

Raport

2017 Corporate Social Responsibility Report

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About Orbis



LETTER OF THE PRESIDENT

LADIES AND GENTLEMEN,

This report is the second synopsis of the key social and environmental aspects of the Orbis Group's operations in the history of the Group. Based on the internationally recognized Global Reporting Initiative (GRI G4) reporting guidelines, this report offers an insight into social and environmental responsibility issues accompanying the company's business. It covers the year 2017 as a continuation of our 2016 report, which was the first such document in the hospitality industry in Poland and in this part of Europe.

PLANET 21, A TOOL FOR RESPONSIBLE HOSPITALITY

For a long time we have been attempting to tackle the question how to in practice incorporate the sustainable development issues and responsibility principles within our business model, our entire supply chain included. The answers we have developed have taken the shape of a sustainable development strategy under the name Planet 21, originally covering the years 2011-2015. The recently adopted second edition of the Planet 21 document defines our ambitions and existing challenges in this area for the 2016-2020 period. At the same time, it fits with our role as the leader in the sector which wants not only to be a trendsetter for other hospitality companies, but above all, to picture the hospitality industry as a sector which follows the current trend of responsible investment.

ETHICS & CORPORATE SOCIAL RESPONSIBILITY INTEGRATED AT EVERY LEVEL OUR BUSINESS

For us, responsible business is not about charity campaigns or a set of ethical principles. It is an integral part of our philosophy at every phase of our hotels' construction and operation. We are aware that the hospitality business, particularly a large-scale hotel business, leaves social and environmental footprints. Therefore, we strive not only to reduce any negative impacts, but also to deploy our potential, know-how and experience to actively participate in solving global and local problems.

A NEW CULTURAL APPROACH THAT BEARS FRUITS

Being a large transnational employer, we are committed to setting the standards of good employment and caring for diversity management. While the labour market in this part of Europe stays very challenging and competitive,

the deployment of the Heartist™ project and the ongoing cultural change in all the 124 AccorHotels across Eastern Europe have brought first positive effects – an increase in the commitment of the teams and a decrease in rotation.

POSITIVE HOSPITALITY: TEAMS, GUEST, BUSINESS PARTNERS, NGOS AND SUPPLY-CHAIN – EVERYONE IS ON-BOARD WITH US IN SOCIAL & ENVIRONMENTAL RESPONSIBILITY

As a buyer of a number of goods and services, we strive to develop fair relations with suppliers, but also to thoroughly analyse their conduct in view of social responsibility. We endeavour to turn our relationship with our guests into an opportunity to involve them in actions for the benefit of sustainable development. We spare no effort to minimize our environmental footprint, for example by reducing energy, water consumption and emissions in our hotels and preventing food waste. In accordance with our Healthy and Sustainable Food Charter, we ensure that our meals are prepared based on local, sustainable and nutritious products. For us, responsible hospitality also means dauntlessly coping with problems such as sexual abuse of children in tourism.

We are committed in protecting children with the Empowering Children Foundation (Fundacja Dajemy Dzieciom Siłę) and we are in Poland, Lithuania, Romania, Bulgaria, Hungary and in Czech Republic the only signatory of the Code of Conduct which aims at protecting children and young people against abuse.

I would like to invite you to read the report and would be grateful for any your opinions and comments. They will be a much valued help in our effort to ensure that the business we pursue is at the same time highly beneficial for our customers, partners, employees, local communities and the natural environment.


YOURS SINCERELY,



Gilles Clavie
President and CEO
Orbis S.A.

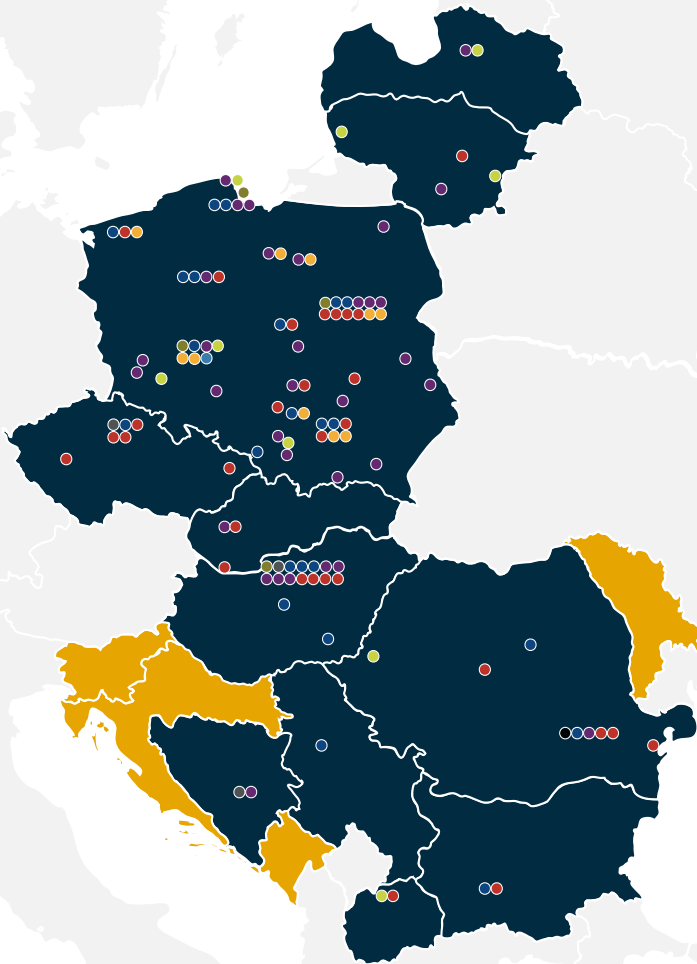
THE ORBIS GROUP

 **124**
hotels in Europe

 **40%**
of Orbis revenues are generated outside Poland

IN THIS
 presence in
11 countries

 **20 420**
rooms in Eastern Europe



SOFITEL	4
PULLMAN	2
GALLERY	3
Mercure	34
NOVOTEL	23
ibis	34
ibis STYLES	15
ibis budget	9

NUMBER OF ORBIS GROUP HOTELS IN COUNTRIES OF EASTERN EUROPE

Poland	75
Hungary	17
The Czech Republic	8
Slovakia	2
Romania	10
Bulgaria	2
Macedonia	2
Lithuania	5
Latvia	4
Serbia	1
Bosnia & Hercegovina	2

THE AREA OF THE REPORT

 The report concerns own hotels and those managed by Orbis

 The report does not include hotels operating on the basis of a franchise

OUR BUSINESS MODEL

Orbis is the market leader in the hospitality sector in Central and Eastern Europe. Our network currently includes 124 hotels with a total of 20 000 rooms. Every year we welcome approx. 8 million guests in 11 countries. Since 2000, our strategic partner has been AccorHotels,

the world-leading travel and digital innovator offering unique experiences in more than 4 200 hotels, resorts and residences, as well as in over 3,000 of the finest private homes around the globe.

