

STATEMENT ON NON-FINANCIAL INFORMATION
OF THE COMPANY
WORK SERVICE SA AND WORK SERVICE GROUP
OF COMPANIES FOR THE YEAR 2019

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

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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 9 other European countries (Germany, the Czech Republic, Romania, Hungary, Slovakia, Belgium, France, Slovenia, Ukraine) 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 (in%)

Specification:	2019 r.	udział [%]	2018 r.	udział [%]
Temporary employment	1 445 563 932	90,6%	1 907 926 742	93,1%
Personnel consulting	141 664 918	8,9%	134 179 373	6,5%
Process outsourcing	8 597 557	0,5%	6 996 939	0,3%
TOTAL	1 595 826 408	100,0%	2 049 103 054	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.

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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.

Industries which Work Service SA and Work Service Group of Companies provide services for include automotive, industry, call center, financial and insurance services, FMCG, electronics, administration, sales and distribution and other services.

Revenue breakdown by industry (market) where the buyers of Work Service Group of Companies are located is presented in the Statement of the Management Board of Operations of Work Service Group of Companies.

Consolidated statement of comprehensive income of the Group of Companies

for the year ended on 31 December 2019 and the comparable data for the year ended on 31 December 2018

Financial data presented concern the continued activity (data excluding Antal group) for the period of 12 months ended on 31 December 2019 and for the period of 12 months ended on 31 December 2018.

Financial data presented, concerning the continued activity for the year ended on 31 December 2019 pertain to the entire group, excluding Antal group). The comparable data for the year ended on 31 December 2018 also do not include financial data of Antal group, nor Exact and ProService group sold before 2019.

The data presented with regard to the discontinued activity include:

- for the period 01.01.2019-31.12.2019 - Antal group and additionally the result on the sales transaction of Antal Sp. z o.o. and the trade mark of Antal which has also been assigned to the discontinued activity;
- for the period 01.01.2018-31.12.2018 - Antal group and Exact as well as ProService groups that were also *consolidated* in that period.

CONTINUED OPERATIONS	01.01.2019-31.12.2019	01.01.2018-31.12.2018
Revenues	1 595 826 408,17	2 049 103 054,15
Net revenues from sales of products	1 594 382 542,71	2 052 206 974,23
Variation in stocks of products	1 443 865,46	-3 103 920,07
Manufacturing cost of products for entity's own purposes	0,00	0,00
Net income on sale of goods and materials	0,00	0,00
Operating costs	1 594 956 411,15	2 058 441 433,44
Depreciation	14 921 402,38	10 774 051,07
Consumption of materials and energy	5 506 132,95	5 217 127,19
Outside services	139 882 330,32	229 573 988,98
Taxes and charges	3 884 827,33	3 771 576,79
Remuneration	1 171 245 646,67	1 453 886 054,36
Social insurance and other benefits	243 312 697,02	321 586 408,93
Other generic expenses	16 203 374,49	33 632 226,11

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CONTINUED OPERATIONS	01.01.2019-31.12.2019	01.01.2018-31.12.2018
Value of goods and materials sold	0,00	0,00
Profit (loss) on sales	869 997,02	-9 338 379,28
Other operating incomes	68 541 173,15	30 936 463,08
Other operating costs	85 177 995,60	88 494 615,14
Profit (loss) on operating activities	-15 766 825,42	-66 896 531,34
Financial incomes	6 128 128,11	118 838 968,35
Financial costs	89 059 598,32	49 863 347,09
Gross profit (loss)	-98 698 295,63	2 079 089,92
Income tax	-4 636 986,36	-6 585 203,96
Net profit (loss) from continued operations	-94 061 309,27	8 664 293,88
DISCONTINUED OPERATIONS		
Net profit (loss) from discontinued operations	-17 576 762,21	4 450 177,74
Net profit (loss)	-111 638 071,68	12 049 423,27
Measurement of shares by the equity method		
Minority shareholders profit (loss)	5 641 303,87	3 697 554,83
Net profit attributable to		
- Shareholders of the parent company	-117 279 375,35	8 147 732,57
- Non-controlling interests	5 641 303,87	4 966 739,05
Net profit	-111 638 071,48	12 049 423,27
Other comprehensive income		
Items not to be reclassified to the income statement in future periods:		
- none		
Items that may be reclassified to the income statement in future periods:		
- Foreign exchange differences from translation of foreign operation	-7 616 372,52	665 373,00
Other comprehensive income in total	-119 254 444,00	12 714 796,27
Comprehensive income for the period	-119 254 444,00	12 714 796,27
- of which attributable to minority interest in equity	6 026 175,01	5 098 633,30
- of which attributable to shareholders of the parent entity	-125 280 619,01	7 616 162,97
Profit per share from continuing and discontinued operations attributable to shareholders of the parent entity during the year (in PLN)		
From continuing operations:	-94 061 309,27	8 664 293,88
- basic	-1,43	0,13
- diluted	-1,41	0,13
From discontinued operations	-17 576 762,21	4 450 177,74
- basic	-0,27	0,07
- diluted	-0,26	0,07

