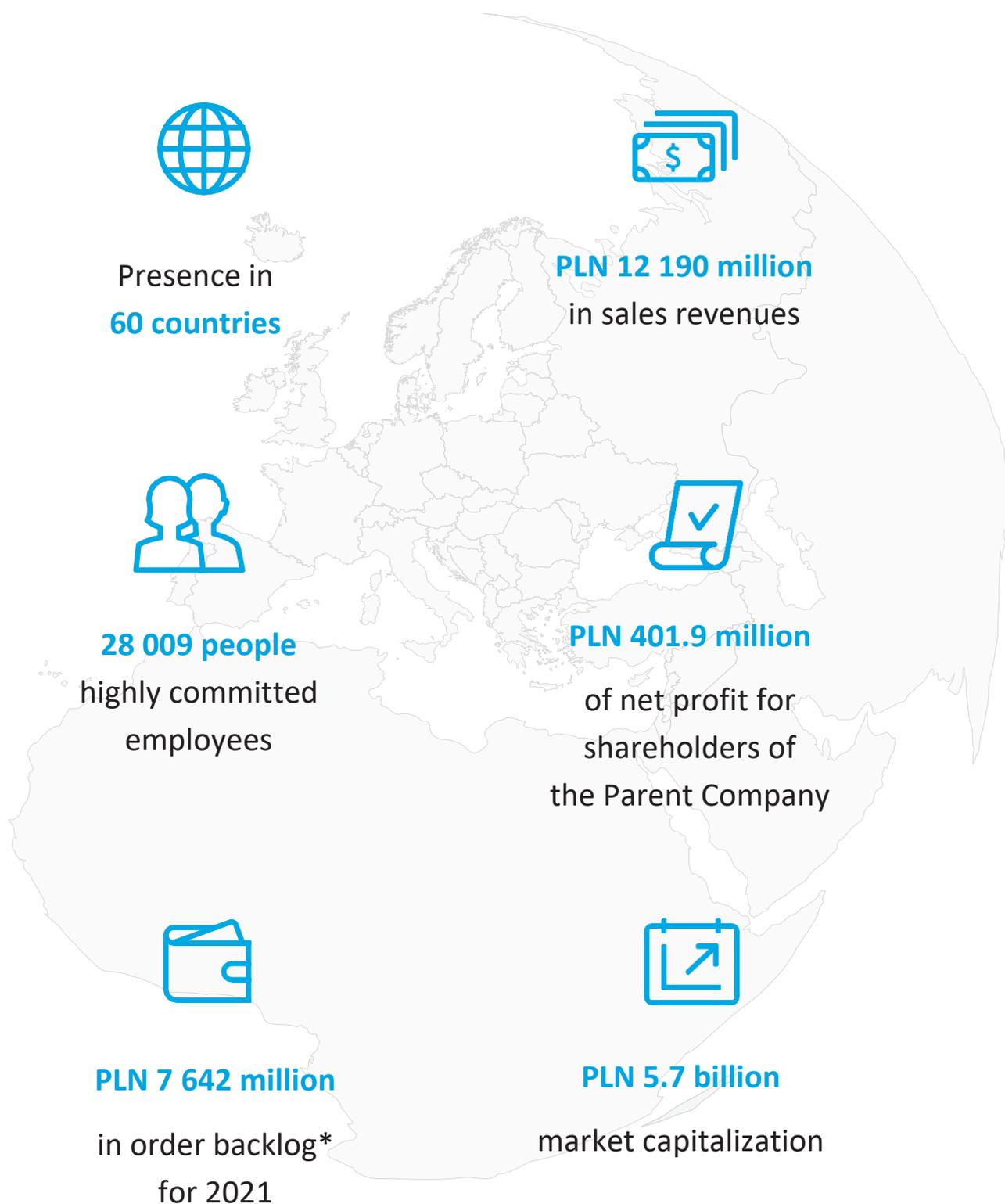




Statement of the Asseco Group

on non-financial information for 2020

ASSECO



* Applies to proprietary software and services

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INTRODUCTION

Hereby we are presenting the Asseco Group's (hereinafter referred to as the "Group", the "Asseco Group") statement on non-financial information for the year 2020 (hereinafter referred to as the "Report"), which includes non-financial information concerning the Group for the period from January 1, 2020 to December 31, 2020.

The Report was prepared on the basis of our own principles taking into account the provisions of the Accounting Act of September 29, 1994, the European Commission's guidelines on reporting non-financial information, as well as the national standards on non-financial information (SIN) and international guidelines of the Global Reporting Initiative (GRI).

The selection and description of the policies, as well as the performance indicators presented in the Report, was based on the materiality criterion, taking into account internal and external factors relating to the Group's operations. The main factors considered during the materiality assessment were:

- the sector in which the Group operates,
- its business profile and market environment,
- the extent of impact on the local community and environment,
- stakeholder expectations.

The data presented in the Report are reviewed and updated at annual reporting periods and published regularly with the reports for the following fiscal years.

All policy descriptions and ratios in the Report have been prepared using data from the parent company and the subsidiaries identified below.