The structure of the Orbis Group as at December 31, 2017



* The company excluded from consolidation, does not conduct business

Apart from Orbis S.A., the company Orbis Kontrakty Sp. z o.o. is also active in Poland. The Company organises purchases of goods and services for hotels in the Orbis group.

In Hungary, the Orbis Group has three subsidiaries: Accor Pannonia Hotels Zrt., 5 Hotel Kft. and 5 Star Hotel Kft. As of December 31st 2017, Accor Pannonia Hotels Zrt. operated 17 hotels in Hungary including 14 hotels in Budapest. 5 Hotel Kft, acquired in 2017 by Accor Pannonia Hotels Zrt., is owner of hotel properties, which until the acquisition date were leased by the Hungarian subsidiary Accor Pannonia Hotels Zrt.

In the Czech Republic, the Orbis Group has three subsidiaries: Katerinska Hotels s.r.o., H-DEVELOPMENT CZ a.s. and Business Estate Entity a.s. The first of these companies is a hotel operator, the other 2 are involved in real property rental and administration.

Three other subsidiaries, i.e. Accor Hotels Romania s.r.o. with its registered address in Bucharest, Accor Pannonia Slovakia s.r.o. with its registered address in Bratislava and UAB Hekon with its registered address in Vilnius are hotel operators in the remaining countries.

The Group's hotels including subsidiary hotels, leased hotels, hotels owned by private individuals, but managed by us and partner hotels that cooperate with the Group based on a franchise agreement are located in Poland, Hungary, the Czech Republic, Romania, Latvia, Lithuania, Bulgaria, Slovakia, Serbia, Bosnia and Herzegovina and Macedonia. Our strategy envisages further expansion into countries such as Croatia, Moldova, Slovenia, Estonia and Montenegro.

SHAREHOLDERS OF ORBIS S.A.

COMPANY	Number of shares held	Percentage of the total number of shares
Accor S.A.	24 276 415	52.69
Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK	4 577 880	9.94
Nationale-Nederlanden Otwarty Fundusz Emerytalny	2 391 368	5.19
MetLife Otwarty Fundusz Emerytalny	2 357 156	5.12
Other	12 474 189	27.06

GOVERNING BODIES OF ORBIS S.A.

THE MANAGEMENT BOARD



GILLES CLAVIE
President
and CEO



**IRENEUSZ
WĘGLOWSKI**
Vice-President of the
Management Board



**MARCIN
SZEWCZYKOWSKI**
Member of the
Management Board, CFO



**DOMINIK
SOŁTYSIK**
Member of the
Management Board
resp. for Asset
Management
& Development

THE SUPERVISORY BOARD

JAN OZINGA
Chairman of the
Supervisory Board

- ARTUR GABOR**
- CHRISTIAN KARAOGLANIAN**
- JEAN-JACQUES DESSORS**
- JACEK KSEŃ**
- JEAN-JACQUES MORIN**
- LAURENT PICHERAL**
- ANDRZEJ PROCAJŁO**
- ANDRZEJ PRZYTUŁA**
- JAROSŁAW SZYMAŃSKI**





OVER

**120 HOTELS UNDER
THE BRANDS OF THE
ACCORHOTELS GROUP**

According to our business strategy, the Group is to operate its subsidiary hotels in key locations, namely in Poland's seven major agglomerations (Warszawa, Kraków, Wrocław, Tri-City, Katowice, Poznań and Szczecin) and in the capitals of all the countries where we operate. At present, we operate hotels in six such cities (Prague, Budapest, Bucharest, Belgrade, Sofia and Vilnius). We also plan to build new hotels or take over existing hotels in Poland. Our business model also includes long-term leasing and franchise as well as the managing hotels on an asset-light basis.

Long-term cooperation in many areas and with various partners is an important component of our business model. Franchise is an example of a mutually beneficial partnership. Our customers also benefit from the Le Club Accorhotels loyalty program with more than 1 million members in Eastern Europe and 30 million of members worldwide. Thanks to AccorHotels, our network has a powerful reservation platform [accorhotels.com](https://www.accorhotels.com), visited by 100 million users every year, as well as other effective distribution systems. The network of over 4 200 AccorHotels hotels across the globe

gives us a strong position in negotiating commercial terms with suppliers of products and services and with global travel agencies and reservation systems (OTA, Online Travel Agents).

We are a member of many organizations among others the Chamber of Commerce of the Polish Hotel Industry (IGHP), Business Center Club (BCC), Association of Stock Exchange Issuers (SEG) and the Warsaw Tourist Organization (WOT). In April 2017 we were invited to sign the Global Code of Ethics for Tourism (GCET) adopted in 1999 by the General Assembly of the World Tourism Organisation (UNWTO) and approved by the General Assembly of the United Nations in 2001. The Code contains 10 articles which lay down general principles aimed as guidelines for the development of tourism, including the hospitality industry, in a way that maximises its social and economic benefits, all while minimising its negative impact.

OUR STRATEGY

3 AREAS OF SHAREHOLDER VALUE CREATION IN THE ORBIS GROUP



PEOPLE

We respond to the needs of our guests and build our success by supporting talents. We are a CSR trendsetter in the hospitality industry.



PORTFOLIO

We allocate the capital to the most promising markets and brands, which allows us to maintain a steady dividend disbursements.



PERFORMANCE

We focus on the increase of operating results.

A diversified portfolio of brands ranging from economy to luxury boosts our growth on the attractive Eastern European market. Robust development of the Orbis Group

- » We focus on the increase of operating results through:
 - » Growth of the RevPAR
 - » Maximising EBITDAR margin

is a direct upshot of implementing key objectives of its strategy, based on three pillars:

- » We allocate the capital to the most promising markets and brands
- » We respond to the needs of our guests and build our success by supporting talents. We are a CSR trendsetter in the hospitality industry.

Only a full deployment of each and every objective mentioned above combined with a robust expansion in the region will contribute to the Group's ability to generate an ever growing value for its shareholders.

MASTER LICENCE AGREEMENT FOR COUNTRIES OF EASTERN EUROPE: A NEW ERA IN THE GROUP'S DEVELOPMENT

The takeover of 38 hotels in the Central and Eastern Europe in 2015 was perfectly in line with the Group's strategy and has contributed to the Group's growth in the region gathering momentum. We have significantly expanded the scale of our operations from less than 70 hotels located mainly in Poland and partly in the Baltic States at the end of 2014 to more than 120 hotels across Eastern Europe at the end of 2017. Based on the Master

Licence Agreement, the Orbis Group has the right to operate hotels under AccorHotels brands in 16 countries until 2035, i.e. in Bosnia and Herzegovina, Bulgaria, Croatia, Montenegro, the Czech Republic, Estonia, Latvia, Lithuania, Macedonia, Moldova, Poland, Romania, Serbia, Slovakia, Slovenia and Hungary. Orbis will hold this right on an exclusive basis for at least 10 years.