DISCONTINUED OPERATIONS	01.01.2019-31.12.2019	01.01.2018-31.12.2018
Revenues	39 826 801,52	396 615 532,16
Operating costs	37 349 962,41	360 930 017,18
Other operating incomes	10 992 044,83	3 735 158,52
Other operating costs	30 954 038,90	-2 072 104,78
Financial incomes	28 991,62	-12 180 004,98
Financial costs	108 912,27	19 342 439,95
Gross profit (loss)	-17 565 075,61	9 970 333,34
includes the result on the sales transaction of Antal Sp. z o.o. and the trade mark of Antal	-19 790 179,87	0,00
Income tax	11 686,60	5 520 155,60
Net profit (loss) from discontinued operations	-17 576 762,21	4 450 177,74
includes the result on the sales transaction of Antal Sp. z o.o. and the trade mark of Antal	-19 790 179,87	0,00

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, the risk related to integration of the entities being taken over, 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.

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

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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 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 complex 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	-	-	-
Risk of the Investor's potential withdrawal from the planned transaction	Upon publication of this statement, the Management Board of Work Service S.A. has no such information that the Investor is no longer interested in the transaction as part of the execution of the investment agreement but until its complete closure it cannot be assumed to be executed for sure)	The Management Board of the Group takes all efforts and activities to meet individual conditions suspending transactions with the Investor, specified in the Investment Agreement concluded between Work Service SA and the Investor on 13.02.2020,	X	X	-	-	X

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		within the short period of time.					
Risk related with the socio-economic situation in Poland and Europe and pandemia of COVID - 19	<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 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.</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	-	-	-
Risk related with the operations of competitors	<p>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</p>	<p>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.</p>	X	X	-	-	X

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	Group for years.						
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 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.	The Group's Management Board is monitoring on an on-going basis any 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.	X	X	-	-	X

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 2019, 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 31.12.2019 in Work Service SA, were employed 136 support employees providing the services for customers (internal employees). In 2019 total working hours exceeds 8,8 mln for 234 clients.

Total working hours for clients in 2019	Number of clients in 2019	Internal employees in Work Service SA at 31.12.2019
8 848 094	234	136

In the Company, basic employee matters determining internal order as well as the employees' and the employer's rights and obligations are determined by the "Work Regulations". Procedures are in place for employee matters concerning recruitment, induction, employment, reward, change in employment terms, training and termination of employment. In addition, procedures exist for conducting employee opinion surveys. The purpose of the surveys conducted is to learn opinions, impressions as well as expectations of employees in the different areas of the Company's operations and focus the actions taken within the Human Resource Policy on:

- Increase in employee satisfaction;
- Communication improvement;
- Good atmosphere and relations with associates;
- Improvement in effectiveness of the work processes and competitiveness on the market.

Work Service provides a number of benefits to the employees. These are among others:

- Multisport sport cards;
- PZU medical care;
- Allianz life insurance;
- Cinema tickets.

Owing to the specific nature of operations, diversification of the operations and geographic scattering, Work Service Group of Companies has no one, group-wide policy 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.