DESCRIPTION OF THE GROUP AND ITS BUSINESS MODEL

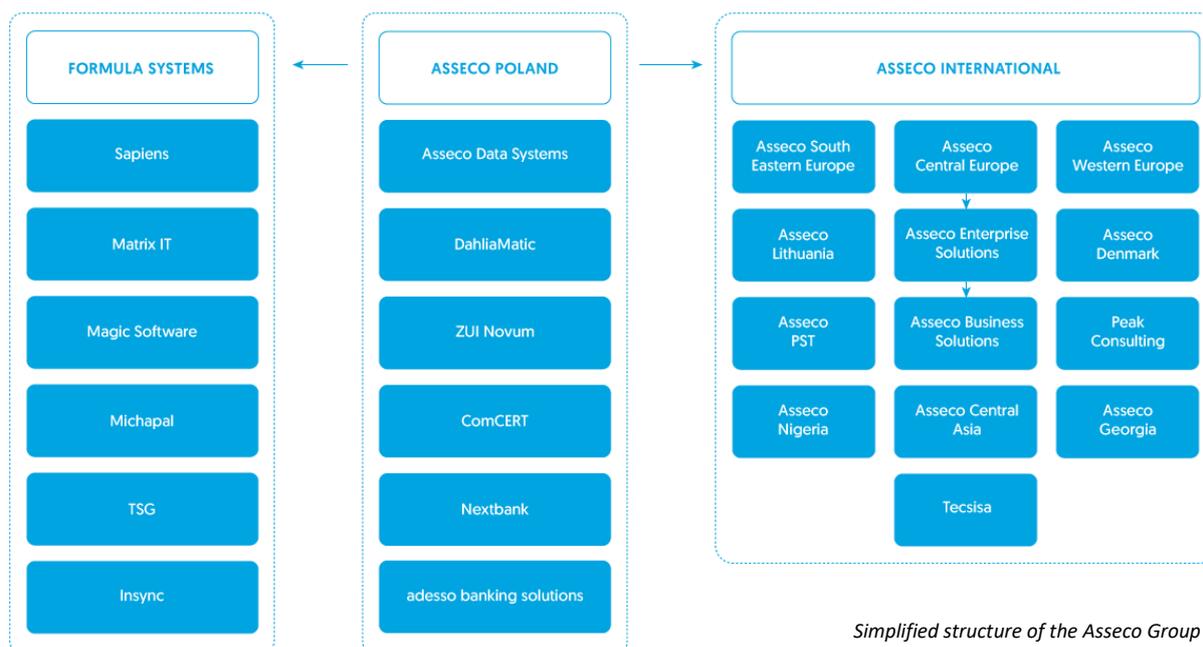
Asseco Group

The parent company of the Asseco Group is Asseco Poland S.A.

The Asseco Group is a federation of companies operating in 60 countries on 5 continents, combining the competencies of a software and services company and a producer of technologically advanced software. The Group cooperates with companies and institutions from key sectors of the economy, including banking, power industry, insurance, telecommunications, public administration, and healthcare.

It is of vital importance for the Asseco Group to strive for diversification of its products, sectors as well as geographical reach, in order not to make it dependent on one or more customers and suppliers. Such approach enables significant reduction of the impact of adverse market factors on the Group's operations. Thanks to such geographical diversification the risk of negative effects of local factors on the Group's operations is considerably reduced, while a wide range of products makes Asseco more resilient to potential downturns in individual market sectors.

The Group has identified three major operating segments: the Asseco Poland Segment, the Formula Systems Segment, and the Asseco International Segment. The Group companies operate primarily on the markets of Poland, Israel, Central Europe, South Eastern Europe, Western Europe, United States and Portuguese-speaking African countries.



The complete structure of the Group and a description of changes which took place therein during 2020 is presented in explanatory note III to the Consolidated Financial Statements of the Asseco Group for the year ended December 31, 2020.

Development strategy

The Asseco Group strategy focuses on creating long-term value for its stakeholders through organic growth and acquisitions.

The Asseco Group strategy of organic growth is focused on the production and sale of proprietary software and IT services to the global market. The Group's operations are based on sector-oriented technological and business competencies. Asseco offers comprehensive solutions for whole sectors of the economy, and sells standardized products to smaller enterprises.

For many years the Asseco Group has pursued an effective acquisition policy both at home and abroad. Since 2004 Asseco has successfully completed over 100 acquisition transactions, thereby repeatedly increasing the scale of its operations and geographical reach.

In its acquisition activities, the Group focuses primarily on increasing its competence in core business sectors, entering new geographical markets or reinforcing the Asseco Group's position in the countries where it has been already present.

Owing to our ongoing geographical expansion and widening of the range of products and services offered, the Asseco Group has been increasing its revenues and operating profits for years.

The mission of Asseco Poland and the Asseco Group is to improve the quality of every-day life by providing solutions for people and technologies for business.

According to the vision:

- Asseco Poland wants to be reliable and fast, with the best products and services, to support customers around the world in achieving their objectives. Its employees form a competent and passionate team combining traditional values with modern operations,
- The company is building an international group of technology companies whose federation model allows it to take advantage of local entrepreneurship and market knowledge, while the company's affiliation with the group increases its execution capabilities and credibility with demanding clients.

The Group's market position

Asseco is one of the leading software producers in Europe.

In the sector report on the Polish IT market Computerworld TOP200 (2020 edition)¹⁾ Asseco ranked 1st in 7 categories. The Asseco Group, with revenues exceeding PLN 10 billion in 2019, was ranked 1st among the largest capital groups for another consecutive year. In addition, Asseco maintained the 1st position in the list of companies with the highest net profit. It is also once again the largest provider of IT solutions and services for the public administration and uniformed services, healthcare, and large companies and corporations. It also maintained its position of the largest provider of maintenance services. Asseco also took the first place in the category of companies with largest expenditures for R&D. Owing to its continuing development and search for innovative solutions, Asseco not only maintained its last year's position in the category of largest providers of custom software, but also moved up in the ranking of companies providing solutions and services for the banking sector and among providers of CRM systems.