STRIVING TO GET THE MOST OF THE CAPITAL EMPLOYED

According to the adopted strategy, Orbis Group develops its network through both franchise and management agreements as well as through its own investment projects in business hubs and capitals of Eastern European countries. At the moment, the network of Orbis hotels comprises 124 hotels operating in 11 Eastern European countries. As the exclusive licensor of all AccorHotels brands in 16 countries across the region, we have a great potential for further expansion, including specifically the markets of new countries where the AccorHotels brands are not yet present.

In line with our growth plans we monitor potential investment projects in terms of maximising the return

on investment, focusing on key locations, mainly in city centres. At the same time, opportunities of disposals of assets of lesser importance for the Group are examined with a view to accelerating growth based on highly profitable investments in subsidiary hotels.

Expansion of the hotel network through subsidiary investment projects and streamlining the asset structure, also in terms of ownership, necessitates securing adequate sources of financing, all while keeping debt at a safe level in the company.

STRIVING FOR OPERATIONAL EXCELLENCE

We derive our success from our strive towards operational excellence through applying corporate management model based on innovative, practical and effective solutions.

Thanks to understanding hotel customer expectations, we focus our efforts on the improvement of vital business areas, putting the needs of our guests first.

In our pursuit of operational excellence, the Orbis Group not only upgrades its hotels, but at the same time deploys state-of-the-art solutions in all areas of its operations. Being present on many markets, we develop synergy in terms of:

- » Service personalization, which is the key to meeting guests' expectations (Top Line 360)
- » Deployment of modern technologies and integration with the innovation ecosystem (selected partnerships with The Heart, Startup Flow, Kadromierz)

- » Promoting loyalty programs such as Le Club AccorHotels, which already has over 1 million members in the Eastern European region (the program is 100% online, all the benefits are available online, each member can manage his/her preferences, check the bookings, select awards and benefit from personalised offers at promotional prices)
- » Implementation of Revenue Management best practices and solutions, i.e. related to revenue and price management in all the hotels owned and/or managed by Orbis S.A.
- » Promoting the latest food and beverage concepts (Orbis is an innovator in terms of WineStone, NOVO², or Wise Cafe restaurants, where the concepts include the changing interior and menu design trends).

STRIVING TO BE THE CSR LEADER IN THE REGION

As a leader in the hospitality industry in Eastern Europe, we aspire to be a trendsetter in areas such as sustainable development and ethics in the hospitality market of the region.

Managing the diversity of employees who are the Orbis Group's Ambassadors on a daily basis, optimising the consumption of energy and water, environmental investments, launching important social initiatives in Poland such as protection of children and young people

against sexual exploitation in tourism and effective long-term support for young people at risk of exclusion – these are just a few examples which prove that our commitment to sustainable development and ethics are based on rock-solid foundations.

PLANET 21

The Planet 21 is the key program introduced in our hotels, while our Ethics and Corporate Social Responsibility Charter lays down the guidelines and principles of building the desired attitudes based on ethical values shared by the Group. This document aims to promot and develop principles of cooperation both within the Group and in relations with its key stakeholders.

At present, sustainable development and adherence to the principles of ethics in business underlie corporate growths, while the non-financial perspective is steadily gaining in importance. Our stakeholders, from employees through shareholders to business partners, analysts and customers, expect transparency and credibility, and this is precisely what we want to offer them.



Our key CSR program is the Planet 21 program, which is an expression of our concern for people and the natural environment. The program facilitates reinforcing the Group's competitive edge in the hospitality industry.

The Planet 21 document sets out a vision of a sustainable hotel and outlines specific actions and objectives to be achieved in the coming years in 6 areas.



6 AREAS OF EVERY HOTEL OPERATIONS

2 AREAS ARE STRATEGIC

1

Low-carbon buildings: we strive to ensure that all the hotels built by the Group be low carbon buildings (the ibis Vilnius in Lithuania and ibis Styles Warszawa are currently under construction and construction works are about to start in ibis Styles Szczecin - all subject to BREEAM green certification)

2

Healthy and sustainable food: offering healthy and balanced meals, all while reducing food waste by 30% in the Group's restaurants by 2020 and setting up as many vegetable gardens as possible next to Group's hotels

THE REMAINING AREAS

3

Guests: by involving our guests, we would like to show them the actual impact of their attitudes upon the surrounding world. Many hotels encourage customers to reuse their towels in order to limit the consumption of water, cleaning agents and electricity. The financial aspect of these savings can sometimes be regarded by bystanders as the key factor and they would then accuse hotel owners of being cynical. With this in mind, the Orbis Group has

decided to share its savings with others. This assumption was the cornerstone of the 'Plant for the Planet' afforestation program undertaken by the AccorHotels and Orbis Group. It involves transferring 50% of the savings made on the laundry of towels for planting trees and setting organic traditional fruit orchards in Poland and afforestation of areas threatened by illegal logging in Transylvania, Romania

4

Employees: We attach great importance to respecting the rights of our employees, including promoting their diversity (we are one of the first companies in Poland to have signed the Diversity Charter). The Women at AccorHotels Generation Corporate Network (WAAG) and the WAAG's training and mentoring programs contribute to supporting and empowering women at all positions within the organisation. More than 40% of hotel general managers in the company are women

5

Business partners: Integrity is one of the key elements in building sustainable relationships with our business partners. We inform our partners about the principles we follow under the Planet 21 program. Each agreement with our recommended supplier includes the so-called Planet 21 Charter, which obliges the supplier to act in line with these principles and towards the achievement of the objectives we have set in the social and environmental dimension of our business. The same commitment also applies to contractors and subcontractors of our business partners

6

Local communities: Orbis has initiated the signing of the Code of Conduct aimed at protecting children and young people against sexual abuse in tourism. To date, Orbis is Poland's only company in the hospitality industry to have signed the Code of Conduct. The Code promotes educational activities and cooperation with relevant authorities in order to detect suspicious situations.

CSR POLICY

Together with our employees we build our organizational culture based on 6 values. We fulfil our commitments in the area of promoting diversity in the workplace and caring for our customers to whom we deliver socially responsible services every single day. We offer our products on the Polish and European market with respect for human rights and care for the natural environment. We collaborate only with those suppliers that share our values.