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 2019, 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 2019, 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.

Work Service Group also supports employment of the disabled and foreigners. Companies actively operate in favour of increasing the number of employed disabled candidates. Additionally, the companies 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.

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.

Moreover, since 2018, works on the preparation of the Code of Ethics have been conducted as well as relevant internal procedures containing, for instance, guidelines concerning the management of diversity and counteracting discrimination. The aforementioned internal regulations were implemented in 2019.

In 2019, 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 2019, the employees benefited from the following social projects, assisted by the employees from Work Service Group, as part of voluntary employee services:

- as part of the Employee Attitude Survey, in 2019 the amount of PLN 10 for each survey filled in by the employees was provided to a pupil being under the custody of the Family Children’s House in Potworów. The amount of PLN 2,940.00 supported the pupil’s education (private lessons, additional classes, educational materials).
- organisation of a collection of Santa Claus gifts for the pupils being under the custody of the Family Children’s House in Potworów,
- share in charity runs.

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. In 2019, the following educational events were prepared for the students from the University of Business in Wrocław:

- HR workshops during which the participants learned and worked on their strengths and had an occasion to work out as a recruiter. During workshops the students were provided with a bunch of useful advice concerning participation in the interviews and they had a chance to review their CVs with recruiters.
- Open Days with the Recruiter – employees from Work Service Group in Poland prepare a special event dedicated to people looking for a job in the local market. The open days were an excellent occasion to acquaint oneself with the offer of vacancies for job seekers. During the event, the recruiter was available to help with CV update, with creation of the professional profile, to talk about experiences connected with searching for a job and to take part in simulated interviews.
- 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.
- Economic Migrations of the Poles – published incessantly by Work Service since 2014. It contains analyses both of the scale of potential emigration from Poland and the factors stimulating or hindering it. It also answers the question whether increased domestic migration will be observed in the forthcoming months.
- Economic Migration of Foreigners from Ukraine and Asia to Poland - in 2019, Work Service issued a report for the first time which contained a detailed analysis of migration of employees from Ukraine and Asia to Poland. The document analysed employment of workers from Ukraine and Asia in Poland in the context of the employee’s profile, finance, reasons for their arrival to Poland, and satisfaction with work in Poland. Data obtained in the research were analysed in detail to check how they affect Polish economy. The report was supplemented by the

experts' opinions (companies employing workers from Ukraine and Asia) and the opinions concerning work in Poland of the employees themselves.

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.

In 2019, approximately 22 training modules were developed in Poland. The trainings were to update the knowledge in the scope of legal aspects of the activity conducted (e.g. legal aspects of employing the disabled, legalisation of employment of the foreigners, labour regulations etc.). Work Service Group keeps on striving after increase in the quality of services rendered, therefore, in 2019, workshops in the scope of customer service for the employees from regions and from the headquarters in Poland were organised for the next time. During workshops, everyday situations connected with work with the clients were analysed, solutions of difficult situations and methods of effective communication with the client were searched for mutually. In their everyday work, the employees have contact with a business client, candidates and the hired employee. It is the quality of services rendered that have impact on effectiveness and success of Work Service. Therefore, in order to fully take care of the quality of services rendered, recruitment workshops for recruiters working in the headquarters and in Work Service branches in Poland were conducted. The workshops were to present new recruitment tools and to check those already applied. The dynamically changing labour market makes the recruiters search for non-standard methods of reaching a candidate. During workshops, the participants mutually worked on the methods of getting the biggest possible number of candidates.

In 2019, Work Service SA also invested in the development of creativity of its employees, organizing SIT method workshops - Systematic Inventive Thinking. The workshop was to provide the participants with an innovative attitude to creative work. During the workshop, the participants learned and exercised methods of innovative attitude at work.

Both headquartered and regional employees in Poland are subject to the adaptation programme which aims at efficient onboarding of the employee. As part of the adaptation programme, the employees from the headquarters and from the regions take part in the training organized by the company's headquarters entitled Onboarding of the New Employee. The first day of the training is dedicated to all new employees (during the day the most important information concerning organizational culture of the company, its products, the principles of internal operation, cooperation between departments) are presented. During the first day, HR department also conducts communication workshops. The second day is dedicated to regional employees (employees from the branches are provided with necessary information connected with the nature of work in the regions).

