

STATEMENT ON NON-FINANCIAL INFORMATION
OF THE COMPANY
WORK SERVICE SA AND WORK SERVICE GROUP
OF COMPANIES FOR THE YEAR 2020

The legal basis for this statement is the Act on Accounting, in particular Article 49b and Article 55.

TABLE OF CONTENTS

- 1. BUSINESS MODEL OF THE ENTITY AND KEY NON-FINANCIAL RATIOS3
- 2. RISK MANAGEMENT6
- 3. POLICIES CONCERNING THE PROBLEMS OF COUNTERACTING CORRUPTION AND THEIR RESULTS.....10
- 4. POLICIES CONCERNING EMPLOYEE PROBLEMS AND THEIR RESULTS.....10
- 5. POLICIES CONCERNING RESPECT FOR HUMAN RIGHTS AND THEIR RESULTS.....13
- 6. POLICIES CONCERNING COUNTERACTING SLAVERY AND THE CHILD LABOUR AND THEIR RESULTS.....13
- 7. POLICIES CONCERNING PROMOTION OF DIVERSITY IN THE WORKPLACE AND COUNTERACTING DISCRMINATION AND THEIR RESULTS.....14
- 8. POLICIES CONCERNING SOCIAL PROBLEMS AND THEIR RESULTS.....15
- 9. POLICIES CONCERNING ENVIRONMENTAL PROBLEMS AND THEIR RESULTS18

1. BUSINESS MODEL OF THE ENTITY AND KEY NON-FINANCIAL RATIOS

Work Service SA is the biggest Polish HR company delivering innovative human resources solutions. It specialises in personnel consulting services and HR restructuring, recruitment and staff outsourcing. Since 1999, the Company seated in Wrocław is a dominant company in Work Service Capital Group, which earned trust of more than 3000 Clients who keep on choosing the entities from the Capital Group to be their HR Partner. Specialised consultants and advisors hold extensive knowledge concerning regional labour markets. Their knowledge supported by wide experience enables us to develop projects with local precision. Work Service SA and its subsidiaries operate in Poland and in other European countries (Croatia, Germany, Romania, Hungary, Slovenia, Ukraine, Czech Republic, Slovakia) through the network of local offices and mobile personal consultants. Work Service Group is oriented at satisfying the needs of both employees and employers. Work Service SA is the first company from the sector of personnel services listed on the Warsaw Stock Exchange.

The subject matter of operations of Work Service SA and the companies from the Group of Companies is:

- temporary work – offering work to temporary staff, a service allows to match the level of employment to the changing customer needs;
- cross-border exchange of employees;
- professional activation of the unemployed – we take actions based on individual and group career guidance and training which increase opportunities to find employment;
- employee recruitment, personnel consulting – a service allows the customers to acquire competent employees quickly and effectively, not only individuals but also entire teams, tailored to their organizational culture and business objectives;
- HR and payroll services, archiving and digitization of HR and payroll documents;
- outsourcing – a service that helps customers focus their own resources on strategic tasks, while Work Service SA takes full responsibility for creating a tailored outsourcing process and for the end results of its customers;
- occupational activation of the disabled – we work to find a satisfactory employment for the disabled and educate employers on the benefits of their employment and on the appropriate adaptation of their jobs.

A detailed description of the companies from Work Service Group of Companies and the subject matter of their operations can be found in item 1.3. Introduction to the consolidated financial statement of Work Service Group of Companies.

Sales breakdown of Work Service Group of Companies from continued operations (%)

Specification:	2020 r.	[%]	2019 r.	[%]
Temporary employment	711 454 948	78,8%	1 228 327 253	89,2%
Outsourcing	187 842 418	20,8%	141 626 058	10,3%
Personnel consulting	3 631 108	0,4%	7 732 429	0,6%
TOTAL	902 928 473	100,0%	1 377 685 741	100,0%

The services of Work Service SA and Work Service Group of Companies are offered to:

- **Candidates** - persons looking for a job, by offering comprehensive care and support when finding temporary or permanent employment in Poland and abroad, best suited for their potential, disposition and requirements.
- **Clients** - companies looking for employees, by providing assistance at recruitment and employment of persons meeting best their expectations.

Appendix no. 1 STATEMENT ON NON-FINANCIAL INFORMATION 2020

Employment at Work Service SA and Work Service Group of Companies is divided into the following categories:

- **Temporary employees** – are employees who are employed by the temporary employment agency, but perform temporary work for and under management of the employment agency's customer, the so-called employer user (as defined by the provisions of the Act of 9 July 2003 on hiring temporary employees (i.e. Journal of Laws from 2016 item 360).
- **Employees providing the services** – are employees who work for and under management of the employer, but outside the plant, within the given business line and at the place resulting from a particular commercial contract concluded by the employer.
- **Support employees providing the services** – are employees other than temporary employees and employees providing the services; their role is to provide services for customers and develop temporary employees' careers and the employees directly providing the services to the clients.

Work Service S.A. and the Work Service Capital Group provide services under continuing operations primarily in the automotive, industrial, other services, electronic, financial, insurance services and call centre sectors.