It is worth noting that in the same ranking the Asseco Group's company, Asseco Business Solutions, retained its first position in the category of largest providers of Enterprise Resource Planning (ERP) systems.

Asseco also became the leader in 6 categories of the ITwiz BEST100²⁾ ranking, which is the list of the largest IT companies in Poland. For yet another year running, the Company ranked first in the categories of companies with the highest net profit, sales of maintenance services and sales to the public administration and uniformed services, healthcare sector, and large enterprises. Furthermore, the Asseco Group generated the highest revenues in the IT sector.

Asseco Business Solutions, a subsidiary of the Asseco Group, ranked 1st in the ITwiz BEST100 ranking of companies with the highest sales of ERP systems. In turn, Asseco Data Systems reached the 2nd position in the ranking of companies with the highest revenues from training courses in Poland. Furthermore, Asseco Data Systems rose to the 4th position in the category of top sellers of education and R&D systems. It also remains in the lead of IT suppliers for public administration, uniformed services and commerce. Very good results were also achieved in the sales of maintenance services and application implementation.

It is also worth mentioning that another company from the Group, Asseco Central Europe, won in three categories of this year's Information Technology Trend TOP³⁾ ranking prepared by the Slovak economic weekly Trend. The company maintained its leading position in the following categories: IT services provider, the largest IT provider to the private financial sector, and the provider of IT products and services in terms of added value. The ranking is the equivalent of the Polish Computerworld TOP200 report. The company's results show its strong position on the Slovak market.

The Group's value creation is based on two pillars: the development of proprietary software and services and increasing the scale of operations through acquisitions.

The Group's business model is based on creating value by providing proprietary software and IT services to business and public administration clients based on the Group companies' best practices. The revenues from proprietary software and services account for 79% of the Group's total sales.

The federation model

The Asseco Group operates based on a unique cooperation model - the federation model.

Asseco Poland, as the Group's leading entity, is the largest shareholder in the companies incorporated within the Group; however, it does not seek to own 100% of shares. The companies that join the Asseco Group maintain a wide range of autonomy in their day-to-day operations; whereas, the Group sets the strategic directions of their development, establishes the objectives and supervises their achievement.

¹⁾ Computerworld TOP200, Ranking of IT and Telecommunications Companies, Edition 2020, ranking by sales generated for 2020.

²⁾ ITwiz BEST100, 2020 Edition, ranking by sales generated for 2019.

³⁾ Information Technology Trend TOP, 2020 Edition, ranking by sales generated for 2019.

Acquisition targets are primarily profitable entities with specialized and dedicated staff that will allow the Group to increase its competence in key business sectors, enter new geographical markets or strengthen its position in countries where it has been already present.

The functioning of the Group in the federation model is based on mutual trust and clearly defined rules of cooperation between its participants.

Such a model of cooperation creates a wide area for sales and cost synergies in the Group's operations. The Group's activities are focused on the long-term improvement of the effectiveness of its individual companies.

EMPLOYEE ISSUES

Personnel policy

Due to the specific nature of the IT business and the fact that the success of a company in this sector is determined primarily by the knowledge and practical skills of its employees, the issues related to employment, employee development and the creation of an appropriate work environment are of key importance to the long-term sustainable development of the Group.

The Asseco Group does not have a uniform policy in the area of employee and social issues, which results directly from the federation model of cooperation within the Group. The Asseco Group companies maintain a wide margin of autonomy in their operations; hence, as they operate in different locations around the world and in different legal, economic and social conditions, the ability to pursue a uniform policy in this regard is considerably limited.

Owing to an international nature of the Group, personnel policy is implemented in compliance with the legal regulations applicable in the countries where the individual Asseco Group companies operate as well as with the internal procedures and standards applied by those companies. Irrespective of the above, the processes of recruitment, retention and development of our staff are based on the competence model applied in each company, which organizes the responsibilities and roles of employees and supports the development of a culture focused on the customer, quality, achievement of results, cooperation and professional growth.

As at December 31, 2020, the Asseco Group employed 28 009 persons; whereas, in the corresponding period – 26 843 persons. In the 12-month period ended December 31, 2020, average employment in salaried jobs, i.e. employment in full-time jobs adjusted (less) for jobs for which the Group companies do not pay salaries (e.g. unpaid leave, maternity leave, other), excluding companies whose results are recognized under other operating activities or discontinued operations, and including companies that joined the Group during the reporting period (calculated proportionally to the period of their consolidation), amounted to 26 831 as compared with 26 226 in the 12-month period ended December 31, 2019.

Table 1. Employment by department as at December 31, 2020

Total employees	Production departments	Direct sales departments	Indirect sales departments	Administrative Departments	General management
28 009	24 455	1 272	121	1 967	194

The recruitment process in the Group's companies respects the principles of equal opportunities in terms of gender, origin, age, beliefs and other factors concerning the diversity of candidates. Due to the specific nature of the sector, the recruitment process attaches the greatest importance to the practical knowledge and qualifications of employees, which affects the selection of persons with competencies best suited to a given position. Clear criteria and objective assessment of qualifications ensure equal opportunities for job candidates.