The Ethics and CSR Committee has been operating in the Company's Supervisory Board since 2014. The Company also has a Sustainable Development Operational Committee composed of regional directors and managing directors of 4 countries, in which Orbis operates. Daily cooperation with our stakeholders and analysing their needs, expectations and concerns by managers responsible for particular business areas, gives us a holistic approach to corporate responsibility management and allows informed planning of the Group's sustainable development.

FUNDAMENTAL VALUES OF THE ORBIS GROUP



PASSION FOR HOSPITALITY

Hospitality is our craft - we strive to satisfy people. Our guests are the driving force behind our actions and the decisions we take. Our guests come first, we care for them and make every attempt to meet their expectations. We like doing it



SUSTAINABLE GROWTH AND EFFICIENCY

We strive to create value added, for as many beneficiaries as possible, in a long term perspective



THE SPIRIT OF CONQUEST

Our guests are globetrotters and so are we. We want to be right where our guests want to be. We are the explorers and initiators, this is how we grow. We are ambitious. We make the impossible possible. We do it with joy



Our values are like a common language, i.e. they connect us and create a strong sense of belonging. Regardless of the place, culture or people, thanks to our shared values we better understand our objectives and pursue our hospitality philosophy with full awareness. Our values build our brand and its recognition.

In order to streamline our actions related to ethical management and make them fully transparent, we have developed and implemented the Ethics and CSR Charter, the Orbis Group Diversity Charter and the Sponsorship

Policy of the Orbis Group. These documents are guidelines for actions and decisions of our employees at all levels of the Group's organizational structure.



INNOVATION

Though it is said to be undoable, yet together we make it. We fulfil the dreams of our guests. We dreamt to do this, we have succeeded and our guests are thrilled. We nurture curiosity about the world around us and we are open to new ideas. We endeavour new challenges and learn



TRUST

We believe in natural human kindness. We support and embrace every human being and appreciate his or her merits. We fulfil our commitments. We speak of what we do. We do what we have announced we would do



RESPECT

We are a part of the global society. We welcome cultural diversity and are proud of the differences between us. Everyone is most important for us, we value every single person. We care about our planet.

OUR PRODUCT STANDS OUT

The wide range of brands in our portfolio tailored to various needs and budgets of our guests is what makes the Orbis Group stand out in the market. Well-known global brands guarantee a quality service of varying standards. Our product range embraces upscale hotels that offer luxury personalised services (Sofitel, Pullman,

MGallery), midscale hotels (Novotel, Mercure) and economy rooms in customer-friendly hotels of the ibis, ibis Styles and ibis budget brand. Thanks to the licence agreement executed with Adagio SAS, Adagio, Adagio Access and Adagio Premium branded aparthotels joined our portfolio of brands in 2017.

OUR BRANDS

S O F I T E L

A collection of unique hotels with the French flair, offering a service which is custom-tailored to guest needs and enriched with emotions and commitment to excellence.

For more information visit www.sofitel.com

p u l l m a n

Upscale international hotels with designer interiors, located in large metropolitan areas and the most attractive tourist destinations.

For more information visit www.pullmanhotels.com



A collection of hotels which are unique in terms of spirit, have their own history and enchant guests with their architecture. Each hotel is inspired by one of three climates: 'Heritage' - places with a history, 'Signature' - places focused on aesthetic attributes or 'Serenity' - places conducive to leisure and relaxation.

For more information visit www.mgallery.com



NOVOTEL

Midscale hotels located in large cities, business districts and tourist destinations. Thanks to their comprehensive offer and high standard of service, Novotel hotels are liked by both business travellers as well as tourists.

For more information visit www.novotel.com

Mercure

The only midscale hotel brand which combines the advantages of an international network that guarantees high quality with a casual atmosphere, typical for non-chain hotels integrated with the local community and managed by enthusiastic staff.

For more information visit www.mercure.com

ibis

The European leader of the economy hotel segment, offering to its guests the top level of service and utmost comfort at rates which are the most attractive in this market segment.

For more information visit www.ibishotel.com

ibis STYLES

A worldwide synonym for the budget hotel segment. This uncomplicated brand focuses on simplicity, modernity and wellbeing of guests.

For more information visit www.ibisbudget.com

ibis budget

Światowy synonim hoteli klasy budżetowej. Marka kładąca nacisk na prostotę, nowoczesność i dobre samopoczucie gości.

Więcej na www.ibisbudget.com

adagio

A “Home Away From Home”, which is an ideal solution for medium to long stays. Functional apartments for those seeking privacy and independence with the advantage of dedicated hotel services for greater comfort (such as a reception and cleaning service).

For more information visit www.adagio-city.com.



Nearly half of our bookings are made via the web, therefore we spare no effort to make buying our services online as simple as possible.

Thanks to the cooperation with AccorHotels, our products are available to more than 100 million potential customers registered on Accorhotels.com. With this in mind, we build our reputation using virtual tools and being present in social media. We also focus on maintaining long-term customer relations and value the loyalty of our guests. Some 30 million people participate in the Le Club AccorHotels loyalty program.