Branże	2020	[%]	2019	[%]
Automotive	211 368 809	23,4%	333 393 153	24,2%
Other services	189 429 460	21,0%	300 767 090	21,8%
Industry others	158 095 058	17,5%	211 169 686	15,3%
Electronics	113 097 558	12,5%	121 798 804	8,8%
Financial and Insurance Services	93 023 074	10,3%	119 995 790	8,7%
Call center	61 503 735	6,8%	179 899 576	13,1%
FMCG	34 693 064	3,8%	38 556 270	2,8%
Administration	17 037 027	1,9%	32 606 046	2,4%
Sales and distribution	13 304 756	1,5%	17 429 120	1,3%
Medical services	11 253 135	1,2%	21 231 426	1,5%
Engineering	122 798	0,0%	838 779	0,1%
TOTAL	902 928 473	100%	1 377 685 741	100%

Consolidated statement of comprehensive income of the Group of Companies

for the year ended on 31 December 2020 and the comparable data for the year ended on 31 December 2019

The financial data presented relates to operations for the 12 months ended December 31, 2020 and the 12 months ended December 31, 2019.

The financial data presented for continuing operations for the year ended December 31, 2020 includes:

* results of Polish and Ukrainian companies for the period 01.01.2020–31.12.2020

* of Prohuman 2004 Kft. and companies controlled by Prohuman 2004 Kft. for the period 01.01.2020–30.09.2020

* process of changes to the consolidation method of Prohuman 2004 Kft. and companies controlled by Prohuman 2004 Kft. due to loss of control, which is described in more detail in section 2.3 Business continuity in Consolidated Financial Statement.

Financial data from continuing operations for the year ended December 31, 2019 relates to financial data of Polish companies, Ukrainian company and Prohuman 2004 Kft and companies controlled by Prohuman 2004 Kft.

The figures for continuing operations are not comparable due to the changes to the consolidation method of Prohuman 2004 Kft. and companies controlled by Prohuman 2004 Kft. in Q4 2020 and the absence of net profit for Q4 2020 of these entities.

Appendix no. 1 STATEMENT ON NON-FINANCIAL INFORMATION 2020

The presented data in discontinued operations include:

* operations held for sale for the period of 01.01.2020–31.12.2020, i.e. the financial results of Work Service Slovakia s.r.o. and entities controlled by Work Service Slovakia s.r.o., Work Service Czech s.r.o., and the German Group, i.e. Work Service GMBH & Co.KG and entities controlled by Work Service GMBH & Co.KG, as well as the result on the sales transaction of Work Service GMBH & Co.KG and entities controlled by Work Service GMBH & Co.KG. ("German Group")

The sale of Work Service GMBH & Co.KG took place at the beginning of the third quarter of 2020, as described in the Group's Report for H1 2020 and in the Group's Consolidated Quarterly Report for Q3 2020.

* operations held for sale for the period 01.01.2019–31.12.2019 i.e. the financial results of the Antal Group i.e. Antal Sp. z o.o. and entities controlled by Antal Sp. z o.o. and additionally the result on the transaction of sale of Antal Sp. z o.o. and Antal trademark, which was also assigned to discontinued operations, as well as the financial results of Work Service Slovakia s.r.o. and entities controlled by Work Service Slovakia s.r.o., Work Service Czech s.r.o. and German Group, i.e. Work Service GMBH & Co.KG and entities controlled by Work Service GMBH & Co.KG.

CONTINUED OPERATIONS	01.01.2020-31.12.2020	01.01.2019-31.12.2019
Revenues	902 928 473,24	1 377 685 740,62
Net revenues from sales of products	906 550 978,08	1 376 241 875,16
Variation in stocks of products	-3 622 504,84	1 443 865,46
Manufacturing cost of products for entity's own purposes		
Net income on sale of goods and materials		
Operating costs	901 009 574,03	1 364 524 367,08
Depreciation	10 624 640,45	14 161 590,72
Consumption of materials and energy	3 416 751,47	4 861 843,56
Outside services	77 887 867,79	121 320 752,38
Taxes and charges	1 571 332,58	1 900 180,57
Remuneration	683 490 623,78	1 013 288 435,61
Social insurance and other benefits	119 340 822,02	199 758 960,33
Other generic expenses	4 677 535,94	9 232 603,91
Value of goods and materials sold		
Profit (loss) on sales	1 918 899,21	13 161 373,54
Other operating incomes	50 173 972,11	66 390 204,07
Other operating costs	44 418 182,78	83 916 807,69
Profit (loss) on operating activities	7 674 688,54	-4 365 230,08
Financial incomes	97 313 719,93	6 845 743,05
Financial costs	87 177 254,85	88 664 911,32
Gross profit (loss)	17 811 153,62	-86 184 398,35
Income tax	31 814 361,39	1 570 697,37
Net profit (loss) from continued operations	-14 003 207,77	-87 755 095,72
Including:		
Net profit (loss) in the Q4 of 2020 Prohuman group*	No data	
Net profit (loss) from the deconsolidated activity	-57 438 242,17	

* Net profit (loss) from continuing operations does not include the net profit (loss) in the 4th quarter of 2020 of the Prohuman Group, due to the lack of data from the Prohuman Group for the 4th quarter of 2020. In accordance with the changed method of consolidation described in the Consolidated Financial Statements for the year ended

Appendix no. 1 STATEMENT ON NON-FINANCIAL INFORMATION 2020

December 31, 2020, point 2.3. Going concern, point 4, the financial result for the fourth quarter of 2020 of the Prohuman group should be taken into account.