Table 2. Employment by gender as at December 31, 2020

Total employees	Women	Men
28 009	11 447	16 562

Table 3. Employment by age as at December 31, 2020

Total employees	Up to 30 years	31-40 years	41-50 years	51-60 years	Over 60 years
28 009	8 182	9 206	6 778	2 751	1 092

The Asseco Group makes it possible to work by means of electronic communication and other means of individual remote communication. Considering the risk of the COVID-19 pandemic, the Group companies have implemented solutions which involve a wide use of remote work.

The Asseco Group companies also implement development programs for students and higher school graduates in order to identify individuals with high potential. Participants of such programs have an opportunity to implement challenging IT projects for companies operating in key sectors of national economies. They also participate in numerous specialized and soft trainings.

Table 4. Number of participants in student and graduate development programs

Number of participants in internship and graduate programs
284

The Asseco Group has one trade union in its company Asseco Data Systems (Independent Self-Governing Trade Union "Solidarność").

Table 5: Trade unions

Total number of registered trade unions
1

Evaluation and employee development

The employees and co-workers of the Asseco Group companies are subject to regular evaluation processes.

The first assessment is carried out during the probationary period, and then on a regular basis – on a quarterly, semi-annual, or annual basis. Employee evaluation is carried out in order to determine: the level of completion of assigned tasks, quality, timeliness and manner of their accomplishment as well as – last but not least – whether the employee's or co-worker's conduct is consistent with the values of individual Asseco Group companies. Moreover, the following areas are subject to evaluation: the fulfillment of individually determined objectives and development plans – with the use of such tools as professional training, conferences, certifications, post-graduate and PhD studies, language courses, and individual development sessions.

The Group companies care for the professional development of their employees. Training courses, e.g. company-wide or individual, are initiated in individual entities. They develop the competencies of employees while supporting the achievement of business objectives.

Training is provided either by external providers or in-house trainers, depending upon the needs. For example, Asseco Central Europe hosts the Asseco Central Europe Academy, while Asseco Business Solutions runs

the Quality Academy and ABSolutnie Dobre Rady (ABSolutely Good Advice), in which our employees share their experience and knowledge gained, and discuss changes and novelties in the product portfolio.

The Group companies also place great emphasis on the development of their employees' language skills by financing or co-financing language courses.

Due to COVID-19, for most of 2020, development activities, as well as induction processes for new hires to fill positions and interns/trainees, were conducted remotely.

At Asseco Data Systems, operating on the Polish market, one of the most important training and development tasks is to develop the ability to cooperate effectively in several dimensions: manager – employee, within the team, customer relations and between teams (organizational units). In 2020, the company's management staff received a series of training courses on remote team management and providing feedback on tasks performed. The employees of Asseco Data Systems also had access to training courses organized by one of the company's divisions, Asseco Academy.

Asseco Lithuania has been implementing the project "Training of employees and improvement of their competencies" funded by the European Social Fund since 2019. Its aim is to improve qualifications, expand knowledge and acquire specific skills by both existing and new employees. This project, during which 128 employees will be trained, is planned to be completed in December 2021. In addition, Asseco Lithuania organizes once a year a meeting of all the Company's employees to discuss the activities performed by individual departments, which supports the exchange of information within the Company.

Major initiatives undertaken at the Asseco South Eastern Europe Group in the area of training and development are focused on acquiring and expanding technical knowledge among programmers and engineers, as well as on developing soft skills for top management (leadership effectiveness). Dedicated training for all employees to address specific skill gaps is also implemented. The main areas in which employees were trained are the following: technical skills, sales training, soft skills training, leadership training, basic managerial skills, financial management, software tools training, and on-the-job training.

Table 6. Development activities in 2020

Number of development activities carried out	Number of employees trained
4 186	16 582*

* Employees may have participated in more than one development activity.

Additional non-wage benefits

The Asseco Group offers extra benefits to employees of individual companies. They vary from company to company and have not been standardized at the Group level. The most commonly used non-cash benefits include:

- complementing the financing of health care (e.g. Asseco Poland, Asseco Data Systems, Asseco South Eastern Europe, Asseco Business Solutions, Asseco Denmark, DahliaMatic, Asseco PST, Asseco Central Europe, Formula Systems, Asseco Lithuania, Asseco Spain),
- complementing the financing of sports venues or sports events (e.g. Asseco Poland, Asseco South Eastern Europe, Peak Consulting, Asseco Business Solutions, Asseco Data Systems, DahliaMatic, Asseco Central Europe, Formula Systems, Asseco Lithuania, Asseco Spain, Asseco Denmark),
- supplementary life/health insurance, pension plans (e.g. Asseco Poland, Asseco South Eastern Europe, Asseco Central Europe, Asseco Denmark, DahliaMatic, Asseco Lithuania, Asseco PST, Formula Systems, Peak Consulting),
- complementing the financing of tickets to cultural events (e.g. Asseco Data Systems, Asseco Central Europe, Asseco Solutions, Asseco Lithuania, Formula Systems),
- holiday grants (e.g. Asseco Business Solutions, Formula Systems, Asseco Data Systems),

- meal grants (e.g. Asseco South Eastern Europe, Asseco Denmark, Asseco Central Europe),
- reimbursement/participation in the costs of commuting to work (e.g. Asseco South Eastern Europe, Asseco Solutions companies),
- additional support for those in a difficult life situation (e.g. Asseco Poland, Asseco Business Solutions, Asseco Data Systems, DahliaMatic),
- providing access to fresh fruit/healthy snacks (e.g. Asseco Poland, DahliaMatic, Asseco Denmark, Asseco Lithuania, Formula Systems, Asseco Central Europe).

