
  505 green education articles

- **Award-winning and independent media**
  Grand Press 2022 award for press/online feature
  Grand Press Journalist of the Year 2022

- **Inspiration and sales**
  Nearly 3 billion GMV in total

Leading player on the Polish Internet

- 23 million users per month

- 79% of Internet users in Poland uses WP websites.

- Average time spent on websites 2 hours 32 minutes per month

- Diversified operations: 54% of revenue generated from Advertising and Sub-scriptions, 29% from Travel, and 14% from Consumer Finance (pro forma)

EXTERNAL AND INTERNAL ENVIRONMENT

BUSINESS AND SUSTAINABLE DEVELOPMENT STRATEGY

Capitals

In the Wirtualna Polska Group, we identify four types of capital that we employ to create value:

Human and intellectual capital

We have built a team of specialists who courageously pursue the ambitious goals set for them. Every day, they work with commitment to build the atmosphere, recognition and results of our company.

How do we manage this capital?

We create a friendly work environment, free of prejudice, favorable to the development of people with differing views and experience. We foster internal promotions. We take care of employee well-being, contributing to their development, including through training cycles – we have been implementing the "WP Akademia online" projects (webinars: "Akcja komunikacja" [Action Communication], "Jak współpracować, aby wygrywać – win-

win" [How to work together to win], "Zdrowie psychiczne zaczyna się w głowie, czyli profilaktyka zdrowia psychicznego" [Mental health begins in your head or how to prevent mental problems]) and those dedicated to managers ("Skuteczny Lider WP. Przywództwo przyszłości" [Successful WP Leader. Leadership of the future]).
We also provide a hybrid working model, well-being training and numerous opportunities to participate in charity events.

How is this capital affecting other capitals?

→ impact on the financial capital through increasing payroll expenses and revenue generated as a result of work provided by employees

→ impact on the environmental capital through campaigns to protect the environment (Lasy na Zawsze WP [WP Forests Forever], Zielona Szafa WP [WP Green Wardrobe])

→ impact on the social capital through charity campaigns (WspieraMY z WP [WE support with WP])

Data

3k

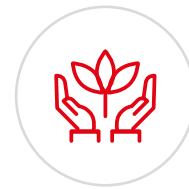**employees and collaborators, including acquisitions**

37.5%

of management positions occupied by women

33

meetings as part of the "WP Academy"

Environmental capital

We are aware of the impact we have on the environment and the impact the environment has on us. We have set ambitious goals for the next few years to increase the amount of green energy used to power our server facilities and reduce greenhouse gas emissions. When these goals are achieved, our business will be completely "green".

How do we manage this capital?

We offer sustainable products and services. All energy purchased by the Group is covered by guarantees of origin from renewable sources. Moreover, the Wirtualna Polska Group owns photovoltaic farms that generate enough energy every year to cover 80% of the energy demand of our server rooms. The ultimate goal of these efforts is for us to reach zero carbon emissions and climate neutrality. The Sustainable Development Strategy of Wirtualna Polska Holding contains an objective to increase the energy efficiency level of our server rooms and buildings.

We want to fulfill the requirements necessary for ISO 50001 certification, which we have scheduled by 2025. We also conduct campaigns to encourage our employees and users to protect and plant forests. 1 hectare of Wirtualna Polska's Forest Forever is located in Olędy in the Mazovia region, and more than of 1.5 hectare of old forest in Bochotnica in the Lublin area is under our protection. We also place emphasis on educating users of Wirtualna Polska websites about sustainable development.

How is this capital affecting other capitals?

→ impact on financial capital through Sustainability Linked Loan where the margin is linked to the achievement of ESG goals

→ impact on human capital through fulfillment of environmental objectives that influence commitment and loyalty of our employees

→ impact on intellectual capital through distribution of texts about ecology written by our journalists

Data

44%
—
share of own green energy production in total electricity consumption

505
—
education articles on ecology and climate change in our websites

Social capital

As a company operating in the media and Internet industry, we consider it our duty to contribute to the development of ethical business practices and do our part in creating, promoting and supporting stringent ethical standards. Our mission is to provide millions of users with reliable information and sustainable online services and products. The value of the social and sponsorship projects we conduct is based on relations with employees, users, customers, investors, who consequently can achieve more benefits.

How do we manage this capital?
We care about relationships with stakeholders. We engage in charitable campaigns. We support employee initiatives and employee volunteerism.

We organize events that exert influence on various communities (employees, users), such as #wszechmocne [#omnipotent], Kobiece Perspektywy [Women's Prospects], WspieraMY z WP, articles in Wirtualna Polska websites.

How is this capital affecting other capitals?

→ impact on environmental capital through internal and external initiatives to raise environmental awareness

→ impact on human capital by building commitment, loyalty among employees, including through charity opportunities

Data

50
employees actively supported the "Las na Zawsze" [Forest Forever] initiative

1000
employees helping Ukraine

190
hours of consultations with psychologist

2
meetings as part of the "Kobiece Perspektywy" [Women's Prospects] initiative for women

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Financial capital

Financial capital consists of equity, cash generated by our Group and borrowings (linked to ESG goals).

How do we manage this capital?
We manage financial capital to maximize the efficiency of its use, with a level of risk that is acceptable to us (understood mainly as net debt to EBITDA and cost of debt service in relation to cash generated).

How is this capital affecting other capitals?
→ impact on human capital – EBITDA and generated cash influence the level of remuneration and budgets for employee development activities

→ impact on environmental and social capital – financing linked to ESG goals has a positive influence on development of environmental capital (green energy) and social capital (diversity)

Data

PLN 428 million
—
adjusted EBITDA pro forma

PLN 266 million
—
cash from operating activities

PLN 1.2 per share
—
dividend paid in 2022

1.3x
—
net debt / EBITDA pro forma

Business Strategy

The Wirtualna Polska Group is a technology holding operating in the media, advertising and e-commerce market. The key pillars of its business include:

Media independence and credibility

Providing quality products and services to engage users

Inspiring and helping users in their daily online shopping decisions

**The business strategy of the Wirtualna Polska Group
is based on three key areas of development:**
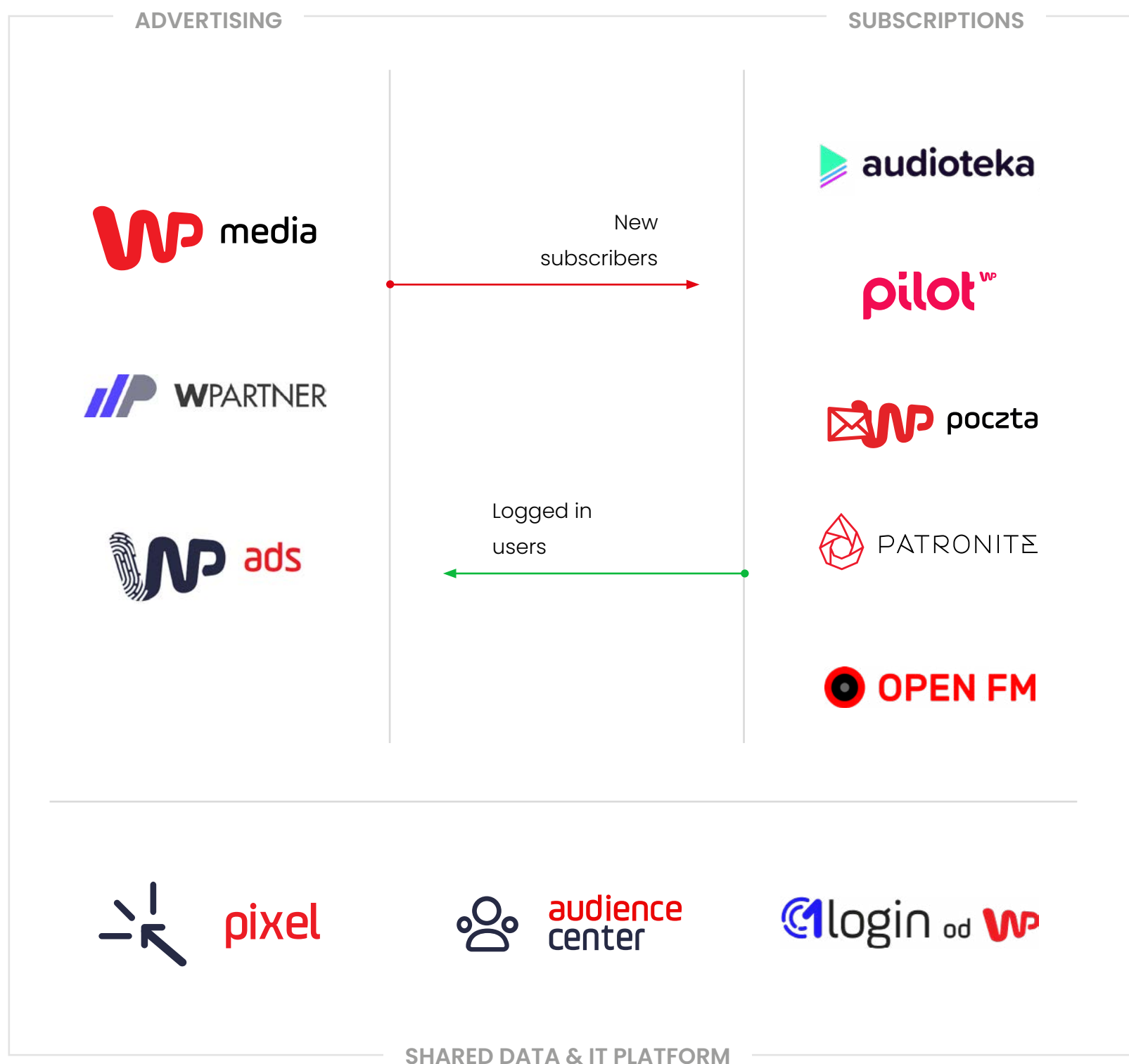
Advertising
and Subscriptions

In this area, we focus on growth in terms of sales of online advertising, on own and third-party inventory – we act as intermediary in selling advertising space of other publishers, as part of the WPartner project.

Moreover, in parallel with advertising, we have been developing the subscription area based on the Pilot WP project (TV programs available online) and Audioteka (acquisition of controlling interest in September 2022). We intend to develop other paid services, such as paid WP e-mail and Open FM online radio. In 2022, nearly 600 thousand users used our subscription products. We also cooperate with Patronite where we are a minority shareholder.

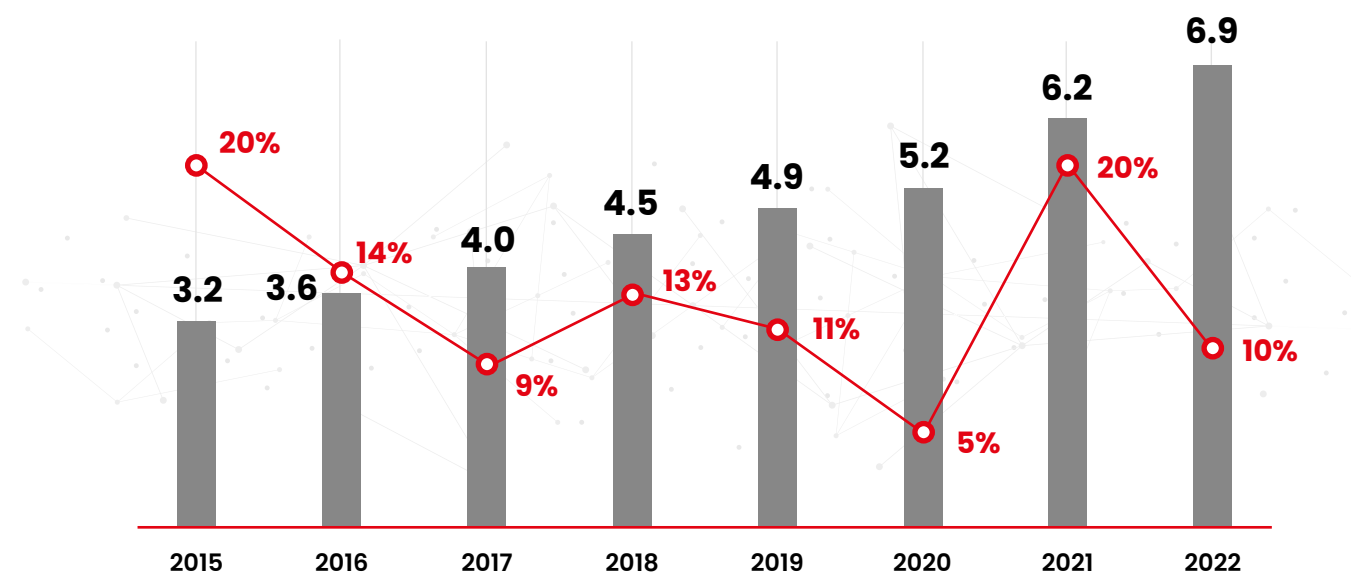We will continue to create attractive and unique content and maximize its reach. As a result, we will be able to attract advertisers and get new subscribers interested in our paid content (audiobooks, online TV). The strategic objective of the Advertising and Subscriptions area is to continuously develop technology to maintain competitive advantage in the advertising and content delivery market.

ADVERTISING

SUBSCRIPTIONS

WP media

New subscribers →

WPARTNER

Logged in users ←→

NP ads

audioteka

pilot **wp**

WP poczta

PATRONITE

⊙ **OPEN FM**

pixel

audience center

G1login od **WP**
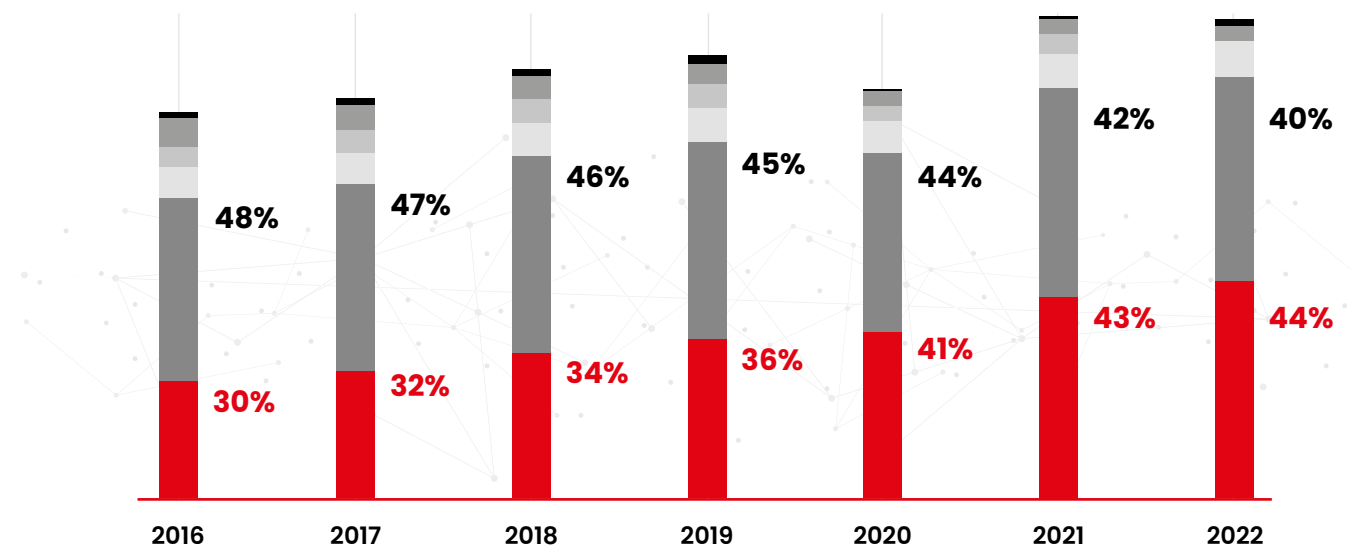
SHARED DATA & IT PLATFORM

Online advertising market in Poland

Source: IAB Poland / PWC Adex

▮ Value of online advertising market (PLN billion)
▮ Y/Y growth rate

Structure of the advertising market, by media (PLN billion)

Source: Publicis Group   ■ Internet   ■ TV   ■ Radio   ■ Outdoor   ■ Press   ■ Cinemas

Travel

We are developing the international tourism agent business (Wakacje.pl) and the domestic tourism business (Szallas Group companies and Nocowanie.pl).

Foreign travel (package holidays): Wakacje.pl is the largest multi-agency provider in Poland (in 2022, the Wakacje.pl website was visited almost 49 million times, which represents a 28.66% share in the group of the largest tour operators and agents in Poland), with the largest offer of international package tours (it offers travel packages and tours organized by the largest tour operators). The strategic objective of Wakacje.pl is to continue its omnichannel strategy (customers can buy travel packages fully online, via a call center or in the traditional network); at the same time, the company intends to increase the share of the full online channel. Another important objective is to further increase market share in the foreign package holiday market and to increase user loyalty. In the medium term, the company will also focus on developing its offering to increase product independence.

Local travel (individual holidays): The Szallas Group has a strong position in the Hungarian market. It also has presence in the Czech Republic, Croatia and Romania. Nocowanie.pl specializes in domestic (local) travel in Poland. Strategic objectives in the area of local tourism include increasing the market share in the Central and Eastern Europe and building a strong position in the region; transitioning Nocowanie.pl to a booking-based model, and combining the offer of all companies in all countries.

Consumer Finance

Superauto is an intermediary in the financing of the purchase of new cars over the Internet. Totalmoney operates based on the model of a financial products comparison tool. Both companies cooperate closely with financial institutions and their results are strongly affected by the sale of financial products.