DISCONTINUED OPERATIONS	01.01.2020-31.12.2020	01.01.2019-31.12.2019
Net revenues from sales of products	105 026 749,28	257 967 469,07
Operating costs	113 319 043,56	267 782 006,48
Other operating incomes	13 121 204,68	13 143 013,91
Other operating costs	1 093 058,21	32 215 226,80
Financial incomes	-650 847,84	-688 623,32
Financial costs	369 926,68	1 003 599,26
Gross profit (loss), including:	2 715 077,67	-30 578 972,88
the result on the sale of the Antal group and the Antal trademark		-17 565 075,61
<i>German Group's result until the date of sale and the result on the sale of this group in 2020</i>	4 852 398,58	-11 726 140,40
the result on activities classified as intended for sale in 2021 (Czech and Slovak entities)	-2 137 320,91	-1 287 756,87
Income tax	34 613,38	32 102,50
Net profit for the financial year from activities classified as intended including:	2 680 464,29	-30 611 075,38
the result on the sale of the Antal group and the Antal trademark		-17 576 762,21
<i>German Group's result until the date of sale and the result on the sale of this group in 2020</i>	4 825 977,54	-11 795 429,47
the result on activities classified as intended for sale in 2021 (Czech and Slovak entities)	-2 145 513,25	-1 238 883,71

A detailed discussion of the above statement of Work Service Capital Group's results can be found in the Consolidated Financial Statements of the Capital Group under item 2.3 Continuing Operations

2.RISK MANAGEMENT

In the risk management system of the Company and the Group of Companies, the following important risks are distinguished:

- the risk related to personal data protection,
- the risk related to liquidity,
- risk related to the socio-economic situation in Poland and Europe,
- risk related to the operations of competitors,
- the risk related to market variability,
- the risk related to changes in legal regulations.

Owing to the specific nature of operations of the Company and the Group, all the above listed risks can have an adverse effect on social and employee matters. An internal audit is a tool we find helpful in our ongoing efforts related to effectively managing and supervising key business processes. The audits include an independent internal auditor and a Compliance Officer who monitor the processes of implementation of applicable laws, recommendations, guidelines and instructions of supervisory bodies as well as the applicable good practices and market standards.

Appendix no. 1 STATEMENT ON NON-FINANCIAL INFORMATION 2020

In the system of risks, no significant negative risks having a negative effect on environmental matters have been identified.

Risk	Risk description	Risk management	Possible significant adverse effect on matters:				
			S	P	Ś	PCz	PK
Risk related to personal data protection	Due to the nature of the operations, the Company and the Group of Companies apply the necessary technical and organizational measures to ensure personal data protection, making it possible to mitigate or remove the risk at management of the held databases of personal data (of candidates, employees), the number of records in which exceeds hundreds of thousands. The collected personal data are processed only by the persons authorized to process them. There is a small risk that, as a result of theft, burglary, or other undesirable activities, access to the database will be obtained by unauthorized persons. In this situation, information which could be used against the interests of the Company and its clients, what would adversely affect the image and thus deteriorate its position on the market.	In order to remove or reduce the risks, Work Service applies the following technical and organizational measures to ensure personal data protection: <ul style="list-style-type: none"> • personal data processing areas are secured • any documents and information carriers are protected • Access to data in IT systems is protected • The IT system is secured • The Personal Data Protection Officer has been appointed, the Data Security Policy has been implemented, and the procedure of conduct on violation of personal data protection has been defined. 	X	X	-	X	-
Risk related to liquidity	The Company and the Group of Companies, offering services in the so-called flexible employment forms, offers training to prepare employees to performing a specified job. Then, these employees are referred to the enterprises that have reported the demand for this kind of services. By the time of receipt of the payment for the service, Work Service bears all costs resulting from the employment contract (remuneration, insurance etc.) of the persons starting the employment. Businesses hiring employees pay for the service on specific, contractual payment deadlines. This business model requires effective net operating capital management and is prone to the risk of periodically reduced financial liquidity the level of which is significant.	In order to minimize the risk of liquidity loss, on the current basis the Group forecasts and keeps track of the financial flows and manages cash within a group of entities. In addition, the Group has credit and factoring agreements making it possible to flexibly plan funds for paying current liabilities. Within the adopted trade policies, the Group of Companies concludes agreements with business partners so as to ensure that the demand for and the cost of foreign capital are optimized.	X	X	-	-	-