Apart from the above-mentioned benefits, there are also other benefits which are specific to individual companies of the Asseco Group, such as additional three days off in addition to the statutory holidays that may be used for moving or taking care of a child during the first day of school (Asseco Central Europe), bonuses/allowances related to seniority (Asseco Solutions SK, Asseco South Eastern Europe), the use of company-leased bicycles (Asseco Solutions AG, Asseco Berit AG), a week for health (Formula Systems), subsidies for the purchase of computers (DahliaMatic), preferential fees for kindergarten (Asseco Spain), or support for upgrading workstations conducted remotely (Asseco Lithuania).

Significant risks identified in the area of employee issues

Risk of increased labor costs

Salaries and wages constitute the largest portion of costs related to the ongoing projects. With such high level of human resource input, an increase in salaries and wages may have a negative impact on the project margins, and consequently on the results of the Asseco Group.

In order to manage the risk of higher cost of work, the Group companies apply measures which reduce the probability of negative effects associated with changes in salaries in individual markets. The Asseco Group mitigates this risk by hiring employees in many geographical regions, monitoring salaries on an ongoing basis, and maintaining an appropriate structure – a pyramid of employment within particular levels of competence.

Risk of losing key employees

Operations of the Asseco Group companies and their development outlook depend to a large extent on the knowledge, experience and qualifications of employees, who implement the IT projects. High demand for IT specialists and activities of the competitors may result in losing the key personnel, and also make it more difficult to recruit new employees with suitable knowledge, experience and qualifications. There is a risk that loss of key personnel will have a negative impact on the execution of IT projects carried out by the Group companies as well as on ensuring proper quality and range of services, which in turn might have a negative impact on the operations, financial position, financial performance and prospective development of the Asseco Group.

The Group manages the above risk by monitoring key – from the point of view of its operations – positions and by ensuring that its employees are properly motivated. Apart from the financial motivation through, among others, a bonus system based on performance, Asseco Poland also provides its employees with broad access to trainings and non-salary benefits.

Risks of personnel policy

The Asseco Group companies may incur expenses in connection with justified or unsubstantiated claims by employees concerning discrimination, working conditions, etc., which may result in an adverse impact on the Group's operations, financial position and financial performance. Any of the above-mentioned situations might have an adverse impact on the operations, financial position, financial performance and prospective development of the Group companies.

The Asseco Group manages the risk by ensuring stable and attractive work conditions which comply with legal requirements, internal regulations concerning health and safety at work, and the principles of safe workplaces, while introducing and enforcing regulations which counteract such phenomena as mobbing or discrimination.

SOCIAL ISSUES

Charitable activities and employee volunteering

At the Asseco Group, each company independently implements CSR activities based on its individual budget and the needs of the local community. The lack of centralized activities at the Group level results directly from the federation model of business.

Among the most important social projects conducted by the Group companies, we may mention the Christmas campaign "We help" organized by the employees of Asseco Poland and Asseco Data Systems. Its objective is to provide financial support to organizations and individuals who bring help to those in need or carry out environmentally-oriented activities. Asseco employees not only indicate the institutions that will receive help, but also devote their time and engage in charitable activities throughout the year. Each employee can submit their ideas of whom to help and what form that help should take. In 2020, the budget for the implementation of 16 projects exceeded PLN 250 000.

Asseco Central Europe, in the locations where the company's offices are located, runs the "Our Town" program. As part of our volunteer activities, we conduct actions aimed at helping the local community. The Company also supports the Single Mother's Club by providing laptops enabling remote education. Asseco companies operating in the region of Central Europe are involved in a number of activities to support charitable organizations, which include collection of clothes and Christmas gifts, hospital renovations, assistance for children from orphanages, families in difficult financial situation, seniors and people with disabilities, as well as shelters for stray animals.

Asseco South Eastern Europe also promotes and supports CSR activities and encourages employees to engage in social initiatives. ASEE Group companies have been supporting BELhospice for years in its efforts to provide palliative care to patients. As part of the Run and Walk 4 BELhospice campaign, last year 70 employees walked together over 10 000 km. All funds raised will go towards what is needed to transport patients to medical facilities and to help patients who are isolated at home. In order to help disabled children, ASEE employees participated in the collection of plastic bottle caps (action "From cap to smile"). ASEE in Macedonia participated in the Mavrovo Humanitarian Giant Slalom, where the goal was to help those who cannot afford daily meals and warm clothes on the coldest days. The donation of this year's humanitarian event went to the "PAWsitiv Impact" movement. ASEE also supports the Young Entrepreneurs Fair in Belgrade, during which the representatives of the Company transfer knowledge and share experience with young entrepreneurs from Serbia, preventing the outflow of talent from that country.

Asseco PST, the provider of comprehensive solutions and software to the banking sector operating in Portugal and Portuguese-speaking African countries, conducts aid activities for the Cabo Delegado Province in Mozambique. It also delivers food to children in Mozambique and Angola. It supports families in financial difficulties in Madeira, also in the form of food deliveries. In 2020, the company delivered computer equipment to a hospital in Madeira and financed the purchase of medicines and medical products for those affected by the explosion that occurred on August 4, 2020 in the port of Beirut. It also purchased sleeping bags for homeless aid stations in Lisbon and Funchal.