For Superauto, the strategic goal is to continue to grow on the basis of increasing the share of e-commerce of cars in the market as a whole (according to Statistics Poland, currently only about 2% of new cars are sold online), to introduce additional services (such as insurance, etc.), as well as to develop the leasing offer.

For Totalmoney, the main strategic goal is to develop the model towards a closer collaboration with financial institutions.

ESG in the Wirtualna Polska Group

Impact on economy, environment and society

In 2022, the ESG Committee of the Supervisory Board of Wirtualna Polska Holding commissioned a survey of material topics among the company's stakeholders (international and domestic investors, stock market analysts, business journalists) to diagnose their needs and expectations regarding economic, environmental and social impact.

The results of the survey allowed us to determine our impact in this area.

Our impact on economy

→ We are a Polish company creating jobs and contributing to GDP growth

→ We develop innovative services and products

Our impact on environment

→ We choose reliable suppliers of equipment who also use sustainable energy sources or sustainable raw materials.

→ We educate users through publications that promote ecology and biodiversity.

→ We use only certified green electricity in our server rooms.

Our impact on society

→ We provide reliable and independent information.

→ We educate the society through various types of information and social campaigns and articles.

ESG strategy and objectives

GRI 2-13

In order to take the next step towards sustainability, in 2022 we devised and adopted the Sustainable Development Strategy for 2022–2025 with development directions until 2030 for the entire Wirtualna Polska Group.

The strategy presents our main development objective: Generating only positive impact in each of thesustainable development areas. The Wirtualna Polska Group has been implementing sustainable transformation in a structured and transparent manner.

Responsibility for implementation of individual processes under the Sustainable Development Strategy lies with senior managers:

→ **ESG area:** Corporate Communication Director, Investor Relations Director;

→ **environment area:** Environmental Project Manager / IT Manager;

→ **corporate governance area:** Director of the Legal Department and Internal Audit Manager.

The ratios defined in the Sustainable Development Strategy are monitored on an ongoing basis. The Investor Relations Director and the Corporate Communication Director collect information on the progress of work and submit it to the Management Board and the Supervisory Board at least once in a quarter.

wp holding

The Sustainable Development Strategy is based on three areas.

External impacts

Internal impacts

Society

We care about media ethics and the safety of our users

Climate

We care about biodiversity and prevent energy poverty

We are switching to "green energy"

We provide our employees with development opportunities and a work environment that respects diversity

We have high ethical standards in our organization and we educate on cybersecurity

Openness and cooperation

We maintain good relations with stakeholders and manage risk effectively

We have prepared the ESG Strategy based on the Sustainable Development Goals that we viewed as crucial for our operation and we have made our commitments within the framework of such goals:

Quality education

→ We will fight against digital exclusion

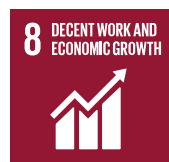### Gender equality

→ We will provide a work environment that respects equality and diversity.

→ We will maintain good relationships with financial institutions.

Affordable and clean energy

→ We will use only zero- and low-carbon energy sources

Decent work and economic growth

→ We will care about the well-being of our employees.

→ We will provide competitive working conditions that foster development.

Reduced inequalities

→ We will ensure non-exclusionary language on our websites.

→ We will be a safe place online.

Responsible consumption and production

→ We will increase the recovery rate of end-of-life IT hardware.

→ We will raise consumer awareness by publishing information on climate change on our websites.

→ We will make it easier for customers to access sustainable services and products.

Climate action

→ We will reduce greenhouse gas emissions

→ We will increase the energy efficiency of data centers and buildings

→ We will use only zero- and low-carbon energy sources.

Life on land

→ We will carry out activities that will result in a positive impact on biodiversity.

Peace, justice and strong institutions

→ We will ensure the highest standards of information integrity.

wp holding

The above commitments translate into strategic objectives that we have set until 2025 and ambitions for 2030:

- **We reduce greenhouse gas emissions**
  min. 80% share of zero carbon energy in the electricity mix and 90% share of zero carbon energy in the heat energy mix of the Wirtualna Polska Holding Group

- **We prevent energy poverty**
  starting the program of electricity transfers from our RES installations (or purchase of such energy) for public benefit organizations

- **We will implement circular economy principles**
  launching the program to increase the recovery rate of end-of-life IT hardware

- **We educate on the climate crisis and environmental responsibility**
  publication of more than 500 editorials on environment and climate change

- **We support customers in making responsible choices**
  facilitating customer access to sustainable services and products through implementation of content filtering on 100% of the Group's e-commerce websites and appropriate marking of 30% of offers on all e-commerce portals of the Group

- **We support biodiversity**
  protection or planting of 5 hectares of forest; starting cooperation with a public benefit organization(s) in the area of biodiversity

- **We care about media ethics**
  creating, implementing and regularly training 100% of journalists on guidelines for using non-exclusionary language

- **We care about the users**
  among others – the ongoing implementation of the Stop-Hate program; the launch and implementation of educational activities about online hate; promotion of comments created by registered and credible users; implementation of tools to improve the quality of comments

- **We care about our employees**
  inter alia, reducing the gender pay gap indicator to 10% and improving the diversity indicator in supervisory bodies (percentage of women on supervisory boards and management boards) - min. 30%

- **We manage ethics**
  among others – development of the Code of Ethics and statement of compliance with the Code: 80% of business partners

- **Cybersecurity**
  developing a cybersecurity manual; 100% of employees covered by training every year

- **Compliance and corporate governance**
  implementing and applying the diversity policy; separating the compliance function; organizing the risk management system; expanding the Internal Audit function

The full text of our Sustainable Development Strategy with detailed objectives and ambitions for 2030 is available online at the Sustainable Development (wp.pl) website.

In December 2022, our Sustainable Development Strategy received an award in the "Liderzy ESG" [ESG Leaders] contest.

ESG Financing

The Wirtualna Polska Group is the first Polish company operating in the media and technology area to sign a financing agreement linked to ESG goals. They are consistent with the Wirtualna Polska Group's Sustainable Development Strategy.

Provisions pertaining to ESG goals have been added to an active agreement with a bank consortium. The funds raised in this way will be used, among other things, to finance acquisitions and capital expenditures. The total available financing amount remains unchanged at nearly PLN 1 billion.

The bank consortium providing the so-called Sustainability Linked Loan (SLL) includes: mBank, PKO Bank Polski, Bank Pekao S.A., BNP Paribas Bank Polska and ING Bank Śląski. All these banks gave consent to link the margin to ESG goals. The satisfaction of the goals laid down in the agreement with the bank consortium will be independently verified on an annual basis.

The level of the financing margin depends on the fulfillment of goals defined in the agreement, in line with the ESG strategy which will be implemented gradually until 2026:

increasing the share of electricity consumed from renewable sources to **90%**

increasing the number of articles on environmental and climate topics to over **800**

increasing the percentage of women in managerial positions to **41%**

Research, development and innovation

Research and development is the foundation of the Wirtualna Polska Group's development strategy in the rapidly changing electronic media and service market. We have implemented it to improve the level of knowledge required to prepare the tools and products that are in line with the latest global trends in technology.

We have a specialized unit that coordinates R&D activities at the holding company level. In 2022, we started cooperation with research and development centers (Wrocław University of Science and Technology and Bydgoszcz University of Science and Technology), thereby building academic support for our projects. We also entered into cooperation with publishers from other European countries.

Last year, acting together within international consortia, we prepared and submitted applications for subsidies for R&D projects in the areas of big data, cybersecurity and editorial cooperation. Further projects are being prepared as part of Horizon Europe, the largest European Union research and innovation program ever that provides financing to research projects on European scale.

At present, the work in the R&D area focuses on, among others:

→ improvement of reach and effectiveness of advertising;

→ development of Artificial Intelligence tools to support the work of the editorial team and facilitate content creation;

→ process automation;

→ UX development, that is continuous improvement of user experience of our products and services.

Other information about the Group

GRI 2-28

Membership associations

We are a member of the following sustainable development organizations:

- **United Nations Global Compact**
  In 2021, we joined the United Nations Global Compact Network Poland, the world's largest initiative bringing together sustainable business. Through our membership, we take an active part in the implementation of the Sustainable Development Goals set by the United Nations under the 2030 Agenda. By joining the UN Global Compact, we committed to the Ten Principles of the UN Global Compact in the areas of human rights, labor standards, environment and anti-corruption.

- **Diversity Charter**
  In June 2022, the Wirtualna Polska Group signed the Diversity Charter which aims to disseminate and promote equal treatment in the workplace. The Diversity Charter is an international initiative under the auspices of the European Commission which in Poland is coordinated by the Responsible Business Forum.
  By signing it, we agree not to tolerate any discrimination on the basis of gender, psychosexual orientation, background, race, age and many other factors. The idea behind the Diversity Charter is to nurture differences.

- **30% Club Poland**
  In 2021, we joined the 30% Club Poland, a global initiative for diversity in business. Its objective is to increase female representation at the management board and supervisory board levels in the top Polish listed companies by 2030. The campaign also aims at setting the 30% threshold of the share of women in the governing bodies of listed companies.

Other organizations and initiatives of which we are a member:

- **IAB Poland**
  Wirtualna Polska is a managing member of the Internet Industry Employers' Association IAB Poland. The organization's mission is to support interactive communication and to popularize the Internet as an efficient medium, among others through education and research. Joanna Pawlak, President of Wirtualna Polska Media S.A., is the Chairwoman of the IAB Supervisory Board.

- **Polish Internet Research**
  Together with other largest media publishers in Poland, the Wirtualna Polska Group supports Polish Internet Research (PBI) as a shareholder. The most important result of this cooperation is the Mediapanel research, which for over 15 years has been the standard for measuring the online audience in Poland.

- **Polish Chamber of Tourism**
  Wakacje.pl has been a member of the Polish Chamber of Tourism, Poland's largest organization of tour operators, since 2004. Its purpose is, among others, to support the development of tourism, promote the improvement of quality of tourist services and represent interests of the industry in contacts with representatives of the authorities and other organizations in Poland and abroad.

- **International Advertising Association (IAA) Poland**
  The Wirtualna Polska Group is a member of IAA Poland from September 2022. The mission of IAA is to advance sustainable development of the marketing communication market.

- **International Air Transport Association (IATA)**
  Since 2011, Wakacje.pl is also a licensed member of the International Air Transport Association (IATA). IATA is an industry association of the world's airline industry, representing about 300 airlines servicing 83% of the global air traffic.

Other organizations that we support

Awards and distinctions:

- **Grand Press**

  Szymon Jadczak, Wirtualna Polska's investigative journalist, won the 2022 Reporter of the Year award in the most prestigious industry competition organized by the "Press" magazine.

  He was nominated to the award for, among others, "an amazing ability to shed light on the government's dirty deeds" and the "three most discussed journalistic investigations of 2022"; Szymon was praised as "the leading investigative journalist in Poland, guided by courage and a relentless search for the truth. He will dig very deep where others don't even try to look." Szymon Jadczak dedicated his award to victims of mobbing and harassment in the media industry.

Two other journalists of Wirtualna Polska: Paweł Kapusta and Dariusz Faron, also received Grand Press awards.

- **Architect of Sustainable Development**

  Wirtualna Polska's journalist Szymon Jadczak received the prize of UN Global Compact Network Poland for his fight against corruption. Our journalist was awarded the statuette of the 2022 Architect of Sustainable Development.

  The Architect of Sustainable Development statuettes are awarded to persons committed to effecting true change in the world around us towards a more inclusive and sustainable reality, and sensitive to any manifestations of discrimination and intolerance.

- **The ESG Leader**

  In 2022, Wirtualna Polska was awarded the title of Srebrny Lider ESG (Silver ESG Leader) in the second edition of the competition organized by PwC, Warsaw Stock Exchange and NN Investment Partners TFI.

  The prize was awarded for the green transformation, i.e. the transition to renewable energy sources, and for publishing environmental articles on its sites. The competition chapter of experts in the area of the financial market, science and business also recognized the goals relating to recovery of no longer used IT hardware and the ambition to plant or protect forests.

02

Corporate governance

The highest standards of governance and supervision are one of the three main pillars of the Sustainable Development Strategy adopted by the Wirtualna Polska Group for 2022–2030.
The key topics in the corporate governance area include: ethics, including journalist ethics and reliability of information, prevention of corruption, transparency of relationships, cybersecurity, taxation and risk management issues, as well as communicating matters of critical importance.

Policy commitments and internal regulations

GRI 2-23, 2-24, 2-26, 2-27

The Wirtualna Polska Group values, principles and standards of conduct are regulated by policies, by-laws and codes. Our internal policies are mutually consistent and have been approved by the Group's Management Board and the Supervisory Board.

The Management Board, in particular the CFO, is responsible for the implementation of the policies in the organization. The relevant substantive units are in charge of specific tasks, in accordance with the organizational chart of the Wirtualna Polska Group.

Wirtualna Polska Holding has in place, among others, the Diversity Policy, the ESG Strategy and the Compass of Ethics. These documents define, among others, our commitment to responsible business conduct. They refer among others to initiatives such as:

→ UN Sustainable Development Goals (Agenda 2030);

→ membership in the 30% Club Poland, an organization striving to increase the number of women on management and supervisory boards of listed companies;

→ The Diversity Charter, coordinated by the Responsible Business Forum, under the auspices of the European Commission.

The documents also cover internationally recognized human rights, such as the right to equitable treatment and the right to work and fair remuneration.

Communication of the policies

Our important aim is for all employees to be aware of the implemented policies. This is why we communicate them within the organization, posting them in our internal systems, as well as in newsletters sent to our staff. The Sustainable Development Strategy of the Wirtualna Polska Group has been published on our corporate website. Other policies, as internal documents, are communicated only to employees.

If employees have questions or concerns, they can contact their direct supervisors or the teams responsible for specific areas.

Application of the policies to our suppliers and business partners

It is important to us that our business partners and suppliers are guided by values similar to our own. Therefore, the commitments set out in our policies are reflected in the procedures we use to select our business partners. This applies in particular to the principles defined in the Compass of Ethics and the Sustainable Development Strategy. We choose business partners who meet high standards of respect for the natural environment and business ethics.

Whistleblowing

Employees of the Wirtualna Polska Group may report irregularities using the "Whistleblowing" procedure, available on the corporate intranet. Upon receipt of a report, an Irregular Conduct Commission is established within 2 days and begins its investigation within 7 days of its appointment.

Internal audits

It is worth noting that we continually verify that the commitments set out in internal documents are effectively followed. One of the key practices in this area is internal auditing. Internal audits allow us to objectively assess the efficiency and effectiveness of the corporate governance principles, as well as the risk management and internal control systems.

Internal audits include:

→ review of the established management control mechanisms and the credibility and reliability of operational, management and financial information;

→ assessment of the procedures and practices for preparing, classifying and presenting financial information;

→ assessment of compliance with the law, internal regulations of the entity and the programs, strategies and standards set by relevant authorities;

→ assessment of the security of assets of the entity and of its subordinate entities;

→ assessment of the efficiency and cost-effectiveness of utilization of resources by the entity and its subordinate entities;

→ review of the projects underway, in order to determine compliance of the entity's actions and actions of its subordinate entities with the planned performance indicators and objectives;

→ assessment of how well the activities of the entity and of its subordinate entities have been adapted to recommendations of internal and external audits.

In 2022, we implemented the Audit Plan adopted by the Audit Committee established within the Supervisory Board of Wirtualna Polska Holding S.A. The Plan covered various areas of activity of the Group's constituent companies, as determined by the results of the risk mapping exercise.

GRI 2-27

In 2022, the Wirtualna Polska Group did not record any cases of non-compliance with laws and regulations.

Business ethics

GRI 3-3 (206)

The Wirtualna Polska Group promotes ethical conduct and opposes with determination all forms of corruption. We not only observe the existing law, but also monitor any guidelines, recommendations and the case law of the Office of Competition and Consumer Protection. W continually monitor compliance with the principles of our internal Compass of Ethics.

Measures undertaken to prevent undesirable conduct and discrimination:

→ mandatory onboarding training of all employees on the Whistleblower procedure – "react and report"

→ Diversity Months, which organized online training for employees on this topic (in 2022, the total attendance at 3 webinars was 695 people)

→ introduction of principles to counteract and prevent undesirable behaviors

→ training for managers in the area of labor law, communication and anti-mobbing measures

→ raising managers' awareness of the issues of diversity and equity

→ implementation of the irregularities reporting procedure, education of managers – a training in recruitment processes, including counteracting discrimination

Codes of ethics

The main documents defining the Wirtualna Polska Group's commitments in the area of business ethics are: the Compass of Ethics, the Code of Journalistic Ethics and the Sustainable Development Strategy. All these documents have been actively consulted with our stakeholders. Representatives of the highest corporate bodies of the Wirtualna Polska Group were engaged in the implementation process. It means that project participants received support from top personnel in the development of actions to achieve the set objectives. The results will be reported annually, after calculation and validation of the indicators.

The Compass of Ethics

The Compass of Ethics defines the priorities in the Wirtualna Polska Group's operations, around which we focus our activities. They include: education, health, environmental protection and safety. The document also highlights the key values of the organization, which comprise: courage, honesty and openness, energy and engagement, creativity, effectiveness of actions and team work. The Compass of Ethics also defines the principles of employee recruitment and renumeration, as well as work conditions safety and quality. Furthermore, it addresses such areas as respect for privacy and counteracting all kinds of abuse.