	<p>In addition, The Company has the instalment agreement with ZUS (Social Security), Tax Office and PFRON described in point 2.3 in Consolidated Financial Statement for 2020. The Company is also a party to loan agreements and agreements with Banks described in point 2.3 in Consolidated Financial Statement for 2020.</p> <p>The Management Board draws attention that, with absence of the ensured necessary funding level, the Company can be additionally exposed to the liquidity loss risk. The financing of the current operations of the Company (mainly based on the Financing Agreement with Gi International) is described in point 2.3 in Consolidated Financial Statement for 2020.</p>						
<p>Risk related with the socio-economic situation in Poland and Europe and pandemia of COVID - 19</p>	<p>The activity of companies connected with the provision of services in the labour market depends on social and economic situation in Poland and abroad. Financial results of the companies are affected in particular by macroeconomic factors such as the level of investments of enterprises growth of employment, GDP growth rate, growth rate of the level of salaries, the level of interest rates and inflation, and along with progressive globalisation of economies, also direct foreign investments. The absorption level of funds coming from the EU budget is the factor having a material impact on the development of the business dealt with by the Group. In the event of economic downturn or if the economic situation deteriorates, there is a risk that the demand for the product offered by the Group will decrease. Such risk is also generated by the COVID-19 pandemic which has impact on the reduced business activity of many clients of the Group. The</p>	<p>The Management Board of the Group analyses market situation on a regular basis and properly adjusts its strategic decisions to the situation.</p>	X	X	-	-	-

Appendix no. 1 STATEMENT ON NON-FINANCIAL INFORMATION 2020

	Management Board of the Group analyses market situation on a regular basis and properly adjusts its strategic decisions to the situation; in particular, in the period of reduced demand for services rendered by the Group the business maintenance costs are reduced.						
Risk related with the operations of competitors	The market of human resources services in Central and Eastern Europe (Poland, the Czech Republic, Slovakia and Hungary) is attractive on account of its size. The recognised global brands such as Adecco, Manpower or Randstad treat the market of the Central Europe as the strategic market and have been strongly competing with Work Service Group for years.	Work Service S.A. holds relevant experience and the recognised brand, is able to react to the actions taken by the competition in advance, and react flexibly to the needs of the labour market of both the candidate/employee and the employer/client.	X	X	-	-	X
Risk related to market variability	In the recent years, changes could be observed in the temporary employment market. Entrepreneurs expect the Temporary Employment Agency to provide prepared and trained employees who do not involve further investments such as all types of trainings or courses.	The Group, being the leader in Poland and in the market of Central and Eastern Europe, holds relevant technical backup, knowledge and long-term experience, monitors, is able to predict and knows the market needs. Thanks to the knowledge of local and regional markets, Work Service Group increases its competitiveness. Using its branches in Poland and in Europe, it is able to react to changing market trends. However, in the case of the activity in the European markets, potential occurrence of periodic changes caused, for instance, by short existence in a given market or by cultural differences, should be underlined.	X	X	-	-	-
Risk related to changes in legal regulations	The country's macroeconomic situation can impose changes in the tax law, labor law, changes in ZUS (social security), or in the area	The Group's Management Board is monitoring on an on-going basis any	x	x	-	-	X

	<p>of commercial operations. Any change in the regulations can increase the Group's operating costs, which, in turn, translates to financial performance and may result in difficulties in evaluating the effects of future events or decisions. Additionally, risk in this respect is strengthened by the fact of Work Service Group of Companies running operations on the territory of several countries, also in Ukraine.</p>	<p>legislative changes on the markets where operations are being conducted and reacts in advance to ensure that the operations are conducted in accordance with valid regulations of the local law.</p>					
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S-social, P-employee, Ś-environmental, PCz-human rights, PK-counteracting corruption

A detailed description of the risk management system in the Company and the Group of Companies is described in item 6 of the Statement of the Management Board on operations of Work Service Group of Companies.

3.POLICIES CONCERNING THE PROBLEMS OF COUNTERACTING CORRUPTION AND THEIR RESULTS

The operations of Work Service SA and the Group of Companies is governed by a number of domestic and EU guidelines e.g. in the context of counteracting corruption, conflict of interest. In addition, in 2018 works were in progress on preparation of the Ethics Code, the Compliance Policy and respective internal procedures containing e.g. guidelines for avoiding conflict of interest, counteracting corruptive situations, procedure in contacts with business partners (fair competition), keeping business secret and confidential information, management of reports about non-conformities under the procedure, Whistleblowing. In 2019 it is planned to implement the above specified internal regulations and establish the Compliance Department in the Company and the Group, and appoint the Compliance Officer, who will manage risks from the regulated areas.

Due to the planned changes in the Act on criminal liability of collective entities, Work Service Group of Companies plans to adopt a number of ethical regulations, including policies governing the matters concerning the problems of counteracting corruption, conflict of interest and notification of irregularities, which will be in force throughout the whole Group of Companies Each company, being a member of the Group, will have the obligation to apply the regulations implemented in Work Service S.A. in order to maintain the highest standards of running the Group's business operations.

In 2020, both in the Company and the whole Group of Companies, no case of corruption or one indicating presence of a conflict of interest was observed.