Asseco Lithuania supports organizations active in the fields of science and culture. The company does not forget about socially disadvantaged people and allocates specific budgets for charitable purposes (handicapped people, sick children, children from orphanages or poor families). Last year, Asseco Lithuania joined in the campaign to support medical professionals in Vilnius – the "We Will Win" project, aimed at providing protective masks to social workers, as well as the initiative of the "Red Nose Doctors Clowns" association, organizing online entertainment sessions for children in hospitals. The Company also supports the Lithuanian Red Cross and various initiatives dedicated to library services, such as the Public Library of the Year competition.

In order to assist health and education centers in the process of digital transformation, last year Asseco Spain established a foundation – Fundación Asseco. The objective of this newly established organization is to provide health centers, hospitals and schools with tools that support the development of digitization in these institutions.

Other companies of the Asseco Group are also engaged in charity initiatives, such as support for children, young people and whole families in difficult financial situations, people with disabilities, or shelters for homeless

animals. The members of the Group also participate in sporting events, a portion of whose proceeds is donated to charity.

The Group participates in professional events for IT professionals as well as for students and graduates of IT-related degrees. For example, Asseco Poland is actively engaged in the promotion and education of Polish programmers. The company's experts lecture at universities all over the country, and the best students and graduates can join the Asseco team. With their development in mind, our proprietary Asseco Starter program has been created. Asseco Lithuania actively supports the Faculty of Mathematics and Computer Science at the Vilnius University, whose graduates account for about half of the company's current employees.

Table 7: Employee volunteering

Number of employees involved in volunteering in 2020
2 003

Table 8. Amount allocated for donations and grants

Funds for donations and grants in 2020
PLN 3.9 million

Asseco Group vs COVID-19

In the face of COVID-19, the Asseco Group undertook a number of support projects in 2020.

Asseco South Eastern Europe successfully implemented its "Live" product in the information center of the government of the Republic of North Macedonia. The government information center aims to support businesses and citizens with economic issues while coping with the crisis caused by COVID-19.

In April 2020, Asseco Central Europe developed and launched the IS COVID central IT system in Slovakia for the registration of laboratory test orders and test results for the virus SARS-CoV-2, which helped to significantly increase the number of people tested. The system connected state and private laboratories in an integrated environment, enabling mass population testing. In turn, the company's eHealth IT service packages contribute to the development of remote medical care and prevent the spread of infectious diseases.

Asseco Poland spent over PLN 1 million to support the healthcare sector, and prepared for medical facilities a package of IT services entitled " #stayathome, patient", which facilitates remote contact with patients; it also adapted the Polish NHF's systems to the epidemic situation. Furthermore, Asseco Poland created new eServices for cooperative banks, e.g. a mini-application "Applications" which makes it possible, without leaving home, to handle a dozen or so common issues – they are submitted by customers to bank branches. Asseco Poland also supported cooperative banks in processing of applications for assistance under the PFR Financial Shield program (in 2020 the PFR Financial Shield 1.0, and in 2021 also the PFR Financial Shield 2.0), as well as in handling of the Anti-Crisis Shield 4.0. The Company also carried out activities, crucial from the perspective of state support for citizens, related to the adaptation of the Social Insurance Institution's (ZUS) information systems to support the Anti-Crisis Shield program and the Polish Tourist Voucher.

Asseco Data Systems, in cooperation with the National Cloud Operator, provided higher education institutions with a free educational platform under the "University Partnership" program. Last year, the company also participated in standardization work at the national and European level related to video identity verification which will be the basis for issuing qualified certificates for e-signature. Such a solution would allow many people, who are forced to stay in quarantine today, to continue to function remotely and to sign documents remotely.

Sponsorship

The Asseco Group works for the development of sports and supports local sports teams.

Asseco Poland is the main sponsor of Asseco Resovia Rzeszów volleyball team, and until June 2020 it also supported Asseco Arka Gdynia basketball team which is still sponsored by another Group company, Asseco Data Systems. Asseco Data Systems is also the sponsor of the volleyball team KS Pałac Bydgoszcz. DahliaMatic, a company operating on the Polish market, in turn supports the rugby club Juwenalia Kraków. The Formula Systems Group companies sponsor, among others, American Racing LLC motorcycle team and women's soccer team.

Table 9: Amount spent on sponsorship

Sponsorship funding in 2020
PLN 16.5 million

Mental and physical well-being of the Asseco Group's employees

The Asseco Group supports employees' physical activity. It also provides psychological support, which is particularly important during the coronavirus pandemic. The employees of the Group companies may take advantage of the online trainings:

- sports activities (e.g., yoga, Pilates),
- webinars on work ergonomics,
- webinars on pandemic safety rules,
- webinars on various psychological aspects, including stress management, mindfulness or work-life balance,
- webinars on healthy lifestyles, including healthy eating,
- "virtual clinic" visits,
- children's activities (e.g., theater performances, art and music classes).

Table 10: Activities promoting healthy lifestyles

Number of programs promoting healthy lifestyles operating in the Group in 2020	Number of employees participating in programs promoting healthy lifestyles operating in the Group in 2020
97	10 419*

* Employees were able to participate in more than one program promoting healthy lifestyles.

Moreover, the Asseco Group companies fully control the presence of their employees in the offices, ensuring all protective measures.

All integration events were conducted online last year. During them, employees cooked together, visited virtual escape rooms or created wax products and Christmas decorations.