The Compass of Ethics states the key ethical commitments of every employee in the Wirtualna Polska Group. In them we stress the role of protecting the good name of the Group, safety-promoting behaviors, respect for the property entrusted to employees, loyalty and respect for others, respect for the law, protection of confidential and personal information, as well as the rule of no competition.

The Compass of Ethics also lays down important regulations in the area of external relations. They apply to delivery of services to users, cooperation with customers, partners and suppliers, relations with competitors, investors, the stock exchange as well as representatives of the authorities.

Employees may report any breaches of the Compass of Ethics by e-mail, phone or in person to the Ethics Ombudsman, to their immediate superior or to the persons designated for this purpose by the management boards of the respective companies of the Group.

The Code of Journalistic Ethics

As a Group operating in the media and Internet industry, we believe it is our duty to act ethically and to help shape, promote and support high journalistic standards. We recognize that our role is to provide reliable information to millions of users and to combat disinformation and its negative effects.

We know that our journalists influence readers every day, shaping their opinions and often influencing their decisions. The principles set out in the Code, applicable to all our journalists, are designed to ensure reliability and independence of any materials they produce.

Among other things, we emphasize that our journalists are independent of all external and internal pressures, that it is their duty to seek the truth, to separate information from their own interpretations and opinions, and that their materials should reflect the opinions of all stakeholders.

Our journalists are educated in and follow the press law, always protect their confidential sources of information, and never use the information collected in their work for their personal interests.

GRI 206-1

In December 2022, proceedings were initiated by the Office of Competition and Consumer protection concerning a breach of collective interests of consumers by failing to label or labeling improperly advertising materials on Wirtualna Polska Media S.A.

websites. As at the publication date of this report, the outcome of these proceedings was not yet known.

In June 2022, the Office of Competition and Consumer Protection initiated proceedings in respect of the differences in the price of offers displayed on the first listing of the Wakacje.pl portal and the price shown on the next display. It should be noted that Wakacje.pl presents the offer of tour operators and has no influence on the information about price levels.

The differences investigated by the Office are a result of the method of how tour operators share data with the only integrator on the tourist market.

Wakacje.pl, in support of consumer interests:
→ updates its aggregated listings after each change of the prices by the market integrator;

→ explicitly informs users that the first price displayed on the collective listing may not be the final one;

→ immediately displays the final updated price on the next screen, after a real-time query to the tour operator for the specific unit price.

This problem, i.e. the differences in the displayed prices, applies to the entire industry, not only to online and offline agents, but also to the other distribution channels of the tour operators. As of the publication date of this report, the outcome of these proceedings was not yet known.

Anti-corruption

GRI 3-3 (205), 205-2, 205-3, 2-15

The Wirtualna Polska Group's anti-corruption measures are regulated in the Compass of Ethics. Furthermore, we follow the Best Practice for Listed Companies as regards the management of conflict of interests and prevention of corruption. We continually monitor any guidelines, recommendations and the case law of the Office of Competition and Consumer Protection (UOKiK).

In 2022, no confirmed cases of corruption were recorded in the Wirtualna Polska Group, which means that there was no need to take any legal actions in this respect.

Every newly-recruited employee is obligated, during onboarding, to familiarize themselves with the Compass of Ethics. The Compass stresses that no conduct in contravention of the law, including corruption behavior, shall ever be tolerated.

The Wirtualna Polska Group takes continual communication actions to familiarize the employees with the anti-corruption policies and procedures, as well as to deepen and integrate their knowledge in this area. In 2022, the anti-corruption policy and procedures were communicated to all the members of the management bodies, however there was no training in this area. The Group is working on improving its communication and training measures in the area of preventing corruption, including activities addressed to our business partners.

Cybersecurity

OWN INDICATOR **GRI** 3-3

Given that the operations of the Wirtualna Polska Group proceed mainly on the Internet, cybersecurity is particularly important to us. We have a separate team specialized in cybersecurity and implemented procedures whose effectiveness is verified on a continuous basis, based on the set objectives and indicators.

To prevent potential adverse effects of actions in this area, we have created the Security Operations Center (SOC) which:

→ monitors systems for security breaches;

→ performs tests and audits;

→ creates tools and systems for automatic detection of break-in attempts;

→ responds to incidents;

→ is engaged in continuous cooperation with other entities dealing with security (e.g. CERT Poland).

In the event of a suspected breach, procedures are triggered to mitigate the potential negative impact of the incident. Such procedures include:

→ the procedure for managing crisis situations, designed to identify how significant each incident is;

→ the notification procedure designed to communicate the incident to a pre-defined group of individuals;

→ The procedure for creating a WarRoom, designed to eliminate the negative effects of the incident as quickly as possible;

→ the Reason for Outage (RFO) procedure, designed to describe the incident or failure after it has been closed and removed. The purpose of such a description is to draw conclusions for the future.

Active cybersecurity management improves the general conditions of the service support systems maintained in the Group. The implemented code audit procedures help prevent unplanned downtime.

The effectiveness of the SOC team is measured by the number of registered incidents that were detected and processed.

Furthermore, regular system penetration tests and audits are conducted which improve the developers' and employees' iterative awareness of the security aspects of our operations.

Objectives, tasks, indicators

The objectives of the SOC team are based on 3 pillars

network & system security

pentesting

automations, code statistics and machine learning.

The above pillars include the following measures: the process of risk mapping and risk management, system progress/maturity measurement, and security monitoring and optimization.
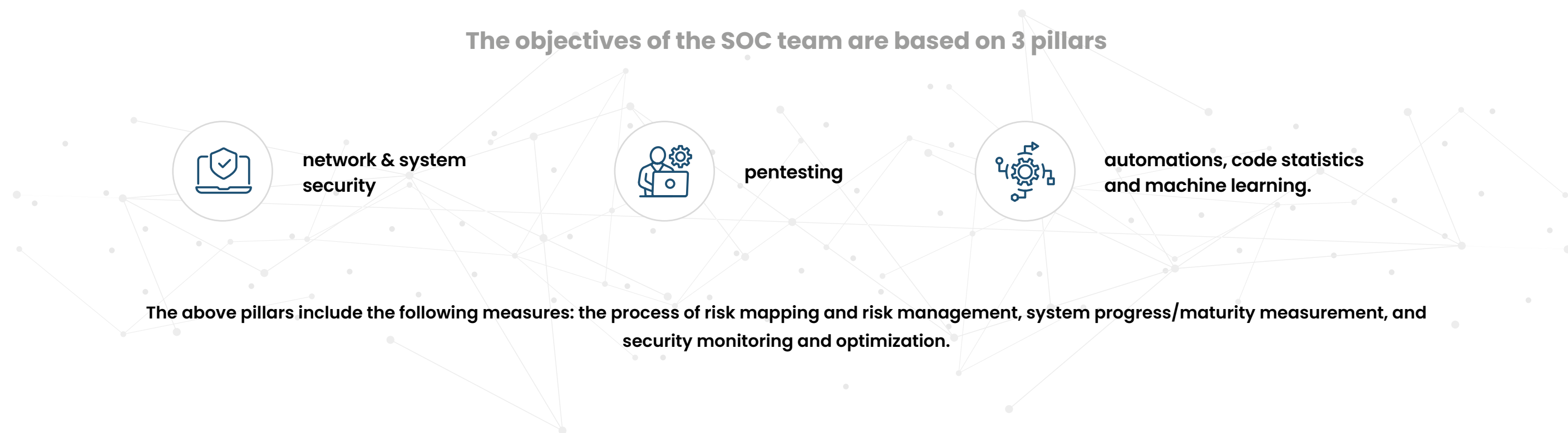
Network & system security comprises:

→ log analysis;

→ creation of filtering rules;

→ event correlation;

→ identification, prevention, playback, analyses, and on-going monitoring.

Pentesting means carrying out penetration tests based on the OSSTMM/OWASP framework. In order to best simulate the real threats, a pentester team does not receive any information about the system being tested. If a vulnerability or the need

for in-depth analysis of a given item is demonstrated, the following stages of the analysis process include interaction with the development team. After the audit is complete, a report is prepared that contains a series of recommendations on how to improve the security of a given component.

The final pillar – **automations, code statistics and machine learning** – focuses on development work designed to automate selected processes. In SOC, there is a group of developers specializing in cybersecurity, who develop services that automate the detection of suspicious behavior, as well as systems

that provide "umbrella" protection for the systems developed in the Group. Such development work focuses in particular on:
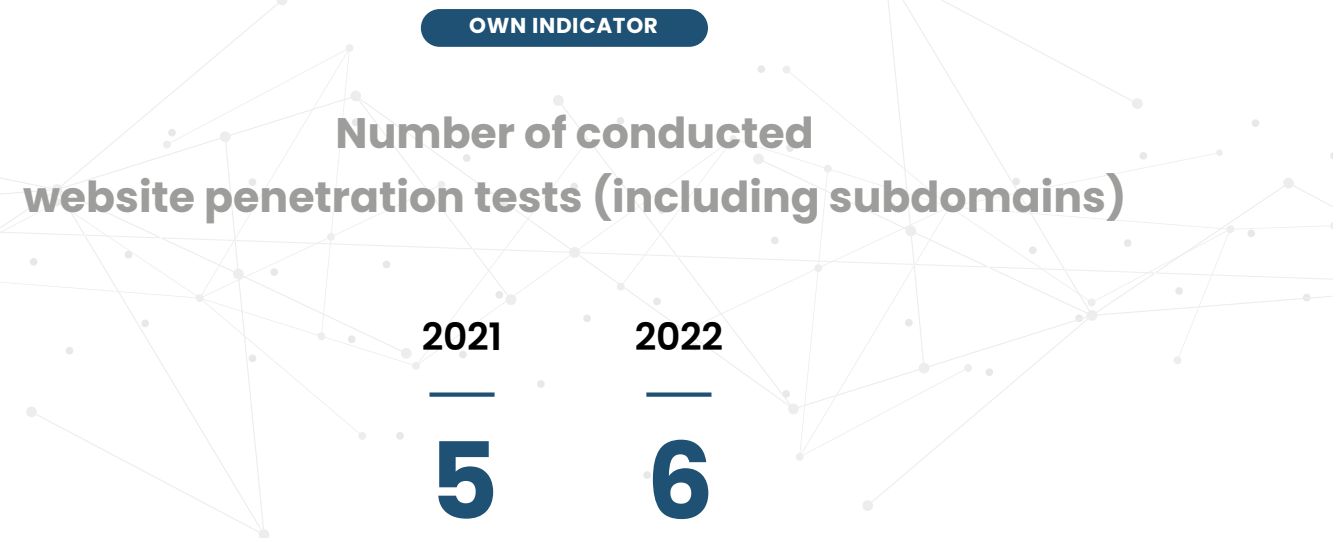
→ incorporation of machine learning elements into decision-making processes for risk assessment, traffic analysis, and taking action;

→ creation of a mechanism to automate application separation procedures within the DC;

→ automation of the detection of suspicious web behavior;

→ development of security enhancing mechanisms, e.g. 2FA, CAS.

In August 2022, an audit conducted by the Personal Data Protection Office was conducted in the Wirtualna Polska Group. In the course of the audit, the auditors carried out a number of actions to verify Poczta WP's security systems. The audit demonstrated that the Wirtualna Polska Group has adequate mechanisms safeguarding the systems and their users against potential threats.

Based on the on-going operation and past incidents, we develop the Reason for Outage (RFO) reports. These reports let us learn lessons from a given incident and develop scenarios of how to avoid a similar situation in the future. The set of policies and procedures is developed jointly by the Operations Department, including SOC, and the Security and Personal Data Protection Department (DBiODO). The developed procedures are verified by the Internal Auditor, who is independent of both Operations, as well as DBiODO, which ensures impartiality and allows for tracking of the developed documents.

OWN INDICATOR

Number of conducted website penetration tests (including subdomains)

2021	**2022**
5	**6**

Communication of critical concerns

GRI 2–16

The Communication of Critical Concerns Policy adopted by the Wirtualna Polska Group applies in all Group companies.

The document identifies five main types of potential critical concerns:

1. operational – temporary outage of services;
2. financial;
3. reputational;
4. security;
5. other material concerns, described in detail in the internal documentation.

We also consider other matters that fall outside the areas listed above, but may have a significant adverse impact on the functioning of the Group, a company in the Group or our market environment.

The procedure

After a critical concern has been identified, a specified escalation path is triggered, so that the material information reaches the decision-makers as soon as possible. At each stage, the materiality of the situation is reviewed and confirmed. The management team appoints a task force to comprehensively manage the situation, minimize the impact of its occurrence, draw conclusions and formulate recommendations for the future.

Processes to remediate negative impacts

GRI 2-25

If a situation is identified where any company inthe Wirtualna Polska Group could produce a negative impact on people or the environment, we make every effort to remediate such impact.

According to the Group's principles, the remediation of impacts may be:

- **direct** – such as publishing an apology or a correction on the Group's Internet portal, financial compensation to the customer;

    or

- **indirect** – in the context of environmental impact, by offsetting electricity consumption with renewable energy production.

The Group also has in place extensive Customer Service structures which receive comments and grievances from customers.

Any complaints received are examined by competent personnel, depending on the type and form of the negative impact. Each case is examined individually, with the view to remediate the impact to a maximum extent.

In the event of recurring complaints about similar problems, personnel will be designated to attempt to identify the root cause of the problem and eliminate it.

One of our key objectives is to improve the efficiency of our processes for dealing with complaints. This is why the individuals responsible for these processes collect feedback from stakeholders and use it to prepare Customer Service Center development plans as part of the semi-annual objectives evaluation process.

Risk factors and risk management

As part of the risk management process, a risk map has been developed and is updated regularly. Each type of risk is assigned a rating, which represents the likelihood of the risk materializing, and its potential impact on the company's or the Group's operations, finances or reputation. For critical risks, a mitigation plan is developed to minimize the probability of occurrence or the impact on the Group.

Risk management is a constant theme in the activities of the CFO and the senior managers who report to her. Action plans for individual risks are monitored by the internal audit function, which supports the organization's risk management processes as part of its activities.

Risk name	Key risks and uncertainties	Potential impact
Macroeconomic and geopolitical situation	1. The ongoing war in Ukraine 2. Economic slowdown 3. Persistently high inflation 4. Declining competitiveness of the Polish economy in the regional context	→ Declining purchasing power of the Group's clients and consumers of its products and services → Reduced levels of advertising budgets of the Group's business partners → Lower consumer propensity to spend, including online shopping
Competition in the Polish advertising and e-commerce market	1. High competitiveness 2. Direct competition between the largest global players 3. Loss of leadership among portals	→ Increased pressure to reduce the price of products and services → Need to increase spending on marketing or research and development activities related to the market and the development and introduction of new products, services, their improvements and innovative solutions
Key customers	1. Closing cooperation with key business partners 2. Failure of key clients to abide by contractual obligations	→ Current key partners initiating cooperation with the Group's competitors → Considerable reduction of current turnover → Payment delays or late payments

Risk name	Key risks and uncertainties	Potential impact
Risk of decline in the number of the Group's e-mail users	1. Decline in the number of the Group's e-mail users	→ Loss of part of the advertising mail revenue → Loss of user data → Adverse impact on the level of Group revenues
Risk of using outdated technologies whose support period may come to an end	1. The technologies developed and used by the Group may not meet market expectations 2. The technologies developed for Desktop traffic may prove incompatible with the growing mobile market and therefore with Android/iOS operating systems 3. The pace of development of the existing technologies or the development of new technologies (including those based on Machine Learning, Big Data, AI) will be too slow compared to leading global competitors	→ The need to develop some of the systems or services from scratch → Development of new requirements and purchase tools from third-party vendors → Relative worsening of the Group's standing compared to its main competitors
Risks associated with the development of new software standards	1. Risk that software management and administration systems must be updated too quickly, and systems must be developed to accommodate new technologies	→ Reduced attractiveness of the Group's offer → Reduced availability of services provided
Risk of cyber attacks	1. Risk of cyber attacks on the Group's ITC infrastructure	→ Financial and image losses

Risk name	Key risks and uncertainties	Potential impact
Risks associated with external financing	1. Typical risks associated with external financing	→ Negative change in the terms and conditions of financing → Refusal of the financing parties to continue the financing → Demands for immediate repayment of financing → Increased borrowing costs → Deterioration of the Group's financial performance
Risk associated with cooperation in the package travel market	1. Risk of cooperation with tour operators via MerlinX and BlueVendo 2. Risk of insufficient updating by tour operators of data on their offerings through the aforementioned entities and their platforms	→ Tour operators may terminate the cooperation by deciding not to use intermediaries such as Wakacje.pl or to use other forms of intermediation → Adverse impact on technical sales support
Legislative and regulatory risks regarding RTB and personal data-driven advertising buying system	1. Risk of further legal regulations or the development of the case law that may affect the automated real-time bidding (RTB) model 2. Risk of further legal regulations or the development of the case law related to the personal data-driven advertising purchase model using, for example, targeting techniques	→ Additional regulatory obligations or limitations, in particular related to the processing of personal data → Reduced revenue from the Group's advertising activities
Legislative and regulatory risks regarding initiatives to set new standards for online advertising	1. Risk of adoption of new standards for online advertising	→ Limitation of available advertising content and forms → Reduced revenue from the Group's advertising activities