4.POLICIES CONCERNING EMPLOYEE PROBLEMS AND THEIR RESULTS

Due to the nature of the operations, Work Service SA and Work Service Group of Companies put particular emphasis on ensuring highest employment standards to the employees.

As of 31 December 2020, Work Service S.A. employed 114 customer service delivery support staff (internal staff). All Polish companies employed 311 such workers.

Customer service delivery support staff (internal staff) as of December 31, 2020 (WSSA)	Customer service delivery support staff (internal staff) as of December 31, 2020 (polish companies)
114	311

In the Company, basic employee issues determining the internal order and rights and obligations of employees and the employer are regulated by the "Work Regulations". Procedures are in place to address employee issues regarding recruitment, adaptation, hiring, rewards, changes in conditions of employment, training, and termination of employment. In addition, there are procedures for conducting an employee opinion survey. The purpose of the research is to get to know the opinions, feelings and expectations of employees in various areas of the Company's operation and to direct the activities carried out under the HR Policy to

- Good atmosphere and relationships with co-workers;
- Improvement of the efficiency of work processes and competitiveness in the market.
- Improvement of communication;
- Increase in employee satisfaction;

All polish companies from Work Service Group provides a number of benefits to its employees. These include:

- Multisport sports cards;
- Medical care (employees can choose packages from two providers: LUXMED and Allianz);
- Allianz life Insurance.
- The Human Resources Department also organizes activities for employees related to holidays or seasons, these include:
 - o Health prevention – health-promoting drinking supplements;
 - o Gifts on the occasion of various events;
 - o Contests with prizes;

There are also organized activities for children of employees among others:

- Children's Day at the company's headquarters;
- Santa packages for employees' children;
- Possibility of taking children to work with you;
- Online workshops for children

In 2020, 416 employees employed in Polish companies took advantage of the offer.

TYPE OF BENEFIT	NUMBER OF BENEFITING EMPLOYEES
Allianz medical care	416
Multisport sports card	
Allianz life Insurance	
LUX-MED Medical Care.	

In 2020, some providers reduced their offerings (sports facilities remained closed for most of the year and doctors at clinics provided mostly phone/online advice), so the number of active users decreased compared to the previous year.

Appendix no. 1 STATEMENT ON NON-FINANCIAL INFORMATION 2020

In 2020, the following employee events took place and 788 employees employed in Polish companies took part in them:

EVENT	NUMBER OF PARTICIPANTS
Women's day – gifts for ladies	788
Women's day – a video with wishes from men to ladies	
Children's Day online	
Virtual Zoo for children	
"How are you doing?!" campaign Home office photos	
e-file knowledge contest	
St. Nicholas' Day magician show	
St. Nicholas' Day gingerbread baking workshop	
"Christmas inspiration corner"	
Christmas vouchers for employees	
Christmas – a video with wishes from employees to employees	

The company's "Robot for Robot" program was introduced in the Polish companies in 2019 and still is continued. Employees under this program have the opportunity to create their own robot – automating some of the tasks performed on the job. The HR department supports communication in this area – it interviews the authors of new robots and prepares messages addressed to the company's employees. After a few months of the program's operation, there were dozens of such robots functioning in the company.

ACTIVITIES DURING A CORONAVIRUS OUTBREAK

In March 2020, a new reality, previously unknown to anyone, dawned. When the first case of COVID-19 disease appeared in Poland the Management Board of Work Service SA has put in place adequate measures, the plan for which had been prepared weeks before.

- Within a few days, we created **health and safety procedures** that provided guidance to employees and managers on how to act in specific situations. Among other things, we described detailed steps to take if you notice COVID-19 symptoms in yourself, your office colleagues, or your loved ones; or principles of prevention to reduce your risk of contracting the disease.
- Since the beginning of March, **hygiene measures** have been added to the workplaces, and we have increased the frequency of disinfecting the areas most frequented by employees. In addition, we have equipped workplaces with public thermometers as well as masks and gloves.
- Where possible, we have instructed employees to **work remotely** and in other business units to work on a rotational basis in accordance with the mode shift policy.
- **Building relationships and sustaining them** with employees while working from home was difficult, but we were taking those kinds of steps. Using the available tools we exchanged impressions of working from home, ideas for spending free time, we recommended interesting webinars to each other.
- We also prepared different attraction for the children of employees – including a virtual zoo, children were able to vote and choose the animals they wanted to see in a virtual encounter.

Due to the escalating pandemic the Company has lead the charge and made improvements to keep our employees safe. These include:

- communication through electronic tools;
- setting limits on the number of people in offices and social areas;
- electronic workflow;
- digitalization to speed up processes;

Owing to the specific nature of operations, diversification of the operations and geographic scattering, Work Service Group of Companies has different group-wide policies governing employee matters. Each company being a member of the Group has the obligation to maintain the highest standards of running business operations, and consequently implements respective internal procedures. In the majority of the companies, the Work Regulations are binding, consistent with the legal requirements binding in the country where the company is registered.

The examples quoted above have been implemented in the companies registered in Poland, which are part of the Work Service Capital Group.