The Asseco Group also conducts documented dialogue with its employees in the form of questionnaires and surveys of their involvement and satisfaction. In the reporting period, surveys/ questionnaires were carried out in Formula Systems Group companies or Asseco Lthuania. Asseco Poland focused on implementing the conclusions of the survey conducted in 2019. In 2020, an additional survey on employees' experiences with remote working was also implemented at the parent company. Other members of the Asseco Group are considering the implementation of such documented surveys, especially taking into account the specific situation related to COVID-19. It should also be noted that in addition to the documented dialogue, the management representatives in the Group companies have regular contact with their employees and respond to their suggestions and comments on the functioning of the organization on an ongoing basis.

Significant risks identified in the area of social issues

Risk of dissatisfaction with a reduction in the scope of actions carried out

The Group conducts numerous and extensive social and sponsorship activities. There is a risk that the abandonment of any of the activities currently in progress could lead to dissatisfaction on the part of employees and communities benefiting from a given activity and, as a consequence, adversely affect the image of the Group.

The Group manages risk through ongoing monitoring of its activities, their scale and image effects.

CLIMATE AND ENVIRONMENTAL ISSUES

The IT sector in which the Asseco Group operates is characterized by a relatively low impact on the natural environment. This business activity does not generate any significant emissions, does not generate significant amounts of waste, and does not consume environmentally-important raw materials. The scale of our environmental impact is related to the scale of operations and waste generated by our employees as well as consumption of electricity at their workstations.

The Asseco Group does not have a uniform environmental policy, which results directly from the federation model of cooperation within the Group. Owing to their geographical dispersion, the companies comprising the Asseco Group are subject to various legal regimes and, consequently, to different environmental protection requirements. Adoption of a uniform environmental policy in such circumstances would be significantly hindered and pointless due to a very high level of generality that would have to be adopted for such regulations.

Despite the lack of a uniform environmental policy, the companies of the Asseco Group operate in compliance with the requirements of applicable laws. They strive to ensure sustainable business development by minimizing their negative impact on the natural environment. In their day-to-day operations the companies pay special attention to the issue of power consumption, as well as obligations concerning recycling of electrical and electronic equipment, which is the primary tool used by the Group employees. Other types of waste, other than municipal waste, typical for the Asseco Group companies include, among others, used filters of ventilation systems, batteries and accumulators, packaging waste (cardboard, glass, wood, packaging contaminated with or containing residues of hazardous substances or mixtures used for cleaning and sanitation of sanitary facilities or rooms). These waste products are transferred to waste treatment plants with relevant permits for transport, collection and processing of waste in accordance with the legal regime of the country where the company operates.

The Asseco Group companies take active measures to improve their energy efficiency, which translates into both environmental benefits and lower costs of our operations.

Furthermore, depending on specific legal requirements in a given country, companies are obliged to record other data related to environmental impact, e.g. the Polish companies of the Asseco Group are obliged, among others, to record their fuel consumption and incidental emissions of fluorinated greenhouse gases for the purposes of reporting.

Other examples of initiatives implemented by the Asseco Group companies with the objective to minimize their negative impact on the natural environment and climate include

- replacing vehicles with new vehicles that meet higher environmental standards and purchasing hybrid and plug-in vehicles,
- monitoring the use of company vehicles,
- purchasing higher efficiency equipment,
- monitoring water use to minimize water consumption, installing timers at water dispensers,
- periodic and timely inspections of air conditioning and firefighting equipment,
- installing controls to automatically stop operation of air conditioners after business hours,
- using energy-efficient lighting,

- using green cleaning products that contain fewer chemicals,
- reducing the use of disposable dishes and plastic bottles,
- providing appropriate containers for waste segregation in company offices together with instructions for handling the selected waste fraction,
- reselling functioning equipment (laptops, computers, telephones) to employees, after the planned period of use, for further use, which extends their useful life and indirectly reduces the amount of waste generated and the need for raw materials necessary to manufacture new ones,
- undertaking activities aimed at increasing the environmental awareness of employees, co-workers and external customers (e.g. training, own programs/actions on the benefits of using digital tools in various areas of life, participation in external programs/associations promoting digitalization processes).

In 2020, the Asseco Group companies were not penalized for violating environmental regulations.

Table 11: Number of penalties for non-compliance with environmental laws and regulations

Total number of environmental penalties in 2020
0

Significant risks identified in the area of environmental issues

Risk of non-compliance with regulatory requirements

The most significant environmental risk identified in the Group companies is the risk of non-compliance with the local legal requirements. Frequent and numerous legislative changes in individual countries where the Asseco Group is present make this aspect significant.

The level of risk is minimized by identifying legal and other requirements on an ongoing basis, monitoring their compliance and taking corrective, corrective and improvement actions.

Risk of significant increase in electricity prices

The main work tools used by employees of the Asseco Group are electronic devices which require electricity from external suppliers. A significant increase in electricity prices in the countries where the Group companies conduct their operations may cause a proportional increase in the costs of operation of such companies.

The Group companies manage risk by analyzing their energy needs on an ongoing basis and possibly reducing energy consumption by gradually replacing old energy-consuming equipment with energy-efficient equipment.

Risk of poor waste management

Due to the nature of its business, the Group does not generate large amounts of production waste. The main types of waste generated by the Asseco Group are municipal waste and electrical and electronic equipment. Regardless of the scale of generation, there is a risk of improper disposal of such waste.

The Group minimizes the above risk by strictly applying and enforcing internal regulations and legal requirements in this respect, as well as by cooperating with operators holding the relevant waste processing permits.

ISSUES CONCERNING RESPECT FOR HUMAN RIGHTS

Human rights belong to every person, and their source is inherent human dignity.

All organizations, including companies, as employers, producers and contractors, must respect human rights. Wherever these rights may be violated, companies should take appropriate steps to remedy the situation and avoid profiting from disrespect.