Risk name	Key risks and uncertainties	Potential impact
Legislative risks for short-term rentals	1. Risk of legislative changes that will limit or in practice exclude short-term rentals	→ Negative impact on the accommodation intermediation business
Risk of proliferation of Internet ad-blocking software, as well as applications that disrupt the operation of the Group's portals and websites	1. Proliferation of Internet ad-blocking software to the extent greater than currently or an increase in its effectiveness	→ Negative impact on the position of online advertising as a marketing tool → Reduction of advertising budgets allocated to online advertising by the Group's current or prospective customers → Reduced revenue from advertising activities
Risks associated with proceedings by the Competition Authority and other authorities	1. Questioning of the rules of operation adopted to date for individual industries 2. Lack of acceptance of the systemic constraints that exist in individual markets 3. Adopting interpretations that do not directly follow from existing regulations	→ Protracted proceedings → Fines → Temporary disruptions in the operation of the Group's portals and websites and in the provision of services offered by the Group to Internet users
Risks related to the proper functioning of the Group's IT systems and data centers	1. Risk of breakdowns, faults, cyber-attacks or other disruptions of IT systems, data centers or telecommunications infrastructure	→ Temporary disruptions in the operation of the Group's portals and websites and in the services offered by the Group to Internet users
Risk of losing qualified personnel and other service providers rendering services to the Group	1. Risk that key managers may resign from their cooperation with the Group	→ Temporary reduction in effectiveness
Increase in payroll costs and benefits for the Group's employees and collaborators	1. Risk of pressure from employees and collaborators for salary increases	→ Salary increases for employees and subcontractors that are faster, more frequent or on a larger scale than the Group's past practice

Risk name	Key risks and uncertainties	Potential impact
New reality of work	1. Risk of lack of close relationships between employees 2. Risk of reduction of the amount of time spent exchanging knowledge 3. Leaders in the Group may not always choose an effective management style	→ Loss of effectiveness → Adverse impact on employee loyalty towards the Group → Underutilization of employee potential
Risk of not being able to retain and recruit the needed people	1. Risk of competing with global players in the broadly defined IT-related labor market	→ Shortage of employees available for recruitment with skills that match the Group's needs
Risks associated with the insufficient attractiveness and form of presentation of the content posted on the Group's portals and websites	1. Risk of insufficient attractiveness of the content created and posted on the Group's websites 2. Risk of unattractive presentation of the content created by the Group	→ Decline in the number of users of the Group's websites → Decline in time spent by users on the Group's websites
Risk of insufficient adaptation of portals and websites for use on mobile devices	1. Risk of insufficient adaptation of portals and websites for use on mobile devices	→ Loss of competitive position in the media segment → Negative impact on the Group's financial performance
Risk of loss of popularity and decline in the brand strength of the Group's individual portals and websites	1. Risk that the strength of the Group's brands may weaken 2. The Group's reputation may deteriorate	→ Negative effect on the interest of users with the Group's portals and websites → Decline in Group revenues from sales of online advertising and other products and services offered by the Group

Risk name	Key risks and uncertainties	Potential impact
Risk of losing web traffic generated through search engines and social networks	1. Risk of lower position in search results by web users 2. Risk of a change in the rules of traffic acquisition, including the relevant algorithms or billing systems	→ Reduction of Internet traffic on the Group's portals and websites → Loss of effectiveness of the advertisements sold → Reduced return on investments in advertising → Higher price of traffic purchased → Deterioration of the conversion rates of the acquired traffic
Risk of web browsers blocking access to user information	1. Risk of restrictions in or termination of support for third-party cookies	→ The technology developed by the Group may be at an early stage of implementation and may prove to be less competitive than the current technology
Risk of losing media credibility	1. Risk of failure to exercise due journalistic care 2. Risk of breaching the ethical principles developed by the Group	→ Loss of media credibility → Outflow of readers from the Group's websites
Risk of changing consumer behavior	1. Risk of negative impact on the development of demand and supply for products and services in certain industries in which the Group operates	→ Decline in the Group's development potential → Deterioration of the Group's financial performance
Risks associated with payment processing	1. Risk of irregularities in settlements	→ Image loss → Financial loss → Legal disputes
Risks associated with growth through acquisitions	1. Risk of unsuccessful acquisitions	→ Failure to achieve expected synergies → Increase in costs to integrate the acquired company into the Group's structures

Risk name	Key risks and uncertainties	Potential impact
Risks associated with the integration of acquired companies	1. Risk of difficulties in integrating acquired companies into the Group's structures	→ Integration costs higher than expected → Failure to achieve the expected synergies
Risks associated with judicial, administrative or other proceedings	1. Risk of allegations that information posted on the Group's websites is untrue, unreliable or illegal	→ Judicial, administrative or other proceedings
Regulatory risks	1. Risk of a breach of laws 2. Risk of disseminating advertising that may be considered prohibited or unlawful 3. Risk of regulations restricting the Group's operations 4. Risks associated with the interpretation of regulations and changes in Polish law 5. Risks associated with changes in tax laws 6. Risk of violation of data protection regulations 7. Risks associated with entering into agreements with related parties 8. Risks associated with possible inspections by the Office of Competition and Consumer Protection, Office of Electronic Communications and the National Broadcasting Council 9. Risks associated with the principle of Internet net neutrality	→ Negative impact on the activities → Negative impact on financial standing → Negative impact on growth prospects → Negative impact on the Group's performance

Risks regarding ESG issues

The Wirtualna Polska Group conducted an identification and analysis of ESG risks, i.e. risks and the resulting threats and opportunities related to climate change, environmental issues, social and employee matters, and human rights. The analysis was carried out in cooperation with an external consulting firm, following the AXIS® (Amplification, Seizure, eXclusion, Intensification) methodology, in a four-step process including, among others, comparative, questionnaire, quantitative and qualitative analysis. The process is based on assumptions consistent with the ISO 31000 Risk management standard.

35 risks and their potential effects were analyzed in the form of 27 opportunities and 51 threats to the organization.

After assessing the likelihood and severity of each threat and opportunity, it was determined that 8 opportunities and 3 threats were material to Grupa WP. In addition, 12 opportunities and 19 threats were monitored and managed in justified cases.

Classification of threats andopportunities in master plan (after reclassification)
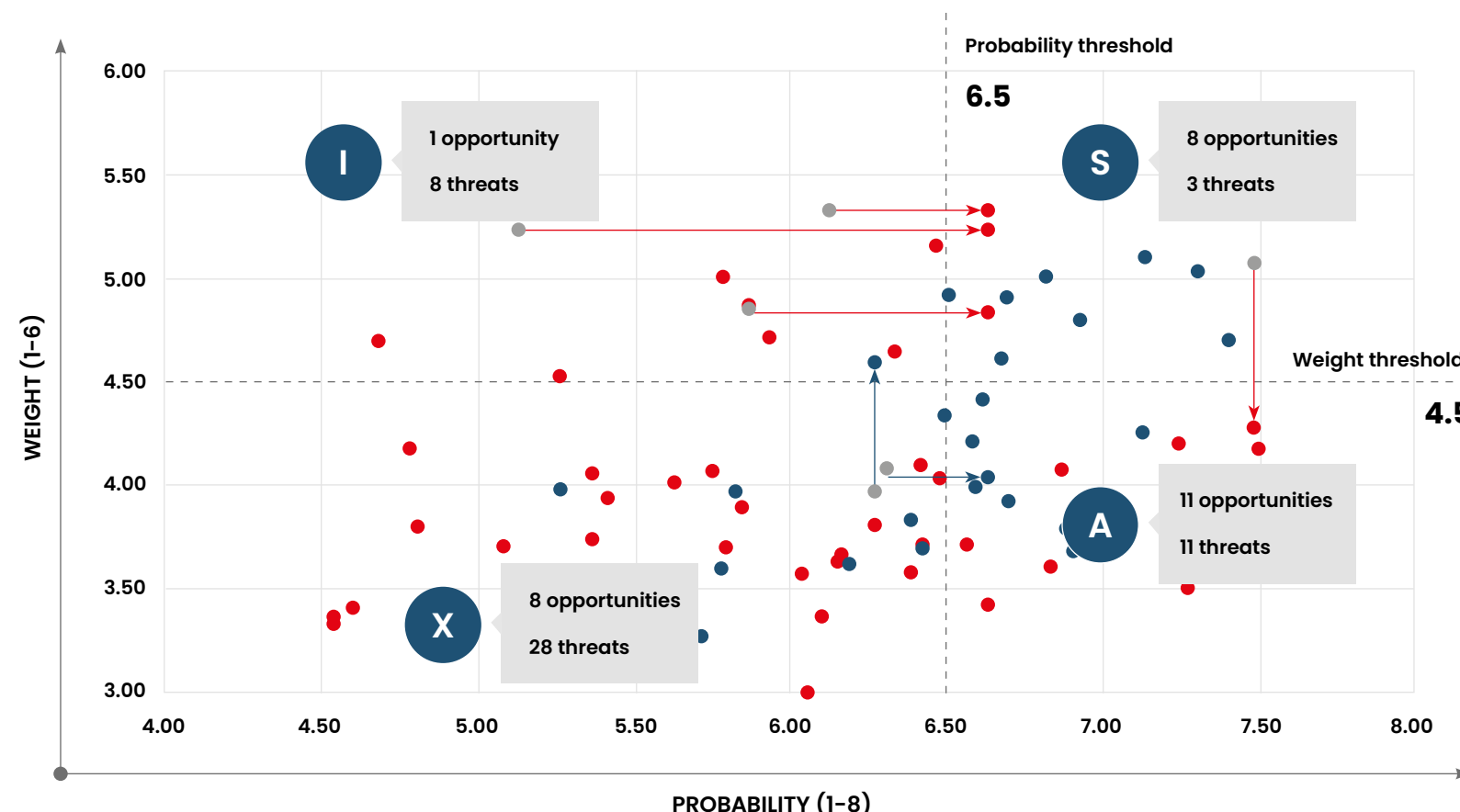
List of significant risks, threats and opportunities relating to ESG issues and the methods of managing them Risk

Corporate and governance issues

Risks associated with resilience	The ability to take advantage of development opportunities more efficiently than the competition, thanks to the high flexibility and efficiency of the company's governance system.	We are in a continuous process of optimizing our internal strategies and policies according to the assumptions of sustainable development.
Supply chain and e-commerce risks	Threat of inadequate protection of the customers' personal data	We require compliance with all personal data protection requirements.

Employee issues

Risk related to changes in the employment structure	Opportunity related to equal pay.	We realize the opportunity by taking care to provide our employees with high standards of employment, we continuously monitor the pay equality situation in our organization.
	Threat of loss of key employees and difficulties with attracting new staff	We counter the threat by ensuring that we remain an attractive and competitive employer. We provide our current employees with a comfortable and safe work environment as well as unique growth opportunities.

Other than those indicated above, no other significant non-financial risks have been identified.

Identified risks, threats and opportunities associated with climate change were analyzed as part of their assignment to the risk groups identified in the TCFD Recommendations.

Risk	Threat/opportunity	Time horizon	Management method
Physical risks			
The risk of increased strength and frequency of sudden weather phenomena as hurricanes, heavy rains or floods	Threat of interruption of access to electricity	Medium-long	We implement crisis management procedures and manage our environmental impact. It is in line with global efforts to address climate change.
Transformation risks associated with policies and regulations			
Risk of introduction of carbon taxes, duties or other charges	Opportunity to capitalize on the demand for products that help customers reduce their greenhouse gas emissions and carbon footprint	Short-medium	Expansion and optimization of our services, e.g. providing e-commerce solutions

Climate change is closely monitored by designated individuals in the organization, adapting various aspects of the business, such as digital products, business solutions offered, or the physical Data Center architecture, to changes in the natural environment. In addition to taking advantage of obvious opportunities such as the demand for products that help customers reduce their carbon footprint by digitalizing some of their processes or using more efficient advertising solutions it offers, the Group is monitoring and seeking to mitigate the risks associated with potential power outages by investing in its own renewable energy sources through WP Naturalnie, or in efficient low-carbon uninterruptible power supply systems. These are elements of strategic business planning within the framework of the announced strategy called WP Naturalnie, which also draws attention to the impact of rising electricity costs, CO_2 emission and other costs on the Group's financial performance.

The processes for identifying, assessing and managing risks, including climate change risks, are coordinated in the Group's internal audit department. The internal audit unit within the Wirtualna Polska Group cooperates closely with all Companies comprising the Group and with external consultants. The risks are identified and assessed using the Materiality Assessment Matrix (MAX) methodology supplied by a reputable external consultant. Plans related to active or passive risk management are prepared for some risks. For selected risks with a specific top value, plans have been prepared to avoid certain risks by implementing business changes (such as by changing the business model) or to mitigate their impact. For lower-value risks, risk monitoring plans have been implemented in order to update the value if the situation changes, or to transfer such risks.

The risks and opportunities related to climate change are examined in terms of three parameters:

→ Probability

→ Weight, i.e. the severity of potential consequences (threats) or advantages (opportunities)

→ Time horizon
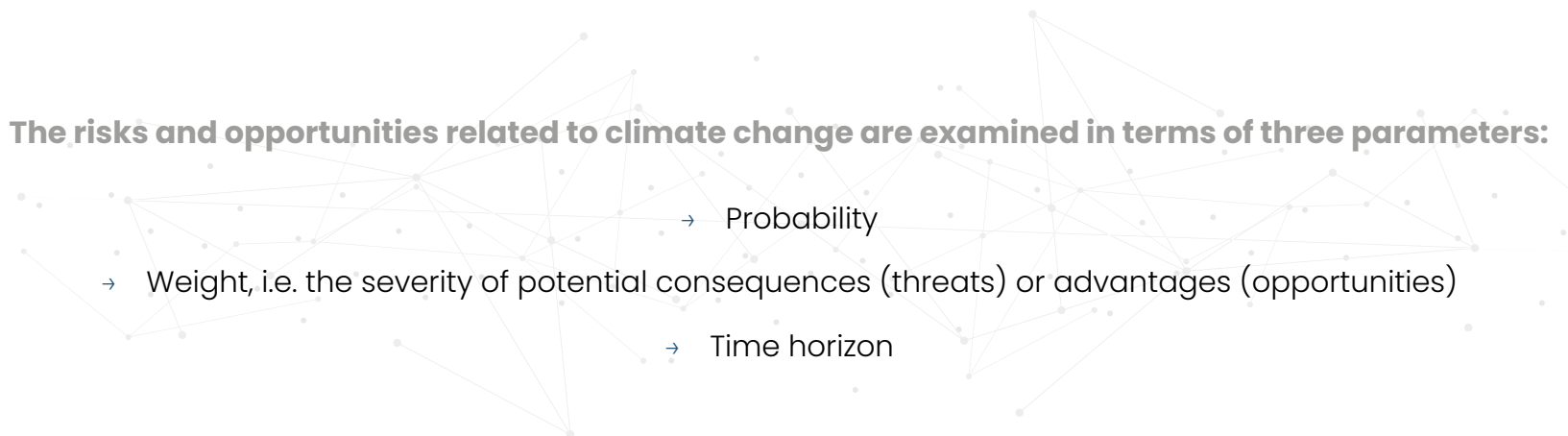
According to the Materiality Assessment Matrix (MAX) methodology, the answers given by the individual survey respondents were weighted based on the areas they represented. Threats and opportunities were assessed from the perspective of the

Group as a whole, but the unique nature of many threats and opportunities under analysis meant that the individuals assessing the risks had to consider their significance for the entire supply chain or even in the Group's entire value chain.

Tax and tax management

GRI 3-3 (207), 207-2

Our tax strategy has been created by the management of the finance department. It is being developed based on the recommendations and opinions of tax consultants working with the Group, as well as the tax manager and the chief accountant. Important decisions on tax strategy are made by the CFO, based on the opinions of the above.

We prioritize tax issues and include tax risks on the risk map.

Within the internal control matrix, we have established a separate section for tax-related controls. Each company in the Wirtualna Polska Group is required to design and manage controls. The independent internal audit confirms that the mechanisms proposed by the companies are well designed and reduce risks, and that controls are in place as committed. In addition, the CFO of each company in the Group is responsible for the internal control system, resulting in a clear assignment of business ownership regarding this area.

To the extent required by law, tax information is audited by the external auditor as part of the audit of the financial statements. The report is published in accordance with the requirements for listed companies.

03

Green responsibility

From 2021 onwards, the Wirtualna Polska Group is pursuing ambitious targets for the share of green energy in its energy mix, a reduction in greenhouse gas emissions. Implementation of those goals will guarantee that running our business will be entirely "green". Starting in 2023, our energy transformation will move to the next level: by then, all Wirtualna Polska data centers will be emission-free – their operations will be carbon neutral.

Our cooperation with the "Las na Zawsze" [Forest Forever] Foundation is an important step in achieving the biodiversity conservation goals we set out in our Sustainable Development Strategy. In 2022, we took under our protection more than 1.5 hectares of mature, approximately 80-year-old deciduous forest in Bochotnica (Lublin Province). In addition to the valuable tree population, which is dominated by birches, maples and oaks, the forest is also home to rare species of fungi, including the scarlet elfcup,

which was under strict species protection until 2014. Caring for already existing and naturally valuable forests is one of the most important initiatives that can be taken today for the benefit of nature.

In the Sustainable Development Strategy, we have also set ourselves the goal of developing the best green attitudes through education and by showing how each of us can live better and in an environmentally friendly way.

Our goal for energy consumption in 2025 is as follows:

80
percent
—
of zero carbon energy in the electric energy mix of Wirtualna Polska Holding Group

90
percent
—
of zero carbon energy in the heat energy mix of Wirtualna Polska Holding Group

Our road to zero emissions

GRI 3-3 (305), 3-3 (302)

The Wirtualna Polska Group's main emissions and energy target, as set out in our Sustainable Development Strategy, is to switch completely to green energy, thereby significantly reducing greenhouse gas emissions into the atmosphere.