5. POLICIES CONCERNING PROBLEMS OF RESPECT FOR HUMAN RIGHTS AND THEIR RESULTS

Work Service Group of Companies understands the human rights policy as a means of avoiding violations of the rights of others, actively preventing such violations and taking corrective actions if the company would contribute, directly or indirectly, to the violation of such a right.

The main document regulating the issues of respecting human rights in Work Service SA is the Code of Ethics, which contains principles for preventing bullying, sexual harassment and discrimination, and avoiding conflicts of interest, acting in accordance with the principles of fair competition.

Transparent principles of conduct are binding throughout the whole Work Service Group of Companies, being an integral element of the organizational culture. We require our employees and co-workers to act according to the adopted principles described in the internal documents regarding ethical principles. Each of the employees is informed as well as instructed by internal training about the internal regulations concerning the ethical principles. In 2020, no case of violating human rights was observed both in the Company and throughout the whole Group of Companies.

6. POLICIES CONCERNING COUNTERACTING SLAVERY AND CHILD LABOUR AND THEIR RESULTS

Work Service Group is absolutely against work performed by the juvenile employees and against slavery. The Company is trying to raise awareness of its employees concerning forms of modern slavery and human trafficking. Work Service Group does not tolerate cases of violation of human rights and the only risk identified by Work Service Group in this scope refers to the risk of dynamism of new forms of slavery coming into existence. Work Service Group adjusts and will adjust its monitoring to the current situation and will keep on working on raising awareness in the scope of forms of modern slavery and human trafficking.

Work Service Group observes the prohibition of child labour, forced labour, the use of corporal punishment, mental and physical coercion and insult, as well as the prohibition concerning sexual harassment. Physical violence, mobbing, verbal abuse as well as other forms of molestation are unacceptable. The Group also does not accept discrimination because of race, skin colour, age, sex, marital status, confession, views, disability used in human resources policy and in everyday work.

In 2020, no case of child labour and support of slavery was identified.

7. POLICIES CONCERNING PROMOTING DIVERSITY IN THE WORKPLACE AND COMBATING DISCRIMINATION

Work Service SA promotes diversity within entire Capital Group. The management of diversity and counteracting discrimination are based on the universal principles of respect and tolerance to the other human being and on the principle of effective use of employees' potential. It consists in creation of a workplace where everyone, irrespective of their sex, age, disability, health condition, sexual orientation, family status, life style, religion, lack of religious denomination or any other criterion, feels appreciated and are able to develop. Such attitude to employees is an important element of the fair play strategy adopted by the Group.

Average age of employees working for clients in Poland	Average age
Women	39 years
Men	36 years

Work Service Group also supports employment of the disabled and foreigners. Companies actively operate in favour of increasing the number of employed disabled candidates, belonging to the Group ensure friendly environment, flexible working hours, trainings and onboarding as well as adjustment of the workplace and work position to the disabled.

Work Service is trying to eliminate discrimination connected with the employment of foreigners, to observe the principles of tolerance and respect, to appreciate fully every employee irrespective of their origin. Employment of foreigners enables the companies to develop in various aspects and to learn new cultures, which translates into creation of new methods of solving problems and individual attitude towards clients.

Nationality of employees working for the clients in Poland	Employee ratio
Polish	88,7%
Foreign	11,3%

Work Service understands diversity as identification of uniqueness of each person, their exceptional capacities and competence, irrespective of the existing differences. A diverse and tight team is a chance for increasing effectiveness and creativity of employees, and thanks to the respect of their uniqueness, they get more satisfied with the work performed. A diverse team also involves better understanding of the needs and expectations of business partners and recipients of services we render. Work Service SA is a signatory to the Diversity Card which proclaims equality as the fundamental value of modern society.

The table below shows the gender diversity of employees working for the clients in Poland.

Employees working for the Clients in Poland	Employee ratio
Women	56,9%
Men	43,1%

In 2020, no case of discrimination was found in the Company and in the entire Capital Group.

8. POLICIES REGARDING SOCIAL PROBLEMS AND THEIR RESULTS

Corporate Social Responsibility Policy

From the onset of its existence, Work Service has been taking all efforts to conduct business taking into account the needs of all stakeholders: Investors, Clients, Employees, Partners, as well as social and natural environment. Key objectives realised by the Company include education and market inspiration for the purpose of promoting the highest HR standards. CSR strategy is consistent with the strategy of the Group's development and puts great emphasis on good practices in relations with the Candidates and on supporting them at each stage of searching for work.

One of the objectives of the Company's corporate social responsibility includes responsible impact on the surroundings. Therefore, the aim of actions taken is to teach, help and inspire. Actions are conducted in favour of broadly defines labour market, especially of the unemployed and entering the labour market.

Work Service Foundation

Since 2013, Work Service Foundation has been operating as part of Work Service structures. It was established in order to perform actions:

- activating the unemployed, the disabled and those in a difficult situation;
- promoting employment of people aged 50+;
- supporting development of entrepreneurship among young people and getting their first job;
- addressing the needs of people from the immediate surroundings by charitable actions.