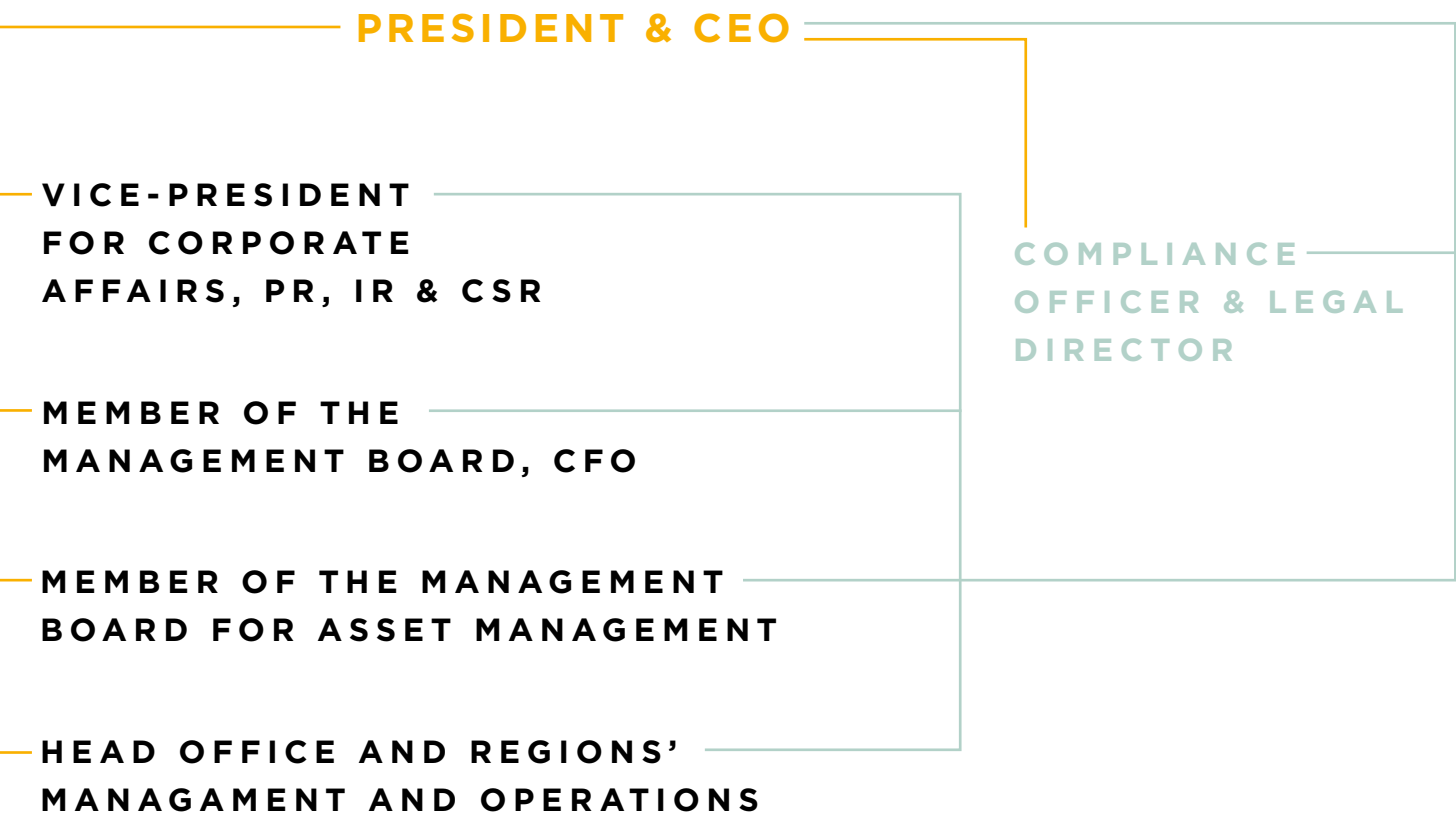


THE COMPLIANCE PROGRAM

Sustainable development and ethical aspects are steadily gaining prominence in our business. On the one hand, our stakeholders, i.e. employees, shareholders, business partners, investors, analysts and customers expect us to be sensitive to business ethics, employee rights, human rights, protection of property and data privacy, and on the other hand new international regulations, laws and governing

standards are being introduced. Therefore, we have taken steps to set up a complex compliance program.

In 2017, the Management Board of Orbis S.A. appointed the Compliance Officer of the Orbis Group and thus launched the deployment of a comprehensive compliance program being part of the AccorHotels worldwide compliance policy.



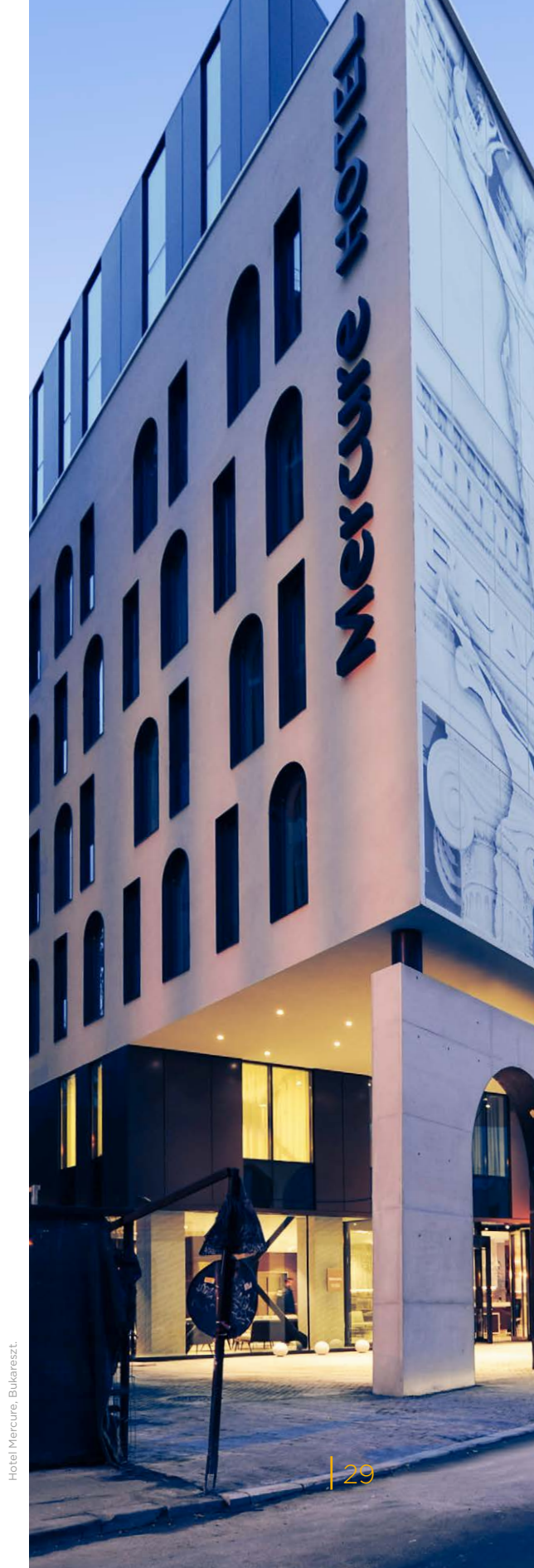
The mission of the Compliance Officer is to define, present, deploy and monitor the compliance program in the Orbis Group. In 2017, efforts were focused on mapping potential risks in the Company, following which selected areas, such as preventing corruption, were targeted. By the end of the year the Compliance Officer organised workshops for almost 70 participants aimed at raising awareness on the subject of counteracting corruption.

Implementing the principles laid down in the Ethics & CSR Charter, we have developed the Gift Policy of the Orbis Group – a document preventing the Company from accusations of bribery and conflicts of interest by refusing gifts or personal benefits from existing or potential suppliers and business partners. The gift policy applied to all Orbis Group employees as well as business partners & suppliers.

In 2017, we fine-tuned our by-laws and rules regarding the Market Abuse Regulation (MAR) as well as implemented the required procedures

preventing an illegitimate use of sensitive information.

During the same period, we took action to ensure that the Group is fully aligned and prepared for the new European Union General Data Protection Regulation (GDPR). As part of the preparations, the Data Protection Officer has been appointed with responsibility to oversee Group’s data protection strategy and to ensure its compliance with GDPR requirements. The Data Protection Officer reports directly to the Management Board of the Company.