In 2022, less than 10% of the electricity consumed by the Group will come from conventional sources of energy generation. However, we aim to eliminate them from the energy mix altogether.

The biggest source of carbon dioxide emissions in technological companies is the energy used in the server rooms and data centers. That's why we've committed that starting in 2023, the electricity consumed in our server rooms will come entirely from low-carbon sources. This accounts for about 90% of all energy consumed by our Group.

In April 2021, we launched the first test photovoltaic installation at one of our server rooms. In July 2021, we decided to purchase a large photovoltaic farm in Lower Silesia. It occupies an area of more than 5 ha; the total capacity of the three installations is 3 MW. In 2022, we purchased another photovoltaic farm with a capacity of 1.85 MW. The farm is also located in Lower Silesia and is more than 3 hectares in size. By the end of 2022, the total capacity of all three of our Group's photovoltaic installations was almost 5 MW. This means that green energy from actual

in-house production already covers almost 80% of the Wirtualna Polska Group's needs for powering its server rooms. We are continuing the investment process aimed at the acquisition of new renewable energy sources, and we have optimized our energy contracts through the purchase of guarantees of origin for renewable energy.

We have signed an agreement with the energy supplier for 2022, which guarantees the following parameters:

75% of energy under the contract comes from a renewable source (small hydropower plant)

25% of energy purchased on the exchange and covered by guarantees of origin from low-carbon sources, the exact details of which will become known in 2023.
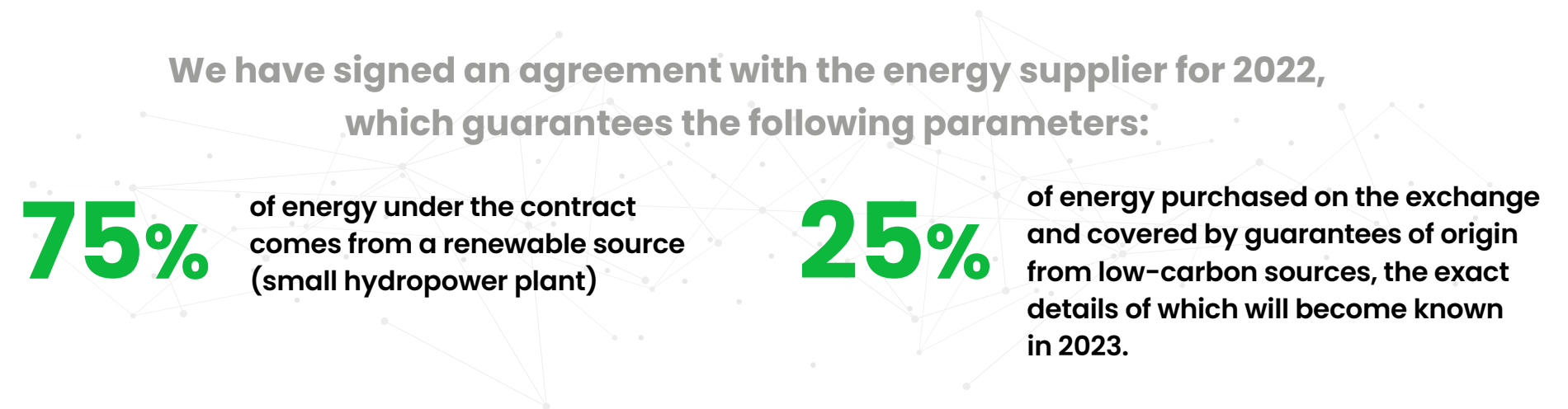
We are also working to eliminate electricity sourced from fossil fuels for our office spaces. For our office in Warsaw we have certificates of origin for electricity from renewable energy sources. On the other hand, as most of our office space is leased, we do not have direct control over the electricity supply contracts for all of the properties we occupy.

In the Sustainable Development Strategy, we made a commitment to improve energy efficiency of our server farms and buildings. To achieve that, an energy audit of the server farms is planned by 2025, as well as the implementation of the ISO 50001 standard, which supports energy management and its

continuous optimization. Continuous monitoring of electricity consumption allows us to identify places in the organization where unexpected deviations from normative consumption occur.

Taking care of reducing energy demand for the services we provide, we have implemented a dark mode for Wp.pl, which contributes to reduced energy consumption by the devices on which the website is displayed.

GRI 302-1

Total consumption of fuels from non-renewable sources

	units	Consumption
Liquefied petroleum gas (LPG)	[MWh]	169.47
	[GJ]	610.09
Natural and coke oven gas	[GJ]	0
Metallurgical gases	[GJ]	0
Dust	[GJ]	0
Heating oil	[GJ]	0
Liquid fuels – gasoline	[MWh]	506.33
	[GJ]	**1,822.79**
Hard coal	[GJ]	0
Diesel fuel	[MWh]	368.57
	[GJ]	1,326.85
Total energy consumption	[GJ]	**3,759.73**

Total consumption of energy purchased outside of the organization

	units	Consumption
I. Electricity	[GWh]	8.47
	[GJ]	30,492.00
of which from renewable sources	[GWh]	7.71
	[GJ]	27,752.40
of which from non-renewable sources.	[GWh]	0.76
	[GJ]	2739.6
II. Heating (from non-renewable sources)	[GWh]	0.15
	[GJ]	**547.20**
III. Cooling (from non-renewable sources)	[GWh]	0.15
	[GJ]	547.20
IV. Steam	[GJ]	0
Total energy consumption	[GJ]	**31,586.40**

We do not consume fuels from renewable sources, such as biomass or biofuels.

Total energy consumption within the organization in 2022
(This amount is equal to the sum of energy obtained from fuel consumption and purchased outside of the organization, less the volume of energy produced within the organization and sold)

22,026.13 [GJ]

Total sales volume

	units	Production
I. Electricity	[GWh]	3.70
	[GJ]	13,320.00
II. Heating, cooling, steam	[GJ]	0
Total energy sales	[GJ]	**13,320.00**

Greenhouse gas emissions

Greenhouse gas emissions in the Wirtualna Polska Group are calculated and monitored as regards direct (Scope 1) and indirect (Scope 2 location-based and market-based) emissions. Looking ahead to 2023, we are planning a Scope 3 calculation to take steps to bring the entire Group to climate neutrality. We calculate emission intensity ratios per contracted employee, per PLN 1 million of revenue and per PLN 1 million of EBITDA. The numerator of the ratios includes Scope 1 and Scope 2 emissions (calculated using the market-based method).

We calculate and report our emissions in accordance with the internationally recognized GHG Protocol standard. The indicators for the Group were taken from the data published by KOBIZE and the IPCC report: IPCC Fifth Assessment Report, 2014 (AR5).

Year 2019, as defined in the Sustainable Development Strategy, was used as the base year.

The calculation of emissions includes group companies that are financially and operationally controlled, excluding those for which the acquisition process ended in 2022, due to lack of full operational control.

The reduction in Scope 1 emissions is due to reduced fuel consumption in buildings. The increase in Scope 2 emissions is due to a change in the mix of electricity consumed in the company's offices and changes in heating and cooling consumption compared to 2021.

GRI 305-1, 305-2, 305-4

[Mg CO2e, %]	2019	2020	2021	2022	change 2022/2021	change 2022/2019
Scope 1 emissions, including:	**729.9**	**542.4**	**405.5**	**276.8**	**-31.7%**	**-62.1%**
→ fuel consumption in buildings	20.5	1.9	7.1	2.5	-65.0%	-87.9%
→ fuel consumption in vehicles	282.6	230.1	235.4	263.9	+12.1%	-6.6%
→ air-conditioning and cooling	426.8	310.5	163.0	10.4	-93.6%	-97.6%
Scope 2 emissions – location-based	**6,947.8**	**5,666.4**	**5,772.9**	**6,158.0**	**+6.7%**	**-11.4%**
Scope 2 emissions – market-based, including:	**7,805.2**	**6,522.5**	**438.4**	**671.6**	**+53.2%**	**-91.4%**
→ electricity, including:	7,587.4	6,522.2	438.4	507.9	+15.9%	-93.3%
• offices	1,068.2	614.3	438.4	507.9	+15.9%	-52.5%
• data centers	6,519.2	5,907.9	0.0	0.0	–	-100.0%
→ heating	217.8	0.3	0.0	163.7	–	-24.9%
Total Scope 1+2 emissions – market-based	**8,535.2**	**7,064.9**	**843.9**	**948.4**	**+12.4%**	**-88.9%**
Emissions per employee	7.2	7.1	0.6	0.6	+5.4%	-91.6%
Emissions per PLN 1 million of revenue	12.0	11.2	1.0	0.9	-9.0%	-92.7%
Emissions per PLN 1 million of adj. EBITDA	39.0	32.6	2.7	2.6	-6.8%	-93.4%

GRI 305-5

a. GHG emissions reduced as a direct result of reduction initiatives	**in metric tons of CO$_2$ equivalent**
Direct (scope 1)	-128.7
Indirect (scope 2)	385.1
TOTAL	**256.4**

We educate on climate change

GRI 3-3

OWN INDICATOR

Our responsibility for the environment does not end with the emission ratios – as a company operating in the media and Internet industry, we also feel responsible for raising awareness of climate change among our audience. Therefore, through the content we publish on our sites, we make users aware of issues related to ecological lifestyles or the level and impact of environmental pollution. Our publications also influence the people who make the most important environmental decisions in the country.

In the Sustainable Development Strategy, we have set ourselves the goal of gradually increasing the number of quality publications on environmental topics.

We cooperate with external entities and experts to educate our employees on key topics, such as sustainable fashion and the beneficial effects of forests on human health and the state of the planet.

As a result of these activities in 2022 we published 505 educational materials on ecology on WP's websites.

External communication on environmental issues is also carried out through social media, Wirtualna Polska websites and press releases. We reach a wide audience, also cooperating with other media.

We give our users access to materials on environmental topics developed in cooperation with expert organizations. Thanks to our media, articles from the "Las na Zawsze" [Forest Forever] Foundation were able to reach more than 10 000 recipients.

04

Social relations

People are the critical capital

GRI 3-3 (401), 3-3 (404)

Considering that our websites have 23 million unique users in Poland per month, we can certainly say that as a Group, together with our employees, we have a great impact on society. It is a considerable responsibility, so developing human capital is a priority for us. The high quality of their work and their adherence to ethical standards enable us to provide the public with reliable information on current events. In addition, as a leading media and e-commerce company, we help our users make daily purchasing decisions.

Trust

We have implemented the Leadership Trust Index [LTI], which indicates the level of trust in one's direct superior, in Grupa WP. The LTI assumes values from –100 to +100. LTI is positive in all companies of the holding.LTI is a form of feedback designed to help individuals work on improving their leadership and team dialog skills.

LTI – Leadership Trust Index

Year	Points
2020	**44** points
2021	**70** points
2022	**69** points

wp holding
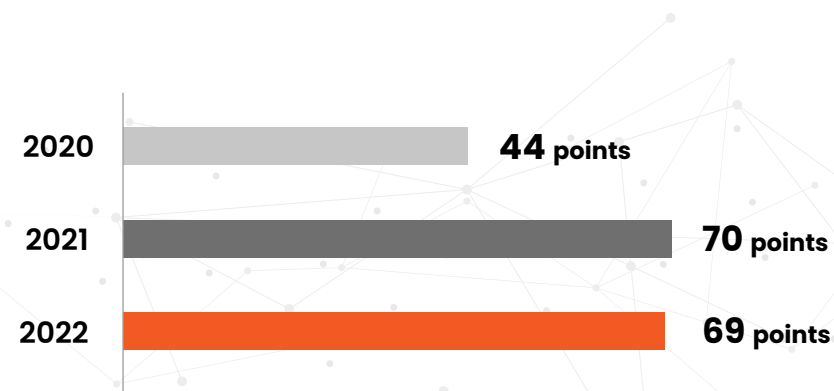
Form of employment

GRI 2-7

1. Total employees, by gender

	2021	2022
Women	839	889
Men	618	665
TOTAL	**1457**	**1554**

2. Employees with indefinite contracts

	2021	2022
Women	660	695
Men	477	513
TOTAL	**1137**	**1208**

3. Employees with fixed-term contracts

	2021	2022
Women	179	194
Men	141	152
TOTAL	**320**	**346**

5. Full-time employees

	2021	2022
Women	820	861
Men	610	652
TOTAL	**1430**	**1513**

6. Part-time employees

	2021	2022
Women	19	28
Men	8	13
TOTAL	**27**	**41**

Employment is calculated as of the last day of the reporting year. We define full-time as full-time hours, while part-time as reduced time. The Group has no non-guaranteed hours employees.

The Group has no non-guaranteed hours employees.

Grupa WP: employment structure in 2022 (including all forms of cooperation).

14%
Support functions

27%
Sales and marketing

19%
Editorial office

40%
IT and product development
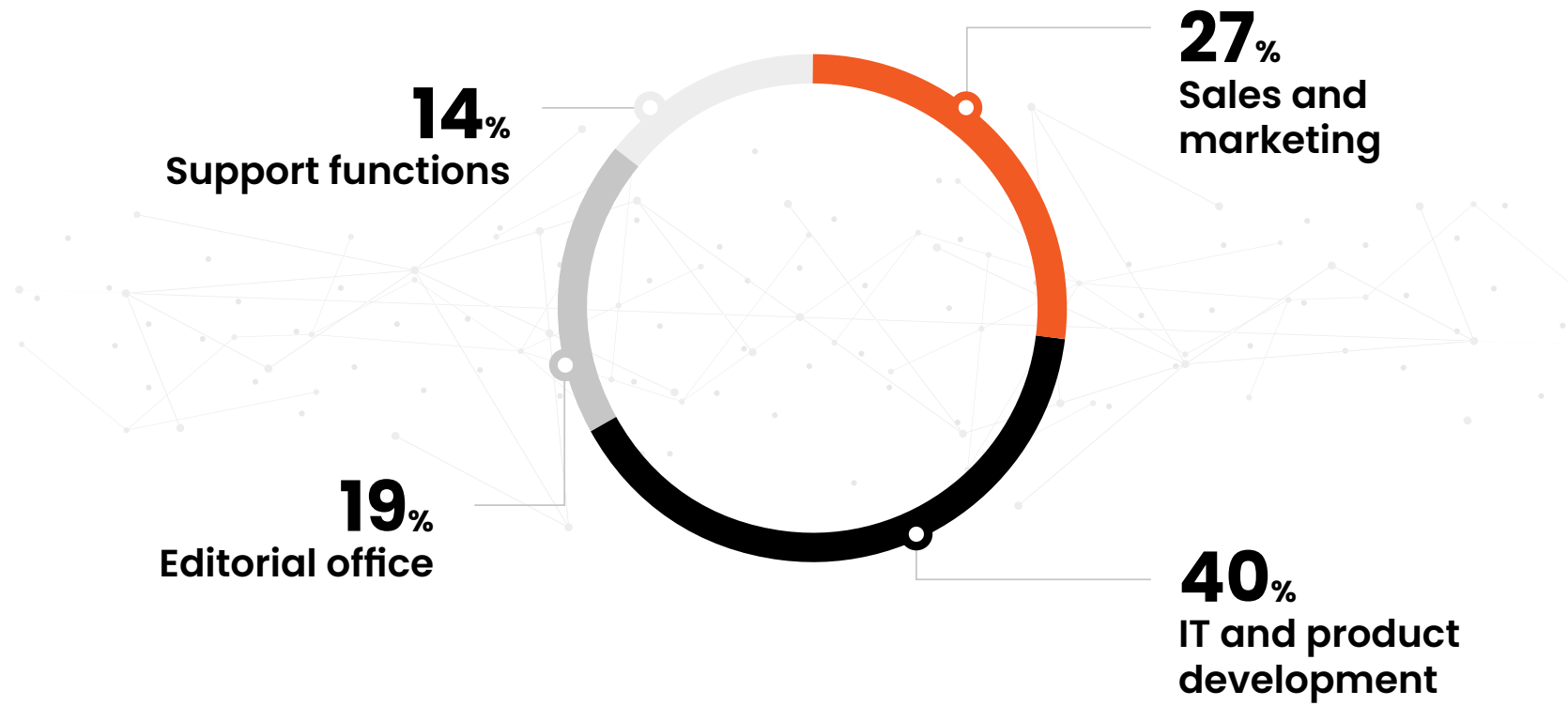
* The Group also seasonally employs 200-600 people in call centers (sales support, mainly in the travel segment).

GRI 2-8

We also employ people who choose a cooperation model based on civil law contracts (mandate contracts, work product contracts) or self-employment. This cooperation model is chosen by individuals who provide, among others, editorial, consulting, marketing, e-commerce, advertising, or IT services.

	2021	**2022**
Number of collaborators, or workers who are not employees of the organization	663	729

Development and education

We are committed to the training and development of our people, both in terms of hard and soft skills. In 2022, employees of the Wirtualna Polska Group were able to take part in training courses on topics such as specialized technology, organizational culture, building leadership skills, well-being or effective communication.

We strive to respond to the development needs of our employees by planning them annually, on the basis of:

→ surveys directed to employees;

→ regular satisfaction surveys;

→ in-depth interviews conducted by the HR Business Partner in each area;

→ own observation.

We are currently developing formal training and coaching procedures to provide a clear framework for employee development.