The activity of Work Service Foundation is regulated by the „Statute of Work Service Foundation“. The Foundation performs its goals through scholarship programmes, trainings, conferences and publications, as well as financing of cultural and sport events. The Foundation also supports the idea of voluntary services among employees of Work Service Capital Group. In 2019, the Foundation allocated the amount of PLN 2940.00 for the execution of its statutory aims.

In 2020, the employees benefited from the following social projects, assisted by the employees from Work Service Group, as part of voluntary employee services:

In 2020, during the lockdown period, the Company conducted increased activities related to supporting the wards of the Family Children's Home in Potworów. We have provided real support to children in the form of additional laptops for remote learning. The computers we donated were used to search for information, write, draw, and gain knowledge. In December 2020, we organized an online collection among the staff. 64 people took part in the campaign, in total we collected PLN 3,671.

Appendix no. 1 STATEMENT ON NON-FINANCIAL INFORMATION 2020

With the money raised we bought for the wards of the Family Children's Home:

- Vacuum cleaner
- Steam station
- Cleaning products (washing liquids, fabric softeners, air fresheners, janitorial products)
- Hygiene products (shampoos, soaps, bath lotions, antiperspirants, toothbrushes and toothpaste)
- Gifts and sweets for all children

External actions oriented to the labour market

The employees from Work Service Group find it important in their everyday work to educate and support young people entering the labour market.

Due to the COVID - 19 pandemic, it was not possible to conduct as many activities as in previous years.

In 2020, the Work Service Group in Poland prepared:

- Labour Market Barometer – published by Work Service since 2013 (twice a year). In the report, Work Service SA watches the current situation in the labour market as seen by the employees and employers. Each publication investigates the most current issues connected with the labour market and with human resources management. Therefore, new knowledge is gained and processes and challenges faced by the labour market in Poland are discussed. Each time the report is enriched with important opinions of the experts and Employers' representatives.

The training policy

In Work Service, development of content-related and personal competence of the employees is of the key importance. Therefore, in the Capital Group particular emphasis is put on the training offers dedicated to own employees.

Dedicated trainings for the employees are prepared by external companies (holding knowledge and experience in the specific area), HR department and internal employees. The management of knowledge within the organisation is of particular importance, therefore, HR department encourages and supports employees to share their knowledge with their colleagues.

On account of a dispersed nature of the Capital Group in Poland, the employees are offered access to a wide range of e-learning trainings supporting professional effectiveness. Creating its training policy, Work Service is striving after creation of a system supporting work on resources, strengths and competence of the employees.

Both headquartered and regional employees in Poland are subject to the adaptation programme which aims at efficient onboarding of the employee.

In 2020, due to the restrictions caused by the pandemic, we provided less training than in previous years.

A total of 8 training modules were held with 71 participants.

We launched also a training program for those employees who need a foreign language most for their daily work. Employees complete the lessons at their own convenience, or choose the appropriate teacher themselves. The program was launched in the last quarter of 2020. They took a total of 121 language classes in 2020.

In a cyclical Employee Attitude Surveys, the training policy of Work Service is also analysed. Feedback obtained constitutes an important part of planning the training policy for the forthcoming years.

Krajowe Centrum Pracy

As part of Work Service Capital Group, Krajowe Centrum Pracy („KCP”) also operates, specialising in professional activation of the unemployed and of those searching for a new job and supporting development of staff potential of the enterprises. The Company implements projects concerning professional activation and social inclusion

financed by the European Social Fund. The role of KCP is to take necessary actions, the aim of which is to enter the labour market and to include the people socially, The activation model developed by the company involves complex, enhanced and comprehensive support for the unemployed. The attitude specified in the presented model consists in taking into account all factors that could impede social and professional reintegration: the process of diagnosis, activation, of taking employment and maintaining employment by people who have been unemployed for a long time. Thanks to this method, it is possible to provide the long-term unemployed with individualised and personalised activation activities which are to bring them in the labour market and support them in maintaining their employment. So far, the company has provided its activities to more than 8 thousand unemployed, of whom 5 thousand people commenced work as a result of activation activities.

Krajowe Centrum Pracy plays also the role of operator of measures supporting development of staff and competence of employees of micro-, macro- and medium-size enterprises in the area of łódzkie, małopolskie and wielkopolskie province. As part of the funds granted in years 2019-2023, the company will distribute over 70 million zloty among the entrepreneurs from the aforementioned provinces for trainings and consultancy services connected with individual needs of the companies and their employees. In 2019, the company provided financial support as part of actions taken to almost one thousand entrepreneurs.

Projects implemented and currently under implementation by KCP

At the same time, Krajowe Centrum Pracy implements actions supporting competitiveness of micro-, small and medium-size enterprises and their employees as part of Subject-related Systems of Financing of individual provinces.

Łódzkie Province

Project: Łódź Credentials and Competence Development Offer (ŁORKK) (edition 2)

Implemented as part of Priority Axis X Adaptation of employees and entrepreneurs in the region, Action X.2 Development of employees and enterprises Sub-action X.2.1 Competitiveness of enterprises and their employees of the Regional Operating Programme of Łódzkie Province for years 2014-2020 and co-financed from the funds of European Social Fund.