Hotel Mercure, Bukareszt

THE SCOPE OF PREPARATIONS FOR DEVELOPING A COMPREHENSIVE COMPLIANCE PROGRAM OF THE ORBIS GROUP IS AS FOLLOWS



1 Drafting and implementation of annexes to agreements with service providers and BCR (Binding Corporate Rules) to be implemented to the franchise and management agreements,



2 Preparation of Orbis Privacy Policy



3 Preparation of Orbis Security Policy



4 Verification and implementation of the Joint Data Controllorship Agreement



5 Further mapping of processes of data flows



6 Orbis data protection trainings & workshops



7 Final tests of GDPR implementation.



The Compliance Program will be deployed through the Ethics & CSR Committee of the Supervisory Board and with the support of the CSR Operational Committee.

RISK MANAGEMENT

Orbis risk management system is underpinned by a corporate and operational structured approach for identifying, analysing and assessing risks (risk mapping), implementing appropriate prevention and protection action plans (anticipatory actions) and preparation for response (reactive actions).



The Orbis Group risk management system is aimed at:

- » detecting, preventing and mitigating major risks that may impact the Group's reputation
- » protection of guests, employees, brands, assets, business partners and franchisees
- » awareness of all the stakeholders about all risks to which the Group may be exposed.



Hotel Mercure, Wrocław.

RISK MANAGEMENT
SYSTEM AND STRUCTURE

The Director of Risk Management, Security and Internal Audit reports directly to the President of the Management Board and CEO of the Company in order to manage, on a daily basis, the mapping of risk, the monitoring and the implementation of risks prevention and roll-out of action plans.

The Risk Management, Security and Internal Audit team is responsible for producing recommendations, circulating security and safety related information, supporting the deployment of training initiatives, and dedicated applications aimed at preventing any potential damages. Its duties include consulting, auditing, operational support in protecting Orbis Group assets, employees and guests.

Each hotel operating in the Group (regardless of its status, whether subsidiary, managed or franchised) has access to the Orbis Crisis Management Manual which offers the hotel a substantial support and insights as regards operation and communication procedures. Thus, we are practicing a proactive risk and anti-crisis management culture.

Additionally, the risk management report is presented on regular basis, at least twice a year, to the Orbis S.A. Supervisory Board Audit Committee.

ORBIS S.A. HOLISTIC APPROACH STRUCTURED AROUND
SAFE HOTEL AND PROACTIVE RISK MANAGEMENT CULTURE

PRINCIPAL RISK FACTORS

We are present in 11 countries of Eastern Europe, therefore, economic, social, environmental, technological and legal we observe and experience a constantly changing political, environment, which poses potential risks

MAJOR RISK DESCRIPTION & RISKS RELATED TO:	PREVENTION & MITIGATION
<p>Corporate reputation and brand protection:</p> <p>Orbis is the exclusive licensor of AccorHotels’ brands in Eastern Europe and recognizes the strength of these hotel brands and their reputation as an important asset of its business</p>	<p>Orbis holds an exclusive license for 9 well-known hotel brands covering all segments of the hotel market (Sofitel, Pullman, Mercure, MGallery, Novotel, ibis, ibis Styles, ibis Budget and Adagio) and operates hotels under these brands (except Adagio).</p> <p>On a daily basis, the brands’ reputation is a collective work of hotels’ employees, general managers, lawyers, the talent & corporate culture team, brand standards, CSR experts, risk managers and Orbis internal auditors who all work together in order to protect the Orbis & AccorHotels brands.</p> <p>Constant refreshment of the F&B concepts (Winestone, NOVO2 and testing new Wise Café in October 2017).</p> <p>In 2017, Orbis rolled out and has since then been promoting the new approach to customers and employees, i.e. the Heartist™ project, an innovative approach based on natural openness and AccorHotels Feel Welcome spirit.</p> <p>Continuous building of brand awareness and loyalty across all major marketplaces in Eastern Europe through a blend of AccorHotels global and Orbis local marketing projects, programs, campaigns and initiatives.</p>
<p>Company talents, corporate culture & social aspects:</p> <p>The demographic situation in Eastern Europe causes labour shortages</p>	<p>We have developed a comprehensive Talent & Culture employee and corporate culture management strategy that ensures attracting, retaining and development of the right employees in hotels and corporate offices of the company.</p> <p>We review tools and systems offered to our employees on a daily basis.</p> <p>We constantly fine-tune recruitment strategies based on real-life situations (e.g. Mercure Krakow Stare Miasto and ibis Gdańsk Stare Miasto).</p> <p>We are the leader in deploying a complex child protection policy in our hotels (besides Poland, Romania, and Bulgaria, also Lithuania has signed the ECPAT Code of Conduct in 2017) and promote this policy in the region. Internal procedures linked to the child protection in hotels protect not only AccorHotels’ image and reputation, but also Orbis employees.</p>



WE ARE IN
**11 EAST-EUROPEAN
COUNTRIES**

MAJOR RISK DESCRIPTION & RISKS RELATED TO:	PREVENTION & MITIGATION
Natural environment: Global concern about environmental issues (climate change and food sustainability) may lead to stricter regulatory requirements	The carbon footprint of our hotels is related to energy and food consumption. Therefore, we curb our impact on the climate change by deploying low-carbon investments and BREEAM green certification for all new Orbis buildings (recently opened: Mercure Kraków Stare Miasto – BREEAM certified at the “Very good” level and ibis Gdańsk Stare Miasto – “good” level; ibis Vilnius, ibis Styles Warszawa i ibis Styles Szczecin). Moreover, we deploy the Healthy and Sustainable Food Charter in order to tackle the issue of food sustainability (i.e. downsizing the food waste) and protect agricultural biodiversity.
Technology and Digital: Global concern about cyber-crimes and new EU regulations related to data privacy and security. The hospitality sector has become dependent on digital technologies (office administration, reservation & cancellation systems, CRM, Wi-Fi, marketing, regulatory & reporting compliance).	In terms of IT security, we comply with the Payment Card Industry – Data Security Standards (PCI-DSS). Orbis central team has set up a monthly Business Marketplace Intelligence in order to track and identify digital disruptors that might affect our business. We are aware that digital technologies force us to invest in and improve the distribution and reservation systems in order to offer the best possible value to our guests. On the other hand, we continuously pro-actively monitor and improve the terms of cooperation with intermediaries, meta-search websites and other partners.
Risks related to geopolitical instability: In a swiftly evolving economic environment of the Central and Eastern Europe, some governments may be tempted to introduce new taxes or increase the existing ones (i.e. carbon tax, VAT) or to deploy protectionist measures that could have a negative impact on Orbis financial results.	Orbis Management cooperates with national & European lodging, hoteliers & trade associations (HOTREC, IGHP, UN WTO, ECPAT, SEG) and anticipates these legislative and regulatory changes so that they can be integrated into our action plans and policies. Orbis central team has set up a monthly Business Marketplace Intelligence and a weekly PR and public affairs outlook reporting system in order to track upcoming regulations and advances that might have a vital impact on our business.