GRI 401-1

New employee hires and employee turnover – contracted employees

Total number of new employees, by gender and age	2021			2022		
	Women	**Men**	**Total**	**Women**	**Men**	**Total**
under 30 years old	99	90	189	92	84	176
between 30 and 50 years old	115	83	198	133	76	209
over 50 years old		4	4	2	2	4
TOTAL	**214**	**177**	**391**	**227**	**162**	**389**
Employment rate	**25.51%**	**28.64%**	**26.84%**	**25.53%**	**24.36%**	**25.03%**

Total number of employee departures, by gender and age	2021			2022		
	Women	**Men**	**Total**	**Women**	**Men**	**Total**
under 30 years old	73	39	112	89	68	157
between 30 and 50 years old	90	52	142	123	73	196
over 50 years old	0	1	1	3	2	5
TOTAL	**163**	**92**	**255**	**215**	**143**	**358**
Turnover rate	**19.43%**	**14.89%**	**17.50%**	**24.18%**	**21.50%**	**23.04%**

GRI 401-2

We offer a range of benefits to our employees, including temporary and part-time employees and collaborators:

→ monthly replenishment of funds on the Worksmile cafeteria platform;

→ medical care (in the cafeteria platform);

→ group life insurance (in the cafeteria platform);

→ personal accident insurance for school children and youth;

→ free online psychological consultations;

→ tuition subsidy, development training, financing of training courses;

→ financing of language training (e-tutor platform);

→ sports card;

→ discounts for products offered by Wirtualna Polska Group companies (including Pilot WP, Wakacje.pl);

→ discounts on partner companies' products (in the cafeteria platform);

→ events (joint breakfasts, Women's Perspectives – an initiative for women working at WP Holding, meetings and team-building trips, diversity month trainings, Zielona Szafa WP – practical workshops with materials, Christmas workshops);

→ volunteer activities (e.g. planting a forest during work hours, volunteer hours);

→ sports campaigns and competitions with prizes;

→ free company parking (with a specific pool of spaces).

GRI 401-3

Parental leave

	Employees
Number of employees entitled to parental leave from 1 January to 31 December 2022.	no data[*]
Number of employees who took parental leave from 1 January to 31 December 2022.	71
Number of employees who returned to work after parental leave ended from 1 January to 31 December 2022.	5
Number of employees who returned to work after parental leave ended from 1 January to 31 December 2021 that were still employed 12 months after their return to work.	30
Return to work rate after parental leave	11%[*]
Employment retention rate after parental leave	65%

GRI 404-1

7 | **Average number of training hours per employee**

Employees and subcontractors participate in training. This number applies only to documented training hours.

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[*] The Wirtualna Polska Group is unable to determine the number of employees eligible for parental leave, due to the fact that employees are not required to notify this fact to the employer. All persons who took parental leave in 2022 were women. No man employed by the Wirtualna Polska Group took parental leave in 2022.

[*] A large portion of people used their holiday leaves after returning from parental leaves; this is why the number of employees returning to work after a parental leave is so low and the indicator of returns to work after a parental leave is at 11%, while at the same time 65% of employees keep their employment – this is the percentage of employees returning from long absences who stay in the company for at least 12 months.

GRI 404-2

Each of the companies in the Wirtualna Polska Group develops and implements autonomous development programs, tailored to current needs and strategic plans.

Within the Group, we are making directions more consistent and sharing knowledge. The numbers of recipients/ participants given are the approximate total number of people from all companies who participated in the training sessions of a given thematic block.

In addition, in 2022, 4 people benefited from the individual outplacement program, which includes the support of a career coach and assistance in searching for job offers, and 5 people received severance payments under the provisions of the Labor Code increased by one times their salary.

Training programs for employees

Type and scope of the program	Number and type of recipients
→ #Akcja komunikacja within WP Academy: webinars to improve communication knowledge	1142 (all employees)
→ Well-being: webinars and workshops to raise awareness of broad psycho-physical well-being. Employees can also take advantage of free psychological consultations	985 (all employees) and 80 managers
→ Diversity month: webinars to raise awareness among employees on diversity, equality and inclusion	695 (all employees)
→ Language training on the e-tutor platform	485 (all employees)
→ A series of training sessions on sales and leadership skills	470 (sales staff)
→ Webinars on systems, software, industry trends	421 (all employees)
→ #Skuteczny lider within WP Academy: webinars for managers to expand management knowledge	286 (managers)
→ Systematization of product knowledge: 8 training topics	approx. 200 (customer service specialists)
→ Funding training: 2 training topics	approx. 200 (sales and customer service specialists)
→ Sales Training: 14 training topics	approx. 200 (sales and customer service specialists)
→ Systems training: 5 training topics	approx. 200 (sales and customer service specialists)
→ Meet Up IT	178 (all employees)
→ Fakap Frajdej	176 (all employees)
→ Leadership of the future – a series of workshops for senior managers	96 (upper management)
→ Internal training academy: e.g. Excel, public speaking, customer service	61 (employees from specific target groups)
→ Engaging Leader: Adept and practitioner – training for managers new to the role	24 (managers)
→ Managerial training: systems thinking in business, cooperation, interdepartmental cooperation	21 (managers)
→ Design workshops – preparation for facilitation of meetings and workshops	7 (group of selected employees)
→ Design Thinking Workshop	5 (group of selected employees)

Employee rights

GRI 3-3 (402)

We make sure that all companies within the Wirtualna Polska Group observe human rights and labor rights. Adopted labor and salary regulations apply through-out the Group. We have also adopted the Diversity Policy and the Sustainable Development Strategy. We operate in accordance with labor laws and respect for indus-try standards, including in particular the good practices of listed companies.

We have provided a communication channel for whis-tleblowers in case of potential violations of internal reg-ulations. We are reviewing the effectiveness of the mea-sures taken and regulations put in place on an ongoing basis. One of the indicators is the number of confirmed whistleblower reports. They are reported at Management Board meetings in a manner that ensures discretion and confidentiality. The number of such cases is very small (0-2 cases per year), but we implement and monitor remediation plans after each confirmed case.The Wirtu-alna Polska Group has not identified a negative impact in the employee rights area.

GRI 402-1, 2-30

There are no collective bargaining agreements in the Wirtualna Polska Group, and consequently there are no employees covered by collective bargaining agree-ments in our group.

The minimum advance notice, with which employed employees are notified of significant operational changes, is determined according to the specifics of the event, with respect for employees. The infor-mation process varies over time depending on stake-holder group. When significant organizational changes occur, a schedule is created to communicate and inform the relevant groups. The process involves the Corporate Communications Office, which ensures that all employees affected by the changes are informed at the scheduled time.

We create a friendly working environment

We are building a friendly working environment. We believe that only in such an environment one can work efficiently. For us, a friendly workplace means taking care of our employees' physical and mental health, work-life balance and well-being. It also means allowing people to develop according to their needs and preferences. We regularly measure employee engagement and trust in our leaders to ensure the effectiveness of our efforts. In April 2022, we added questions to our survey (pulsecheck) about the level of satisfaction with work organization and health sup-port activities.

We care for mental and physical health and well-being of employees

→ We organize psychological consultations, webinars/workshops on mental health, preventive health care, dietetics, BadaBus (testing for women), mobile blood donation center, first aid training.

→ Through a specialized online platform, we offer support for mental health, taking care of mental resilience.

→ We promote an active lifestyle.

→ We have implemented an EAP employee support program covering mental health, financial management and legal topics, as well as organized a lecture series promoting physical health and a healthy diet called MentalHealthWeek.

→ We have introduced access to Luxmed private medical care, FIT Profit and FIT Sport cards, access to the gym, and group insurance.

→ We have implemented the Worksmile cafeteria platform, where employees receive Social Security funds that they can spend on sports subscription cards or entertainment.

We ensure competitive and developmental working conditions

→ We create and promote growth opportunities within the companies and the Group.

→ We have implemented a remuneration policy for the Management Board and Supervisory Board, while a remuneration policy for all employees will be implemented in 1–2 years.

→ We have streamlined the organization of work, which included an update of the onboarding process. As part of this process, we receive feedback from employees, which allows us to take action to prevent employees from leaving for up to 6 months. We have also implemented satisfaction measurement for this process.

We contribute to employee development

→ Among other things, we organized the #startujwpolsce internship program to attract young talent.

→ As part of the WP Academy, we have conducted internal trainings to exchange knowledge on specific topics (including communication or leadership).

In addition, we are constantly improving the competencies of our managers, which leads to better management of teams, increased trust in leaders, and a better match between employees' skills and their roles.

Occupational health and safety

GRI 403-3, 403-9

The first step to employment is a mandatory medical examination, during which the occupational physician determines whether the employee's health condition allows him/her to perform the duties of a specific position.

During the first day of work, as part of onboarding, all employees undergo mandatory training, during which they are presented with health, safety and fire regulations, informed about the dangers they may face at their workstations, procedures for dealing with emergency situations, and learn the rules for working safely in the office and while working remotely. They are also reminded of the most important principles of first aid.

Occupational risk assessments, as well as occupational health and safety manuals (with which employees are familiarized) are available for review in the HR department. After the expiration of the prescribed period, employees are sent for periodic training in occupational safety and health (engineering and technical positions, persons in charge of employees).

We provide our employees with bright, clean and safe (non-threatening to life and health) workstations – offices, conference rooms, adapted to the needs of office work, meeting all safety and ergonomic requirements.

Employees are required to keep their workplace and their surroundings in order. At work, they are sensitized to pay attention and immediately report any irregularities, defects, malfunctions they notice, which could adversely affect their safety and that of other employees. Each request is immediately checked and the problem is solved as quickly as possible.

In addition, our offices have information signs for safe movement in common spaces. Health and safety rules apply not only in the workplace, but also on the way to and from work. During training, we inform and sensitize employees about the dangers of moving from work to home and from home to work, as well as the broader dangers in "traffic" to minimize the risk of accidents as much as possible.

The Wirtualna Polska Group has an occupational health and safety function discharged by an occupational health and safety specialist. He has the education required by law. Tasks of such person include the following:

→ conducting health and safety trainings;

→ hazard monitoring and risk assessment at workplaces;

→ preparing documentation (instructions, procedures, accident documentation);

→ ordering measurements and tests required by regulations;

→ participating in the commissioning of workplaces.

There were no accidents at work or on the way to and from work in the Wirtualna Polska Group in 2022.

Equal pay

GRI 3-3 (405)

In accordance with established hiring and compensation practices, we adhere to the principles of equal treatment. We independently shape the terms of employment and cooperation. We are always guided by the type and quality of work or services performed, as well as the Group's current needs, capabilities and market environment.

The amount of base compensation as well as the award of raises, bonuses and commissions depends on the competences and performance of the pertinent staff member, regardless of gender, religious affiliation, political views, origin, social status, sexual orientation, age, marital status or disability.

We have adopted the principle that an employee's immediate family and life partners may be employed and undertake cooperation with the Wirtualna Polska Group. The condition, however, is that there is no official dependence on this employee and no influence on his competence, promotion and working and pay conditions.

We also build our internal labor arrangements by pursuing the development and promotion policy within our Group, enabling all employees to participate in our recruitment processes.

Minimizing the pay gap

We operate with respect for human rights and diversity, and ensuring equal and fair pay is one of the important factors in this area. We have implemented a Diversity Policy, and the HR department monitors the gender pay gap in each department and company on a quarterly basis, in relation to market levels, and progress in reducing it.

Our ambition included in the ESG strategy is to minimize the gender pay gap to 10% by 2025, and to 0 by 2030.

We have introduced measures to ensure equal pay:

→ we have begun work on the remuneration policy for all employees – it should be implemented within 1–2 years;

→ in the process of determining wages we assign a value to jobs, taking into account market data;

→ we update the gender pay gap ratio (GPGR) on a quarterly basis, which allows us to introduce measures to reduce the pay gap between women and men.

GRI 405-2

Breakdown by structure	Gender Pay Gap Ratio (GPGR)*
upper management	3.3%
middle management	12.8%
other employees	7.6%
All employees	8.7%

* calculation method

The average CR TC score for the gender with the higher score is the average ratio of total monthly remuneration (base and variable) for the gender with the higher score to the market median for the position (in proportion to the FTE).

The average CR TC score for the gender with the lower score is the average ratio of total monthly remuneration (base and variable) for the gender with the lower score to the market median for the position (in proportion to the FTE).

Gender Pay Gap Ratio (GPGR) – calculation method

$$GPGR = \frac{\text{Average CR TC score of the gender with the higher score} - \text{Average CR TC score of the gender with the lower score}}{\text{average CR TC of the gender with the higher score}}$$

GRI 2-21

Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all other employees in the organization:	**37.28**
Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all other employees	**0**

Process to determine remuneration

GRI 2-19, 2-20

At Wirtualna Polska Group, we care for stability of the management team. We have adopted transparent, fair, consistent and non-discriminatory remuneration principles in this regard, including equal pay for women and men.

We make sure that incentive programs are designed in such a way that, among other things, the level of remuneration of the company's management board members and key managers is linked to the actual long-term situation of the company. This applies to both financial and non-financial performance, long-term shareholder value growth and sustainable development, and also stability of the company's operations.

We strive to ensure the highest possible level of transparency in our operations, appropriate quality of communication with investors and protection of shareholders' rights, also in matters not regulated by law. Accordingly, we are planning to take necessary measures to comply with the principles contained in the Code of Best Practice for WSE Listed Companies to the fullest extent possible.

In the Wirtualna Polska Group, the "Remuneration Policy for Members of the Management Board and Supervisory Board of Wirtualna Polska Holding Spółka Akcyjna with its registered office in Warsaw" applies. In addition, together with the annual report, we publish a statement on the application of corporate governance during the year. In the document, there is a section on the topic of shaping remuneration policy.

Remuneration of management board members

Members of the Wirtualna Polska Holding S.A. Management Board receive a fixed remuneration, which is paid monthly in an amount determined by resolution of the Supervisory Board, on the basis of an appointment. This remuneration is reviewed by the Supervisory Board, no more frequently than once a year. Any decision to change the fixed remuneration is made taking into account market factors, based on salary data and after an individual assessment of the Management Board Member. Management Board Members may be entitled to variable remuneration in the form of bonuses for meeting bonus targets. It is worth noting that the remuneration of the Management Board members is in part linked to sustainability targets – as of H2 2021 that was at least 5%.

In setting the targets to be achieved by the Management Board Members in order to receive the variable remuneration, the Supervisory Board is primarily guided by the business strategy and the long-term interests and stability of the Company. Under no circumstances, the targets set to be achieved by each Management Board Member cannot be contradictory to short- and long-term interest of the company.

Remuneration of Supervisory Board members

Supervisory Board Members may only receive fixed remuneration for the performance of their duties on the Supervisory Board in accordance with the following rules:

→ remuneration paid on a monthly basis in a fixed amount for discharging supervisory tasks in the Company;

→ the fixed remuneration amount referred to above is determined by a resolution adopted by the Shareholder Meeting.

Selected Supervisory Board Members discharging the functions of Chairperson or Deputy Chairperson of the Supervisory Board, appointed members of Supervisory Board committees and commissions, may be granted, by a resolution adopted by the Shareholder Meeting, additional remuneration – with a reservation that the remuneration may not be variable and linked to any performance, including financial performance of the company.

Pension benefits

The Wirtualna Polska Group offers an Employee Capital Plan to its employees. All employees with an employment contract are eligible to participate in the plan, regardless of their position.

Diversity and equal opportunity

GRI 3-3 (405), 3-3 (406)

Diversity and equal opportunity are one of key values for us and our stakeholders and our approach to them is regulated by the adopted Diversity Policy and the Sustainable Development Strategy. We place a high value on the diversity of our workforce, recognizing that it has a positive impact on the organization as a whole, the effectiveness of our work, and the business we conduct.

It is worth emphasizing that increasing gender diversity among the top management of the Wirtualna Polska Group is one of the three criteria in our loan agreement with the consortium of banks (sustainability linked loan). Therefore it is an indicator which is regularly monitored and audited by us.

We are also a signatory to the Diversity Charter, an international initiative under the auspices of the European Commission, which brings together companies and organizations that oppose workplace discrimination and create and promote diverse environments. We also belong to the UN Global Compact, the world's largest initiative bringing together organizations that care about the development of sustainable business. Furthermore, we have participated in the work of the 30% Club Poland since the beginning of its activity in Poland. It is an organization whose aim is to increase the number of women on management and supervisory boards of companies.

We are building a work environment that guarantees equality and diversity.

→ We have implemented the Diversity Policy.

→ We took actions to increase the percentage share of women in management positions.

→ We took actions to employ people with disabilities.

→ We have ensured equal rights of access to promotion, development, etc.

→ We aim to ensure complete pay equality.

→ We introduced anti-harassment measures.

→ We announced November as the month of diversity, and in that month we conducted teaching activities to broaden knowledge on the topic.

The implementation of the Diversity Policy at the Wirtualna Polska Group is the responsibility of the Management Team members who oversee the areas of corporate governance and HR. On the other hand, monitoring of its implementation and evaluation of the performance of its objectives is carried out by the ESG Committee of the Company's Supervisory Board.

Equality and diversity in recruitment

We support the recruitment and training of individuals in various age groups. In our recruitment processes, we apply the principle of equal opportunity, regardless of age or gender. We take care of talent development and experience transfer through our mentoring programs. We employ people with different educational levels and fields of study. The variety of specialization areas and business processes carried out in the Wirtualna Polska Group, provides attractive career opportunities for both graduates in humanities, business, science and engineering identified with the Internet industry.