The purpose of the Project is to increase competitiveness of enterprises from SME sector in łódzkie province by granting them co-financing of development services and to obtain credentials or competence by the employees of those enterprises. The support is oriented first of all towards people over 50 years of age and people with low credentials.

As part of the Project, SMEs can obtain up to 80% of co-financing for development services, and the support granted as part of the Project constitutes de minimis aid or public aid.

ŁORKK 2 lead time: 01.09.2019 – 31.08.2021, the amount of EU co-financing: PLN 21,579,784.6

The website: lorkk2.pl

In total, under the project, the company plans to: To support more than 1,750 SMEs and improve the competencies or qualifications of more than 5,500 employees.

Wielkopolskie Province

Project: Set your mind to development – Credentials and Competence Development Offer of SMEs from Poznań sub-region and their employees.

Implemented as part of Priority Axis 6 Labour market, Action 6.5 Improvement of competence of working people and the support of adaptation processes of Wielkopolski Regional Operating Programme for years 2014-2020 and co-financed from the funds of European Social Fund.

The purpose of the Project is to increase competitiveness of enterprises from SME sector in Poznań sub-region, wielkopolskie province by granting them co-financing of development services and to obtain credentials or

Appendix no. 1 STATEMENT ON NON-FINANCIAL INFORMATION 2020

competence by the employees of those enterprises. The support is oriented first of all towards people over 50 years of age and people with low credentials.

As part of the Project, SMEs can obtain up to 80% of co-financing for development services, and the support granted as part of the Project constitutes de minimis aid.

Lead time: 01.01.2020 – 31.12.2022, the amount of EU co-financing: PLN 18,520,846.67

The website: workk.com.pl

Results planned to be obtained (until the end of 2022):

1. 1235 of SMEs will be provided with support
2. 3784 employees will improve their competence or obtain credentials, including:
 - 946 employees aged 50+
 - 1326 employees with low credentials

Małopolskie Province

Project: Credentials and Competence Development Offer for Tarnów sub-region

Implemented as part of Priority Axis 8 Labour market, Action 8.4 Development of competence of Staff and adaptation to changes, Sub-action 8.4.1 Development of competence of human resources from SME sector of Regional Operating Programme of Małopolskie Province for years 2014-2020 and co-financed by the funds from European Social Fund.

The purpose of the Project is to increase competitiveness of enterprises from SME sector in Tarnów sub-region, małopolskie province by granting them co-financing of development services and to obtain credentials or competence by the employees of those enterprises. The support is oriented first of all towards people over 50 years of age and people with low credentials.

As part of the Project, SMEs can obtain up to 80% of co-financing for development services, and the support granted as part of the Project constitutes de minimis aid or public aid.

Lead time: 01.12.2019 r. – 30.11.2022, the amount of EU co-financing: PLN 7,443,202.89

The website: morkk.pl

Results planned to be obtained (until November 2022):

1. 319 of SMEs will be provided with support
2. 1104 employees will improve their competence or obtain credentials, including:
 - 276 employees aged 50+

9. POLICIES CONCERNING ENVIRONMENTAL PROBLEMS AND THEIR RESULTS

Owing to the specific nature of operations, Work Service SA and Work Service Group of Companies affect the environment to a minimum degree, by consumption of materials and raw materials in current office work, this applies first of all to stationery (especially paper), fuel for company cars, water and electric and thermal energy. At Work Service SA, the Department of Administration and Purchasing continuously monitors the materials consumption level and implements optimization activities.

The following actions are taken in Work Service and other polish companies in the Group to minimize environmental effects:

- limitation in plastic consumption;
- limiting the number of printed documents;
- optimization in distribution of marketing materials;

Appendix no. 1 STATEMENT ON NON-FINANCIAL INFORMATION 2020

- effective management of the held resources;
- limitation in business trips.

In two years, we were able to reduce fuel consumption by 56%. By 5% in 2019 and by 51% in 2020. This is due in part to the reduction of the fleet and the regular replacement of cars with newer more fuel-efficient and low-emission models. The Covid-19 pandemic also had a large impact on reducing fuel costs.

Energy Consumption has declined by 4% on a cost basis over the past two years. This is due to a reduction in the number of regional offices. However, rising energy costs are flattening this savings in global terms.

Consumption of Office Supplies has declined by nearly 30% over the past two years. In 2019 by 12% and in 2020 by 18%. This is due to the optimization of document flow processes and the transition to electronic equivalents. The polish companies are constantly working to increase the number of documents processed electronically.

In addition to purchasing the above-mentioned materials and raw materials, the Department of Administration and Purchasing also purchases work clothing, computer equipment, marketing materials, office equipment and services such as telephone, Internet, occupational medicine, transport, postal and courier services. This also translates into savings in the use of materials and raw materials (shorter supply chain, optimization of transport, fewer formalities, etc.).

SIGNATURES:

.....
Iwona Szmitkowska
President of the Board of
Directors

.....
Paolo Caramello
Vice-President

.....
Nicola Dell'Edera
Vice-President