Our Employees



“Treat others the way you would like to be treated” is the motto which we apply to our guests and employees alike. We make every effort to ensure that they feel well in our organization and employ their passion, talent and commitment to everyday work to build a socially responsible business of the Group.

FAIR RECRUITMENT AND WORK CONDITIONS

Candidates may count on the transparency of the recruitment process. The candidate's CV is subject to an objective verification and selected candidates are then invited to an interview, after which they can expect a detailed feedback.

Our employees are offered fair and transparent conditions of employment and promotion, attractive salaries and an actual influence on their career paths. We also provide them with rich training and e-learning opportunities, incentive packages, extended medical care with Medicovert, Multisport card, PZU group insurance, Bienvenue discount card for all online hotel services, self-arranged countryside holidays, free lunches, social fund, semi-annual bonuses paid out in a half year framework, special awards and the

opportunity to participate in interesting CSR projects and contests.

Compensating employees in a fair and motivating way that reflects their individual and collective performance is an important element of our organisational culture.

Two trade unions having the status of inter-departmental organisations and an employee council operate in the Orbis Group in Poland. Moreover, all employees other than the management are covered by the inter-departmental collective labour agreement. Besides, a trade union which has the status of an inter-departmental organisation operates in Hungary under the inter-departmental collective labour agreement.



The WAAG (Women At AccorHotels Generation) network comprises women employed in Orbis and AccorHotels Group in Poland and across the entire Orbis perimeter.

The objective of the WAAG network is reinforcing leadership skills, building a greater comfort of work and mutual inspiration. Around these goals, a series of empowering

workshops, lectures and a mentoring program is offered. Moreover, AccorHotels, and thus the Orbis Group as well, is one of 10 companies chosen across the globe to actively participate in the #HeForShe campaign. The objective is to involve men in the process of improving the situation of women and to undertake active measures in favour of gender equality.



In 2017 we were ranked one of the top 10 employers in Poland in the Top Employer 2017 (Top Pracodawca 2017) contest organized by PulsHR.pl, the largest national portal of the HR industry.

40% of general managers of Orbis Group Hotels are women and it's the highest rate in the AccorHotels worldwide community.



ANTI-DISCRIMINATION POLICY AND SUPPORT FOR DIVERSITY

We respect the diversity of our guests and strive for reflecting it in our conduct, products and services accordingly. We do our best to eliminate all possible sources of discrimination and barriers in our buildings, facilities and installations, as well as in our practices, procedures and management of our properties.

We pay equally much attention to our Group's employees. Understanding and respecting differences between employees and perceiving them as a value is the key to building creative, efficient and well matched teams. Awareness and elimination of all forms of discrimination is equally important to us. We spare no effort to ensure equal opportunities for employees with the same qualifications, regardless of their gender, in all the areas of work and at all the stages of their professional life, from recruitment, through training, remuneration policies and geographical mobility, to career development. We devote much attention to women's rights and needs, specifically in the context of their motherhood and holding positions

compatible with their competences and skills. It should be kept in mind that 44% of hotel general managers in the Orbis Hotel Group are women, which is the highest percentage in the entire AccorHotels community. We take seriously our commitment to create an environment in which every employee has a chance for fulfilment in his or her professional and personal life.

The Orbis Group is a signatory of the Diversity Charter and the theme of diversity and non-discrimination is ever present in our training programs as well as in the e-learning materials, which are available to all the employees via the intranet.

Furthermore, we require that our suppliers, subcontractors and service providers sign the Orbis Group Procurement Policy and follow the principles of non-discrimination specified in that policy.

THE ETHICS AND CSR CHARTER

The Ethics & Corporate Social Responsibility Charter is a code of principles meant as a guide for all the employees of the Group in their daily work. We constantly analyse our actions based on the provisions of the Charter and effectively counteract any abuses.

We firmly oppose any forms of forced labour. We closely monitor our suppliers and service providers from this angle and reserve the right to immediately terminate any business relationships with them, if they are found to abuse this principle. We are equally rigorous in our approach to child labour. We strictly adhere to the legal age limits laid down in different countries where we operate and refuse to cooperate with suppliers or service providers who violate the law in this area. We also do not allow any illegal employment in our hotels.

The Charter is also our commitment to apply due diligence in order to ensure that rooms in our hotels are used for their intended purpose.

We strictly observe the rules of fair competition in all the markets where we are present. We have taken all the possible steps to counteract corruption, both via developing purchasing and sales procedures, as well as through developing the gift policy.

We are also aware of practices such as money laundering and the consequent need to remain vigilant about

financial inflows that may be of criminal origin or purpose. Where appropriate, we examine the compliance of our actions with legal obligations.

In our Ethics & Corporate Social Responsibility Charter we have also regulated aspects of protecting goods and data, which include counteracting insider trading, misappropriation of company assets, conflicts of interest and, last but not least, fraud and infringement of intellectual property. In order to avoid circumstances in which employees would abuse their professional position to, directly or indirectly, gain personal benefit or confer any benefits upon a third party to the detriment of the Group's interests, we require all staff members to disclose any such relevant information.

We lay particular emphasis on the protection of personal data and the related security of IT systems.

The AccorHotels Group has developed its Personal Data Protection Charter available in its intranet website which regulates data protection. The Group has committed to create a special IT security unit, define the rules of use of IT systems in the company, verify the stability of the most critical systems as well as organise regular trainings for employees at key positions. Our security policy also takes into consideration the life cycle of IT applications and implementation of IT solutions to protect personal data of customers and employees.



The opinion of our employees is of a great importance to us and we analyse it every year through the “Employee Satisfaction Survey” realized by Aon Hewitt. The survey has a very high participation rate – over 90% of employees took part in it in 2017. The engagement level is also high – at 68%, and shows that the cultural change in Orbis goes in the right direction.

The Ethics and CSR Charter also addresses the optimum conditions of stay understood as minimizing any hazards. The practical actions undertaken by us in this field include implementation of modern engineering fire prevention methods as well as the setting of monitoring and control standards in all the Group's restaurants by certified food hygiene providers. Constant analysis of the safety level in the countries and cities where AccorHotels operates or plans to launch its operations additionally contributes to the safety of the Group's guests and employees. Safety recommendations based on applicable structures, equipment, technologies and procedures are also developed. We have also committed to make security tools available and to implement a security incident reporting system at all the levels of the organisation (from hotels,

through national management to the central level). Other actions undertaken by us include periodic audits of hotel security measures as well as trainings and advisory services for employees.