In a cyclical Employee Attitude Survey, 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 1 and 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 1 lead time: 01.07.2018 – 31.03.2020, the amount of EU co-financing: PLN 18,057,138

The website: lorkk.pl

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

Results obtained (until the end of 2019):

1. 938 of SMEs provided with support
2. 3465 employees improved their competence or obtained credentials, including:
 - 1021 employees aged 50+
 - 1926 employees with low credentials

Appendix no. 1 STATEMENT ON NON-FINANCIAL INFORMATION 2019

Until the end of 2021, we are planning to provide support to the next 700 SMEs and min. 2040 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 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+
 - employees with low credentials

Project entitled „Leaders of change” – mazowieckie province

Executors: Industry Personnel Services Sp. z o.o. (Leader)

Agencja Rozwoju Mazowska S.A. (Partner)

Association - Local Activity Support Centre CAL (Partner)

Value of the project: PLN 3,627,431.71

Lead time: 01.11.2017 – 30.09.2019

The purpose of the project was to increase social and professional activation of at least 120 families (450 persons - 254 adults and 196 kids) in danger of poverty or social exclusion, far from the labour market, residing in the area of mazowieckie province.

Territorial scope of the project: Poviats: Mazowsze Ostrołęckie – poviats: ostrołęcki, the city of Ostrołęka, ostrowski, wyszkowski, wołomiński, węgrowski, sokołowski, siedlecki, łosicki, the city of Siedlce, miński

Target group: people at the greatest distance from the labour market, approved for III profile of aid, characterised by low level of social and professional activity, in danger of poverty or social exclusion, residing only in the area of mazowieckie province.

Results:

- the number of people being in danger of poverty or social exclusion provided with support in the programme – 352 at the end of 2019 out of 321 planned at the end of the project,
- the number of people being in danger of poverty or social exclusion who obtained credentials after leaving the programme - 201 at the end of 2019 out of 138 planned at the end of the project,
- the number of people being in danger of poverty or social exclusion searching for a job after leaving the programme - 169 at the end of 2019 out of 167 planned at the end of the project,
- the number of people being in danger of poverty or social exclusion, working after leaving the programme (including those working for their own account) – 98 at the end of 2019 out of 90 planned at the end of the project.

Project „Enter the labour market with POWER!” – Polish nationwide project

Implemented as part of Priority Axis I, Action 1.3 Support for young people in particularly difficult situation sub-action 1.3.1 Support granted from European Social Fund, the Operating Programme Knowledge Education Development for years 2014-2020.

The project is to support young people being in particularly difficult situation in the process of activation in the labour market. The purpose of the project is to provide 300 persons with comprehensive social and professional actions, and its implementation will take place from 1 January 2019 to 31 December 2020.

The main purpose of the project is to increase social and professional activity of min. 85% of young people (out of selected 300 people), aged 18-21 and belonging to the group of people who left their foster families before reaching the age of 21. The programme is to provide them with credentials, competence and experience enabling permanent change in their social and professional situation by finding them employment.

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 Work Service Group to minimize environmental effects:

- limitation in plastic consumption;
- limiting the number of printed documents;
- optimization in distribution of marketing materials;
- effective management of the held resources;
- limitation in business trips.

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.).

Owing to the specific nature of operations, diversification of the operations and geographic scattering, Work Service Group of Companies has no one group-wide policy governing the environmental matters. Each company being a member of the Group has the obligation to maintain the highest standards of running business operations, also in terms minimizing the negative impact on the environment, and consequently implements respective internal procedures.

SIGNATURES:

- 1. Iwona Szmitkowska President of the Management Board
- 2. Jarosław Dymitruk Vice President of the Management Board
- 3. Marcus Preston Member of Supervisory Board delegated to be a member of Management Board.....

Wrocław, 29 June 2020