The Asseco Group has not adopted a uniform policy in the area of human rights protection, which results from the fact that it operates under a federal model of cooperation giving the Group companies a high degree of autonomy in adopting internal regulations. Furthermore, due to territorial dispersion of the Asseco Group companies, they are subject to various legal regimes, which have their own specific solutions for human rights issues.

It is a general principle that the Asseco Group respects and observes human rights, including such issues as the right to freedom of association, right to safe working environment, prohibition of discrimination, prohibition of child labor, and prohibition of forced labor. Violation of any of the above-mentioned principles by the Asseco Group companies would constitute not only a violation of law, but also of the fundamental values by which the Group is guided.

In 2020, there were no human rights violations across the Asseco Group.

Table 12: Instances of discrimination

Total number of confirmed cases of discrimination (in the workplace) in 2020
0

Significant risks identified in the area of respect for human rights

Risk of violation of human rights in the Group

As in any large organization, also at the Asseco Group there exists a certain risk of violation of human rights, especially to the extent such violation might be caused not by the organization itself, but by its employees. Such risk may materialize through violation of dignity or discrimination. A situation of human rights infringement within the Group would have negative reputational consequences both inside and outside the organization.

The Group manages risk by ensuring clear and transparent rules of conduct for its employees and introducing regulations to counter possible human rights violations.

Risk of human rights violations among the Group's suppliers

Although internal regulations guaranteeing respect for human rights are in place in each Group company, there is a risk of human rights violations among suppliers. The use of entities that commit human rights violations would have a negative reputational impact on the Group and could also affect the morale of its employees.

ANTI-CORRUPTION ISSUES

The Asseco Group does not have a uniform policy on corruption prevention, which results from the federation model of cooperation within the Group. Due to territorial dispersion – the Asseco Group companies operate in various legal, social and cultural environments – no central anti-corruption policies have been established at the Group level.

Companies have their own practices in this area, which is the most effective solution. Preventive and control actions against corruption are implemented at various levels of organization and are necessary to ensure the proper functioning of companies. Examples include adopting and implementing codes of ethics, anti-corruption, fair competition and conflict of interest policies, promoting high market and ethical standards in business activities, providing training for newly hired employees, cyclical training for employees of sales and purchasing departments, and dedicated training for managers. The companies which have internal audit departments also carry out regular inspections with regard to the correctness of contracts concluded by the companies.

A good example of a corporate group within the Asseco Group which has a well-developed and implemented anti-corruption policy is the Formula Systems Group. The group has adopted the Code of Ethics, "insider trading" policy, as well as other policies and procedures aiming at appropriate monitoring and prevention of corruption.

The activities undertaken by the Formula Group in this respect include, among others, distribution and dissemination of anti-corruption regulations, confirmed by a statement that each employee has familiarized himself/herself with the regulations, internal whistleblowing procedures, as well as other activities in this area.

Another example is the Asseco South Eastern Europe Group. Corruption issues are regulated there by the anti-corruption policy, which applies to all companies forming the ASEE group and includes a broad definition of employees (including consultants, contractors, agents). Bribery and corruption are broadly defined and also include prohibited gifts and hospitality. Permitted gifts and hospitality must meet a number of requirements related specifically to value, purpose and prior approval of the authorized person. Any cash (or voucher equivalent) is prohibited. Written records of gifts/invitations offered or accepted by an employee should be forwarded to the local entity's chief financial officer, who shall maintain a record of all invitations or gifts. The local head of finance should provide a table of gifts and hospitality to the group-wide finance director on a quarterly basis. Local training is mandatory each year and should be included in the induction of new employees. In addition to the above, there is also a conflicts of interest policy that requires all employees of local companies to report information about potential conflicts of interest. In the case of local directors, this issue is also addressed in the companies' articles of association and contracts for serving on boards. The group also has a fair competition policy, which includes provisions for preventing activities that may be considered contrary to fair competition, including unfair arrangements with other entities that are actual or potential competitors in bids advertised by potential customers (including public bodies and state-owned enterprises).

In 2020, no cases of corruption were found in the Asseco Group companies.

Table 12: Cases of corruption

Total number of confirmed corruption cases in 2020
0

Significant risks identified in the area of counteracting corruption

Corruption risks

Operating within an extensive organizational structure with a relatively wide range of competence of individual organizational units involves a risk of incidental corruption events. Employees of the Procurement and Commerce Departments are particularly exposed to such incidents as they are in direct contact with representatives of external entities who may gain certain material benefits from cooperation with the Group. The occurrence of such an event could have a negative impact on the Group's image, make future business contacts more difficult and result in a direct economic loss in the event of concluding a contract on non-market terms.

The Asseco Group manages the risk by appropriate selection of employees working in various positions, as well as by appropriate monitoring activities performed by the internal departments responsible for this area in individual companies.

Signatures of the Members of the Management Board to the Statement of the Asseco Group on non-financial information for 2020:

Adam Góral	President of the Management Board
Andrzej Dopierała	Vice President of the Management Board
Krzysztof Groyecki	Vice President of the Management Board
Rafał Kozłowski	Vice President of the Management Board
Marek Panek	Vice President of the Management Board
Paweł Piwowar	Vice President of the Management Board
Zbigniew Pomianek	Vice President of the Management Board
Sławomir Szmytkowski	Vice President of the Management Board
Artur Wiza	Vice President of the Management Board
Gabriela Żukowicz	Vice President of the Management Board

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