Diversified management

We care for diversity of the management team. While selecting supervisory board members, management board members and directors and key managers, high qualifications, professional experience and substantive preparation for the responsibilities are decisive. Specific objectives in the area of management team diversity are included in the ESG strategy. We value diverse insights and know that diversity in management leads to better performance in all areas of the business.

GRI 405-1

Percentage of employees on governance bodies

Management Board	Women	Men	Total
between 30 and 50 years old	0%	75%	75%
over 50 years old	25%	0%	25%
Total	**25%**	**75%**	**100%**

Supervisory Board	Women	Men	Total
between 30 and 50 years old	14%	0%	14%
over 50 years old	14%	71%	86%
Total	**29%**	**71%**	**100%**

Percentage of employees belonging to the categories below*

upper management	Women	Men	Total
between 30 and 50 years old	0%	75%	75%
over 50 years old	25%	0%	25%
Total	**25%**	**75%**	**100%**

other employees	Women	Men	Total
under 30 years old	19%	18%	37%
between 30 and 50 years old	30%	31%	60%
over 50 years old	1%	1%	3%
Total	**50%**	**50%**	**100%**

middle management	Women	Men	Total
under 30 years old	6%	3%	8%
between 30 and 50 years old	19%	67%	86%
over 50 years old	6%	0%	6%
Total	**31%**	**69%**	**100%**

* The data includes employees and collaborators (the latter excluding 56 collaborators, for whom we have no information on their age).

Activities to increase the presence of women in supervisory and management bodies

→ We have joined the 30% Club Poland, an organization working with the aim to increase the number of women on management and supervisory boards of listed companies.

→ We have joined the Women Empowerment Program and "Cykl kariery' ["Career Cycle'] by Kulczyk Foundation.

→ We have implemented ESG measurement ratios in the HR Dashboard and we update the diversity ratio in supervisory bodies on a quarterly basis.

→ We have increased the number of women in key and managerial positions in the Group.

GRI 406-1

In 2022, we did not record any reported cases of discrimination.

Data privacy

GRI 3-3 (418)

The Wirtualna Polska Group makes every effort to ensure high level of security and protection of personal data of its customers, users and employees. We operate in compliance with the laws of Poland and the European Union. According to the Group, we do not exert adverse impact with regard to this area, and demands of users and customers are effectively satisfied by the organization.

Type of data processed

We process personal data of our users and customers who provide them, among other situations, while using services, websites or applications of WP or trusted partners. We also process data which are left by users after using services offered by our Group (among others, cookies), data about visited websites, applications and interesting content (including advertising), searches, clicks, the way of using a service by users as well as data from websites of customers and trusted partners (including histories of purchases, especially those made after clicking on advertisements displayed in the environment of our services).

Data will always be processed on the basis of the data subject's consent or on any other legal basis provided by applicable law. In addition, we have provided our users and customers with convenient channels which facilitate taking advantage of the rights to which they are entitled, such as:

→ right of access to the data (also to obtain a copy of the data);

→ right to request rectification of the data;

→ right to erasure of the data;

→ right to lodge a complaint with a supervisory authority for protecting personal data;

→ right to restriction of processing of the data.

Security measures

To ensure security of customers and users' privacy and compliance with laws and regulations, we have implemented effective mechanisms taking into account organizational, legal and technical security measures. They are constantly updated.

In this area, we act on the basis of, among others, ISO/IEC standards from ISO 27000-series – a family of complementary information security standards.

We implement measures in the area of asset management, access control, cryptography, physical and environmental security, safe exploitation, communication security, acquisition, maintenance and development of systems, ensuring business continuity and management of security incidents.

Policies

The Wirtualna Polska Group has a Personal Data Protection Policy in place to regulate, among others, such areas as:

→ rules and duties connected with personal data processing;

→ management of personal data processing and data security;

→ exercising rights of data subjects;

→ selection of technical and organizational measures for processing and protecting personal data;

→ estimating the risk of violating rights and freedoms of data subjects.

Furthermore, we have a Privacy Policy in place which is addressed to customers and users of WP services and which informs them, among other things, of rules, purposes, scopes of personal data processing but also indicates how they should exercise their rights.

To prevent potential adverse effects of actions in the area of customers' privacy, we have created Personal Data Security and Protection Department as well as the Security Operations Center Team. The Data Protection Officer and the Deputy Data Protection Officer have been also appointed in the organization. Together with the above department, they ensure:

→ compliance with laws and regulations regarding privacy;

→ monitoring of the applied security measures;

→ ongoing handling of customers' requests regarding their privacy and possible security incidents;

→ awareness-raising activities among employees responsible for processing customers' personal data.

Service regarding possible incidents or information about the issue of privacy coming from customers is provided within cooperation between the DBiODO, the SOC team, or possibly dedicated entities such as the Office for Personal Data Protection (UODO) or CERT Polska.

Effectiveness of activities

GRI 418-1

The effectiveness of activities of the Wirtualna Polska Group in the area of privacy protection is assessed on the basis of internal tools designed for this purpose, which are use to record activities taken for the benefit of customers' privacy. Both planned and incidental activities are recorded in terms of criteria for the degree of completion. Apart from those tools, what is also important is the number of customers' complaints, which has continued to be at a minimum level.

The effectiveness of activities taken by us may be also shown by the fact that there have been no administrative proceedings ending in fines or court decisions against the organization concerning customers' privacy.

The Wirtualna Polska Group has also successfully passed the audit conducted by the Office for the Personal Data Protection (UODO), in the course of which the regulatory authority verified our safeguarding mechanisms in view of protecting the privacy of users of electronic mail services. The audit has shown that the Wirtualna Polska Group has sufficient mechanisms protecting the systems and users against potential threats.

Impact on stakeholders

For data security, our major stakeholders are users (customers) and regulators. We regularly communicate with our users.

In addition, the Group's privacy policy is widely accessible. Users can find it at https://pomoc.wp.pl/polityka-prywatnosci.

At the same time, we hold a dialog with the regulators, both in Poland and in the European Union and we adjust our data privacy policy to all legislative amendments.

Social commitment

We are developing a company culture oriented to cooperation. We are aware that a modern organization should care not only for satisfactory business results but also respect and support social, local initiatives and campaigns important for our stakeholders and employees. The ever growing number of our users motivates us to engage in more and more campaigns and activities within corporate social responsibility. They are also very important for our employees.

The projects we are involved in are consistent with the objectives of our Sustainable Development Strategy.

Social campaigns

Las na Zawsze [Forest Forever]

In 2022, we put under our protection 1.5 hectares of mature forest threatened with being cut down in Bochotnica, the Lublin voivodeship. The objective of the campaign was to protect biodiversity by ensuring a place to live for dozens of organisms and to keep carbon dioxide accumulated in the forest biomass, which would return to the atmosphere if the forest were to be cut down. Together with the "Las na Zawsze" Foundation, we granted legal protection for the future of the forest so that it can grow, as the name implies, forever.
During the launch of the campaign, 40 employees of the Group attended classes and educational lectures devoted to the impact of forests on the environment, on people and their

health. This has been already a second step on the way to protect forests. The first Las na Zawsze [Forest Forever] of the Wirtualna Polska Group was planted in October 2021. Then, employees of the Wirtualna Polska Group and volunteers from the "Las na Zawsze" Foundation planted 1 hectare of forest in Olędy in the Mazowsze region.

WspieraMY z WP [We from WP support WP]

"WspieraMY z WP" is an internal project aiming to support employees' charitable and social initiatives. Our employees report projects in selected categories, describing in detail the purpose for which they need funds and a plan for allocating the budget. The projects that will be granted co-financing are selected by the Program Council twice a year. In 2022, it was in June and November.

Categories of projects:

→ **Internet** – combating digital divide and ensuring data security

→ **ecology** – protecting biodiversity

→ **society** – supporting the operation of children's homes, single mothers' homes, assistance to and care for senior citizens and supporting social welfare centers, etc.

During the first edition of the campaign in 2022, co-financing was granted to two initiatives:

Assistance to the Special Educational Center in Zalutyń
The Special Educational Center in Zalutyń works by educating, bringing up and rehabilitating children and youth with intellectual disabilities. The Wirtualna Polska Group designated PLN 39 thousand to help the institution.

Support for the Ostatnia Przystań [Last Haven] Foundation
The Foundation takes care of old dogs taken from shelters. We earmarked PLN 11 thousand for building a shed for the animals. Furthermore, as part of the collections at the office in Gdańsk and at the office of Wakacje.pl S.A., we collected nearly PLN 2 thousand for buying feed and animal care products.

In the second edition, co-financing was given to 3 initiatives:

Purchasing equipment for the Prophet Elijah Hospice in Michałów
The Prophet Elijah Hospice is the only rural inpatient hospice in the Podlasie region. Wirtualna Polska designated PLN 19.5 thousand for purchasing equipment needed for the center's operation (oxygen concentrators, infusion pumps and other ones).

Support for Maryna Falska Children's Home No. 1
There are 20 foster children living in Children's Home No. 1, "Nasz Dom" ["Our Home"]. Wirtualna Polska designated PLN 17.5 thousand for purchasing roller-blinds and dishwashers.

Renovation of leisure room and purchase of computer equipment to the Community Mutual Aid Home in Sochaczew
The Community Mutual Aid Home is a day care center for chronic mental patients and people with intellectual disabilities. Wirtualna Polska granted PLN 13 thousand for repainting the leisure room and providing the center with Internet connection and computer equipment.

Servers for schools

During the 2021/2022 end-year school ceremony, we signed a sponsorship agreement with the Complex of Schools of Electronics and Telecommunications in Olsztyn. As part of the sponsorship, we delivered donation w in the form of a rack with servers and equipment needed to build a Wi-Fi network in the school's dormitory.

The equipment will be used during IT and telecommunications classes, to develop the students' skills in the area of operating systems, services, software, creation of websites and to teach programming. In the course of the cooperation, we will also be able to contribute to the preparation of the educational program and to guarantee places in our traineeship program to the best students.

A car for a children's home

In cooperation with Volkswagen Polska, in May 2022, we acquired a new safe car that we handed over to children from the children's home in Żyznów in the Podkarpacie region.

Educational activity

- **Safe Internet Week**

    On the occasion of the World Internet Day, celebrated on 8 February, WP Pilot users gained free-of-charge access to animated educational materials produced by Da Vinci. The program offer ensures safe and positive environment to young viewers, free of inappropriate content. It explores themes in the areas of science, technology, engineering, art and mathematics as well as emotional development. The company's mission is to help parents raise their children. WP Pilot subscribers could watch the educational materials longer – the Da Vinci channel was available free of charge for a month also for users of all Premium packages: Starter PLUS, Basic and MAXI. Furthermore, on the WP Pilot Facebook profile, a contest was organized about safe use of the Internet.

- **Webinars about fake news**

    In recent years, the phenomenon of disinformation has become more far-reaching. Publishers are aware that combating disinformation that spreads very fast is difficult. According to a survey conducted by the Research Institute for the Internet and Social Media, on 3 March 2022, the number of recorded disinformation incidents rose by 20 thousand percent. Only for 24 hours, 120 thousand entries appeared with disinformation on the war in Ukraine. Many of these incidents took place in social media. In April 2022, we organized WP Digital Day. Its participants got to know facts about disinformation, learned how to protect yourself against it and how to verify information sources on the Internet.

- **Women's Prospects**

    Women's Prospects is an internal initiative taken by women working in WP Holding companies. Meetings are held about every 2 months, as hybrid activities – you can participate in person or watch a transmission or recording. The mission of the project is to inspire and support women to persuade them that they are ready to reach for more. The initiative was started at grass-roots level by women from the WP Holding who decided to join forces working on this special project. They created together a space for sharing experience, for motivating one another and meet exceptional guests.

- **WP Green Wardrobe**

    As more and more people are interested in the themes of climate change and the problem of consumerism, we announced an internal project called "WP Green Wardrobe" to educate employees on clothing industry, the problem of the so called fast fashion and ultrafast fashion. This is a continuation of WP Naturalnie's strategic project, which has been implemented by the company since 2020. In many webinars, videos, contents, workshops and meetings with influencers, we advised about what to pay attention to while buying cloths and how to extend their life cycle. The project was performed in cooperation with fashion industry experts. The series of events also included cooperation with "Ubrania Do Oddania", an organization that gives second life to unwanted clothes: clothes and shoes for people in need were collected in all Wirtualna Polska offices. We also cooperated with Sneaker Boyz, a shoe personalization and renovation workshop in Warsaw.

Initiatives for Ukraine

- **VPolshchi**
  72 hours after Russia attacked Ukraine, we prepared a news service for the Ukrainian community. VPolshchi.pl, which means "in Poland", is a Ukrainian language news outlet publishing the most important, reliable information on Russia's invasion of Ukraine, as well as events in Poland and in the world.
  VPolshchi.pl publishes information on how to get help, what kind of help is available and the institutions that refugees from Ukraine may turn to.
  The site also contains practical guidelines for those who remain in Ukraine in wartime conditions, including warnings against specific threats.

- **Henryk Wujec Civic Fund – a collection of money**
  After Russia invaded Ukraine, we immediately initiated cooperation with the Henryk Wujec Civic Fund. We jointly launched a Fund for Supporting Refugees from Ukraine in Poland. Wirtualna Polska took the collection under its wing and provided access to all the biggest channels of mailing communication. We succeeded in collecting over PLN 180 thousand. The collected money was sent to support initiatives of social organizations and informal groups from all over Poland and volunteers and social organizations helping refugees cross the border, find accommodation and transport or buy needed medicines.

- **Ukrainian channels at WP Pilot**
  WP Pilot provided users with the opportunity to watch, free of charge, Ukraina24 television channel. This option was mainly addressed to Ukrainian citizens staying in Poland. Given the great interest in the Ukraina24 channel, WP Pilot added to its offering 10 thematic channels in Ukrainian.

- **LUX FM Ukrainian radio station on Open FM platform**
  On 26 February 2022, the Open FM platform started broadcasting the LUX FM Ukrainian radio station. It is a Ukrainian non-governmental radio network whose programs are broadcast in over 20 cities of Ukraine. At Open FM, you can listen to program broadcast from the Lviv branch of the station, which is distinguished by avoiding, since a long time ago, playing Russian language songs.

- **In-kind collections**
  In all the companies of the Wirtualna Polska Group, collections of things were organized for refugees from Ukraine. Employees brought gifts to offices in Warsaw, Gdańsk, Wrocław, Lublin and Chorzów.
  The gifts were delivered to local collections and centers and associations supporting the refugees in Poland and in the border region on the Ukrainian side.
   Support was also given to Ukrainian families invited by Poles to their homes. Furthermore, the Wirtualna Polska Group paid for apartments for three families.

The WP Operations Team organized a collection of things for Kiev and Chernihiv, which were then cut off from the world and surrounded by the Russian army. The boxes contained sleeping bags, camp shovels, headlamps, medicines, antibiotics, food for babies, personal care products for women and cleaning products.

- **Purchase of oil-fired space heaters and night vision devices**
  In December 2022, we purchased and delivered to the Ukrainian Armed Forces 63 high-power oil-fired space heaters, which were transported to the front line.
  They serve the defending population in field hospitals and trenches during the harsh winter months.
  We also donated more than ten thousand euros for the purchase of night vision equipment directly for Ukraine's defenders. Within 24 hours, the night vision equipment purchased in Berlin was delivered across the eastern border.

05

Taxonomy

In this report, the Wirtualna Polska Group discloses for the second time information on its alignment with the EU Taxonomy of Environmentally Sustainable Activities. The obligations related to the above were introduced by Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment. The Regulation mentioned above, also known as the EU Taxonomy, translates the European Union's climate and environmental objectives into technical criteria used to evaluate whether a specific activity can be deemed to be sustainable against 6 environmental objectives:

1. Climate change mitigation

2. Climate change adaptation

3. The sustainable use and protection of water and marine resources

4. The transition to a circular economy

5. Pollution prevention and control

6. The protection and restoration of biodiversity and ecosystems

The Taxonomy is therefore a classification system that enables the Group's activities to be assessed and reported as being environmentally sustainable.

All activities conducted by the Group may be assigned to one of three categories:

→ Taxonomy-eligible activities, for which is has been determined that the Technical Screening Criteria and the Minimum Safeguards have been satisfied – these activities are environmentally sustainable.

→ Taxonomy-eligible activities, for which the Technical Screening Criteria have not been examined or it has been determined that at least one of the criteria is not satisfied, or that the Minimum Safeguards have not been satisfied – these activities are Taxonomy-eligible but not environmentally sustainable.

→ Non Taxonomy-eligible activities, for which Technical Screening Criteria do not exist (this category includes, among others, those types of activities, for which the criteria will be created in the future and at that time the activities will be Taxonomy-eligible)

Technical Screening Criteria (TSC) are detailed criteria that allow for an unambiguous determination of whether an activity contributes substantially to one of the environmental objectives and causes no significant harm to other environmental objectives. The TSCs are included in the Commission Delegated Regulation (EU) 2021/2139* supplemented by Commission Delegated Regulation (EU) 2022/1214**.As at the date of approval

of the report for publication, these regulations contain the criteria for substantial contribution to two environmental objectives (climate change mitigation and climate change adaptation) as well as the criteria for not causing serious harm to the remaining objectives. The European Commission plans to issue a delegated regulation containing the substantial contribution criteria for the four remaining environmental objectives. These draft criteria were presented by the Sustainable Financing Platform (in March and November 2022), but as these criteria are at a draft stage, no reference is made to them in this report.

Minimum Safeguards (MS) defined in Article 18 of Regulation 2020/852 are procedures implemented to ensure the alignment with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Each undertaking subject to the obligations arising under Regulation 2020/852 must disclose three ratios under Article 8 of the

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* Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives

** Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities.

Regulation:

→ The proportion of turnover derived from products or services associated with environmentally sustainable activities

→ The proportion of capital expenditure (CapEx) related to assets or processes associated with environmentally sustainable activities

→ The proportion of operating expenditure (OpEx) related to assets or processes associated with environmentally sustainable activities

Detailed requirements for the calculation and disclosure of these ratios are set out in the Commission Delegated Regulation (EU) 2021/2178***, i.e. in the delegated act for Article 8.

As a result of analyses, the following proportion of Taxonomy-aligned turnover, capital expenditure (CapEx) and operating expenditures (OpEx) has been determined.

Taxonomy alignment of activities conducted by the Wirtualna Polska Holding Group
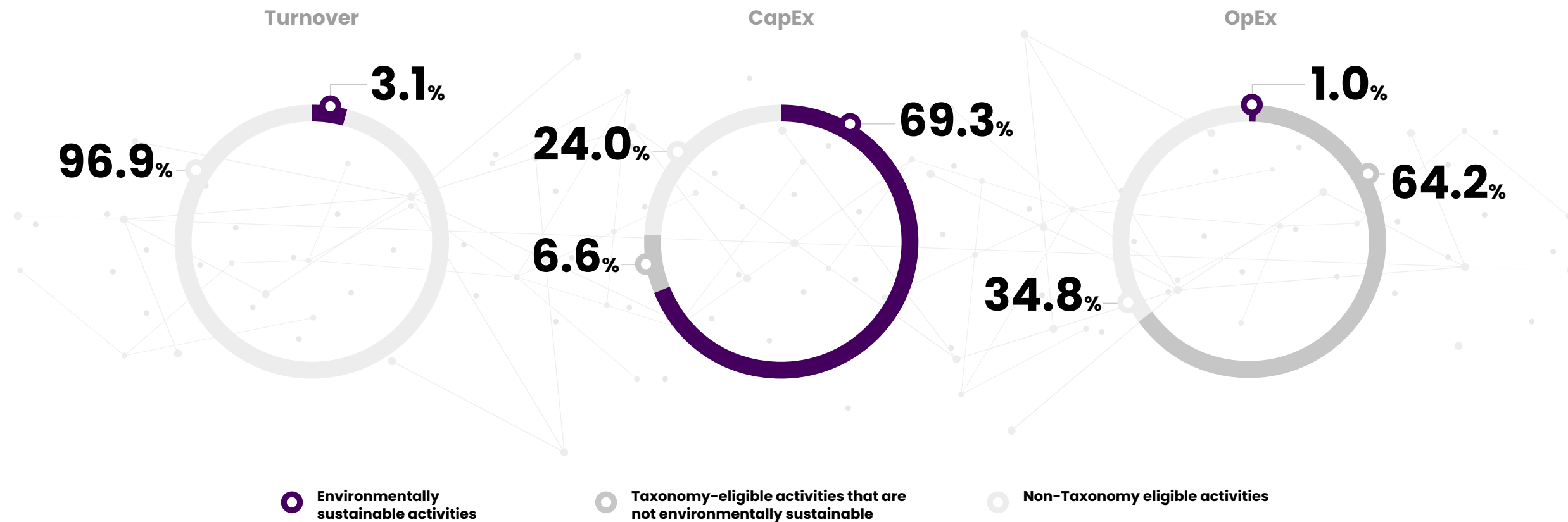
Turnover

3.1%

96.9%

CapEx

24.0%

69.3%

6.6%

34.8%

OpEx

1.0%

64.2%

○ **Environmentally sustainable activities**

○ **Taxonomy-eligible activities that are not environmentally sustainable**

○ **Non-Taxonomy eligible activities**

*** Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives

The examination of Taxonomy alignment of activities conducted by the Group has shown as follows:

→ In 2022, the Group's sustainable activities accounted for 3.08% of its turnover, 69.35% of its capital expenditure (CapEx) and 1.05% of operating expenditure (OpEx).

→ Taxonomy-eligible but not Taxonomy-aligned activities accounted for 0.00% of its turnover, 6.61% of its capital expenditure (CapEx) and 64.17% of operating expenditure (OpEx) in 2022.

→ In 2022, the Group's not Taxonomy-eligible activities accounted for 96.92% of its turnover, 24.04% of its capital expenditure (CapEx) and 34.78% of operating expenditure (OpEx).

The process of examining Taxonomy alignment, the accounting principles applied and a detailed discussion of the three performance ratios with tables prepared in accordance with the so-called act delegated to Article 8, that is the Commission Delegated Regulation (EU) 2021/2178, are described in detail in the Management Board Report on the activity of Wirtualna Polska Holding Company and Group in 2022.

	Turnover	CapEx	OpEx
Value in 2022 [PLN million]	1077.7	122.1	20.2
sustainable (Taxonomy-aligned) activities	3.1%	69.3%	1.0%
not sustainable (Taxonomy-eligible but not Taxonomy-aligned)	0.0%	6.6%	64.2%
neutral (non-Taxonomy eligible) activities	96.9%	24.0%	34.8%

****Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives

06

About this report

Dialog with stakeholders

GRI 2-29

Wirtualna Polska Group has defined five external stakeholder groups. The Group engages with them in the following ways:

1. Investors
The Company remains in touch with its shareholders and investors and publishes its financial results on an annual and quarterly basis. In addition to the publication of current reports and regular reports, we also organize regular direct meetings and conferences. A dedicated website is also maintained.

2. Business partners and suppliers
We engage with this group of stakeholders mainly through business meetings, participation in conferences and media partnerships with organizations.

3. Society
This group primarily includes the users of our websites and viewers and listeners of our programs. Engagement of such a wide range of stakeholders is managed mainly through periodic surveys: the Wirtualna Polska Image Survey, the satisfaction survey on services provided and new website functionalities. There is also a Customer Service Office where opinions and comments can be submitted. We also invite stakeholders to a wider discussion by giving them the opportunity to comment on information published on our sites.

4. Customers
We maintain regular contact with our customers and we also conduct a satisfaction survey for customers of the WP Advertising Bureau and a satisfaction survey on the level of e-commerce services throughout the year.

5. State institutions, regulators and legislators
We maintain relationships with this group of stakeholders by participating in industry conferences and consultations and by fulfilling our disclosure obligations.

Moreover, the sixth group of stakeholders are our employees and collaborators: internal stakeholders whose job satisfaction we are trying to monitor on an ongoing basis throughout the year. For this year's stakeholder dialog, we invited mainly representatives of our first group of stakeholders: shareholders and investors, as well as stock market analysts from brokerage houses and business journalists.

We received 23 responses to our dialog questionnaire:

→ Institutional investors (domestic and foreign) – 12 responses;

→ stock market analysts – 7 responses;

→ business journalists – 4 responses.

Investors and stock market analysts seemed to view governance – including corporate governance – as the most important area. Journalists, on the other hand, considered environmental issues to be the most important. Based on stakeholder responses to the survey questions, we conducted an analysis of material topics that were selected for publication in this report.

wp holding

Process to determine material topics

GRI 3-1, 3-2

In the materiality analysis process, we added the company's perspective on top of the final assessment of ESG topics from the stakeholder dialog. This way we received a dual rating of ESG topics: provided by the community and by representatives of Wirtualna Polska Holding S.A.

The resulting scores below 4 (on a 1 to 5 scale) were considered low, while scores greater than or equal to 4 (≥4) were considered high. We identified material topics based on these ratings. The topics that received two high ratings were considered to have high materiality. The topics that received one high and one low rating were considered to be of medium materiality. The topics that received two low ratings were deemed to be of low materiality.

This way, from among various ESG topics, we have chosen material topics that were discussed in this report:

corporate governance

business ethics

Data privacy

Cybersecurity

human capital development

equal pay

Employee rights

Diversity and equal opportunity

In addition, we have included a number of topics in the report that were considered to be of moderate importance in the materiality analysis, but which are important from the company's perspective:

research, development and innovation

energy management

Greenhouse gas emissions and ways to reduce them

climate education

For each topic, we have assigned relevant indicators from GRI Universal Standards 2021 to be disclosed in this year's report.

Information about the report

GRI 2-2, 2-3, 2-4, 2-5

This integrated report includes data for the year 2022 from all Wirtualna Polska Holding Group companies that are directly or indirectly controlled by Wirtualna Polska Holding S.A.

→ Wirtualna Polska Media S.A.

→ Totalmoney.pl sp. z o.o.

→ Businessclick sp. z o. o.

→ Wakacje.pl S.A.

→ Nocowanie.pl sp. z o.o.

→ Netwizor Sp. z o.o.

→ Extradom.pl sp. z o.o.

→ Parklot sp. z o.o.

→ Superauto24.com sp. z o.o.

→ Open FM Sp. z o. o.

→ WP Naturalnie Solar 1 sp. z o.o.

→ Stacja Służew sp. z o.o.

→ Camellia Investments Kft.

→ Benchmark Sp. z o.o.

→ Audioteka Group

→ Szallas Group

→ Mediapop Sp. z o.o.

→ Casalan Investments Sp. z o.o.

The following were not taken into account in the ESG data:

→ Associated companies over which the Group has no control and which are not consolidated by the full method;

→ Newly consolidated companies for which the Group did not have the full package of reliable information for the year of the report (Szallas Group, Audioteka Group).

The report was submitted to the Management Board, the Supervisory Board and the ESG Committee of the Supervisory Board for opinions. The ESG Committee also commissioned a survey of material topics among the company's stakeholders for the purposes of the report. Management Board Members took part in the selection of material topics for the report.
In order to ensure the high quality of the report, we have prepared it in accordance with the Global Reporting Initiative (GRI) Standards 2021. It has not been reviewed by any third party.

The topics presented in the report contain data for the period from 1 January 2022 to 31 December 2022. The Wirtualna Polska Group reports on an annual basis. Our previous report with non-financial information was published on 22 March 2022 and the data contained therein do not require any revision.

If you have any questions regarding this report, please contact us at csr@grupawp.pl.

Table of Compliance with TCFD Recommendations

TCFD Recommendations	Place in the report
CORPORATE GOVERNANCE	
→ Describe the board's oversight of climate-related risks and opportunities	1.1.2. Management Board and Supervisory Board
→ Describe the management board's and the supervisory board's role in identifying, assessing and managing climate-related risks and opportunities	1.1.2. Management Board and Supervisory Board
STRATEGY	
→ Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	2.7 Risk and risk management
→ Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	2.7 Risk and risk management
→ Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2ºC or lower scenario	Information not available
RISK MANAGEMENT	
→ Describe the processes for identifying and assessing climate-related risks	2.7 Risk and risk management
→ Describe the organization's processes for managing climate-related risks	2.7 Risk and risk management
→ Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	2.7 Risk and risk management
METRICS AND TARGETS	
→ Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	2.7 Risk and risk management
→ Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	3.1 Our road to net zero emissions
→ Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	1.4.2 ESG strategy and objectives 3.1 Our road to net zero emissions

GRI Index

Declaration about the reporting standard	**Wirtualna Polska Holding has drawn up the report in accordance with the GRI Standards for the period from 1 January 2022 to 31 December 2022.**
GRI 1	GRI 1: Foundation 2021

GRI Standard / other source	Indicator	Page number	Omission		
			Requirements	**Reason**	**Explanation**
GRI 2: General disclosures 2021	2-1 Organizational details	6			
	2-2 Entities included in the organization's sustainability reporting	83			
	2-3 Reporting period, frequency, and contact point	83			
	2-4 Restatements of information	83			
	2-5 External assurance	83			
	2-6 Activities, value chain and other business relationships	6-10			
	2-7 Employees	58			
	2-8 Workers who are not employees	59			
	2-9 Governance structure and composition	10-11			
	2-10 Nomination and selection of the highest governance body	10-11			
	2-11 Chair of the highest governance body	10-11			
	2-12 Role of the highest governance body in overseeing the management of impacts	10-11			

GRI Standard / other source	Indicator	Page number	Omission		
			Requirements	Reason	Explanation
	2-13 Delegation of responsibility for managing impacts	24			
	2-14 Role of the highest governance body in sustainability reporting	10-11			
	2-15 Conflicts of interest	35			
	2-16 Communication of critical concerns	38	no information is available on the total number and nature of critical concerns that were communicated to the highest governance bodies during the reporting period	Confidentiality constraints	As the leader of the Polish Internet, the Wirtualna Polska Holding Group provides strategically important services to millions of people. This leads to increased interest in the Group's operations from individuals, organizations, hostile states that seek to impede the Group's operations through attacks on the Group's infrastructure. In connection with the ongoing war in Ukraine and the current CRP Alert Level 3 (Charlie-CRP), in order to counter cyber threats, the Group decided not to publish the ratio presenting the number of critical issue communication incidents.
	2-17 Collective knowledge of the highest governance body	10-11			
	2-18 Evaluation of the performance of the highest governance body	10-11			
	2-19 Remuneration policies	67			
	2-20 Process to determine remuneration	67	no information is available on the process to determine remuneration for employees	Information unavailable/ incomplete	Work is underway on the preparation of a uniform remuneration policy for the whole Group. It should be introduced within two years.
	2-21 Annual total compensation ratio	66			

GRI Standard / other source	Indicator	Page number	Omission		
			Requirements	Reason	Explanation
	2-22 Statement on sustainable development strategy	3-4			
	2-23 Policy commitments	32-33	no information is available on commitments regarding respect for human rights	Information unavailable/ incomplete	The work is under way on the amendment of the Code of Ethics. The new version will be adopted within a year.
	2-24 Embedding policy commitments	32-33			
	2-25 Processes to remediate negative impacts	39			
	2-26 Mechanisms for seeking advice and raising concerns	33			
	2-27 Compliance with laws and regulations	33			
	2-28 Membership associations	29			
	2-29 Approach to stakeholder engagement	81			
	2-30 Collective bargaining agreements	63			
Material topics					
GRI 3: Material topics 2021	3-1 Process to determine material topics	82			
	3-2 List of material topics	82			
Topic: Corporate governance					
GRI 3: Material topics 2021	3-3 Management of material topics – anti-corruption aspect	35			

GRI Standard / other source	Indicator	Page number	Omission		
			Requirements	Reason	Explanation
Anti-corruption					
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	35			
	205-3 Confirmed incidents of corruption and actions taken	35			
Material topic: Business ethics					
GRI 3: Material topics 2021	3-3 Management of material topics – anti-competitive behavior aspect	33–35, 49			
Anti-competitive behavior					
GRI 206: Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	35			
Tax					
GRI 207: Tax 2019	Disclosure 207-2 Tax governance, control, and risk management	49			
Material topic: Energy management					
GRI 3: Material topics 2021	3-3 Management of material topics – Energy aspect	52			
Energy					
GRI 302: Energy 2016	302-1 Energy consumption within the organization	53			
Material topic: Greenhouse gas emissions and ways to reduce them					
GRI 3: Material topics 2021	3-3 Management of material topics – Greenhouse gas emissions and ways to reduce them	52			

GRI Standard / other source	Indicator	Page number	Omission		
			Requirements	**Reason**	**Explanation**
Emissions					
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	54			
	305-2 Energy indirect (Scope 2) GHG emissions	54			
	305-4 GHG emissions intensity	54			
	305-5 Reduction of GHG emissions	54			
Material topic: Climate education					
GRI 3: Material topics 2021	3-3 Management of material topics – Climate education aspect	55			
Own indicators					
	Own 1: Climate education	55			
Material topic: Human capital development					
GRI 3: Material topics 2021	3-3 Management of material topics – Human capital development aspect	57			
Employment					
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	60			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	61			
	401-3 Parental leave	61			
Training and education					
GRI 404. Training and Education 2016	404-1 Average hours of training per year per employee	61			
	404-2 Programs for upgrading employee skills and transition assistance programs	62			

GRI Standard / other source	Indicator	Page number	Omission		
			Requirements	Reason	Explanation
Material topic: Employee rights					
GRI 3: Material topics 2021	3-3 Management of material topics – Employee rights aspect	63			
Labor/Management Relations					
GRI 402: Labor/Man-agement Relations 2016	402-1 Minimum notice periods regarding operational changes	63			
Material topic: Diversity and equal opportunity					
GRI 3: Material topics 2021	3-3 Management of material topics – Diversity and equal opportunity aspect	66			
Diversity and equal opportunity					
GRI 405: Diversity and Equal Opportu-nity 2016	405-1 Diversity of governance bodies and employees	69			
Non-discrimination					
GRI 406: Non-dis-crimination 2016	406-1 Incidents of discrimination and corrective actions taken	70			
Material topic: Equal pay					
GRI 3: Material topics 2021	3-3 Management of material topics – Equal pay aspect	66, 68			
Diversity and equal opportunity					
GRI 405: Diversity and Equal Opportu-nity 2016	405-2 Ratio of basic salary and remuneration of women to men	66			

GRI Standard / other source	Indicator	Page number	Omission		
			Requirements	**Reason**	**Explanation**
Material topic: Data privacy					
GRI 3: Material topics 2021	3-3 Management of material topics – Data privacy aspect	70-71			
Customer privacy					
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	71			
Material topic: Cybersecurity					
GRI 3: Material topics 2021	3-3 Management of material topics – Cybersecurity aspect	36			
Own indicators					
	Own 2 Cybersecurity	38			
Additional indicators					
Occupational Health and Safety					
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services	64-65			
	403-9 Work-related injuries	64-65			