The Ethics & Corporate Social Responsibility Charter commits us to continue a regular, effective and transparent dialogue with our stakeholders in all countries where we operate and to continuously improve this dialogue.

All CSR activities of the Group sensitize our employees and contribute to their involvement. We believe in the sharing of values within the company and cooperation with various stakeholder groups outside the organisation based on these values.

EMPLOYEE DEVELOPMENT

People are the most valuable asset of the Orbis Group.

We manage talents and employ the competence model to support the development of our employees' career paths.

Selected programs for our employees:

- » Orbis Fast Track – an accelerated competence development program for those who intend to apply for the position of a hotel general manager in the Orbis Group (6 persons completed this program in 2017);
- » Orbis Talent Management – a career path management program of the Orbis Group (in 2017, the program covered more than 400 managers);
- » International Hospitality Management Program (IHMP) – postgraduate hotel management studies for hotel general managers who intend to gain international experience. The IHMP is run in cooperation with the AccorHotels Group based in Paris and the ESSEC Business School (in 2017, 3 persons completed the program and another 3 persons have started the training cycle);
- » AccorHotels Unveil Your Talent – a program to develop the talents of hotel employees;
- » AccorHotels Bernaches Awards – the AccorHotels Group's internal program aimed at rewarding employees and managers whose work, commitment and attitudes embody the company's values;
- » Culinary Excellence – a program of workshops for

We organise regular employee commitment surveys and periodic appraisals that include not only the assessment of employee competences but, since recently, also attitudes.

- cooks from Orbis hotels and students of food and beverage schools cooperating with the Orbis Group. All in all, 387 participants in Poland participated in a cycle of workshops from January to December 2017, including 123 chefs and cooks from Orbis hotels and 264 external participants, i.e. external experts and young talents from vocational schools across the country. Due to the program's popularity and business success, it will be continued and expanded;
- » Woman at AccorHotels Generation (WAAG) – a corporate network of women that brings together more than 230 women and men working in AccorHotels and Orbis, whose main objective is to build leadership competence, improve working comfort, develop good cooperation practices and inspire each other. As part of this network, the WAAG Empowerment program was implemented in 2017 (a series of workshops for 20 women in Poland and another 15 in Hungary employed in the Orbis Group as well as a mentoring program was carried out by 40 talents in Poland, Romania, Bulgaria, the Czech Republic and Hungary in 2017).



A NEW CULTURAL APPROACH THAT BEARS FRUITS

Orbis is committed to setting the standards of good employment and caring for diversity management. While the labour market in this part of Europe stays very challenging and competitive, the deployment of the Heartist™ project – which promotes natural, authentic and personalized service toward every external & internal customer, and the ongoing cultural change in all the 124

AccorHotels across Eastern Europe have brought first positive effects – a +1 pp increase in the commitment of the teams and a decrease in rotation in comparison to 2016 results. Moreover, the high participation rate – at the level of 91%, in the yearly “Employee satisfaction & engagement survey” – realized by Aon Hewitt, shows that the cultural change in Orbis is going in the right direction.

Our Customers



Our sustainable development projects are deployed for our clients and with their involvement. It is thanks to their trust and openness to cooperate for the purpose of fulfilling social needs in harmony with the natural environment that we are able to operate a socially responsible hotel business.

HEALTHY AND SUSTAINABLE FOOD CHARTER

Quality, nutritional value and social and environmental sustainability of meals offered to our guests, regardless of the price category of the restaurant and the hotel, are the key objectives of the Healthy and Sustainable Food Charter developed under the Planet 21 CSR program. The Charter sets out commitments to ensure that by 2020 we will offer only high-quality meals and drinks, while the volume of food waste and total waste (packaging) will be reduced by 30%.

Healthy nutrition is one of the most important elements of health prophylaxis aimed at reducing the risk of cancer, cardiovascular diseases, diabetes, obesity, etc. With this in mind, we have taken a series of specific measures, for instance we are reducing the so-called hidden sugar (such as glucose-fructose syrup, maltodextrine, etc.) in bread and cakes served in our hotels and we prefer fully natural fruit juices without the addition of sweetening syrup. We also take care not to use animal meat produced on farms where hormones are administered to animals in our meals and we serve fruit and vegetables which are free of pesticides.

We keep in mind the ecological and ethical dimension of food manufacturing. We use sustainably sourced palm oil products (RSPO, Organic or Rainforest Alliance-certified) to prepare our meals and our ultimate target is to replace it with other food products. Eggs served in our restaurants until 2020 are exclusively free-range eggs.

We are also concerned about the global problem of food waste. It is estimated that more than 30% of food is discarded to the bin every year in the world. Therefore, we are planning to reduce the volume of food waste generated in the restaurants of the Orbis Group by 30% by the year 2020 (more information in section 5.1).

Our plans are to deploy the Healthy and Sustainable Food Charter in all our restaurants by the end of 2020. As at the end of 2017, all hotel restaurants owned or managed by Orbis implemented the Charter.

LOCAL FOOD MANUFACTURING

Next to our hotels we set up small gardens for our own needs or slightly larger gardens which are used and managed together with the local communities. Sometimes these are herb gardens (herbaria), thanks to which the meals we serve to our guests gain an exquisite aroma. By the end of 2017, 25 gardens and/or herbaria were set up in hotels owned or managed by Orbis.

Caring for top product quality as well as our desire to operate in harmony with the principles of social and environmental sustainability also forces us to reduce our supply chains. Whenever practicable and reasonable, we select local suppliers, limit the number of intermediaries and minimize the purchase of products manufactured with large-scale industrial production methods. We also limit food imports from overseas and our menu is based on products that are available locally during the given season of the year.



PLANT FOR THE PLANET

Plant for the Planet is a program of cooperation with our guests in the service of the natural environment through planting of fruit trees. The initiative started with our customers and their informed use of towels and bed linen during their stay in our hotels. The program permits to significantly reduce water consumption, waste water, cleaning agents used and electric energy needed for everyday laundry. In the scale of a hotel, and particularly the entire hotel network, this translates into considerable environmental savings. Every re-used towel is also a measurable financial saving, of which 50% we allocate for the program.

Thanks to these savings, we have planted more than 15 000 fruit trees of traditional varieties, such as kosztela, in Poland. The environmental benefits are in this case also accompanied by social gains. Planting of trees is a tangible support for small farmers, who are then able to make their living from organic food production.

The partner of the project in Poland is AgriNatura Foundation (Fundacja AgriNatura) which dedicates its efforts to sustainable development of rural areas by, amongst others, protecting and increasing agricultural biodiversity and promoting ecological methods of agricultural production.

The Plant for the Planet Program - a Tree for Every School implemented in Romania is based on similar foundations and financial principles as its Polish counterpart. The initiative is aimed at counteracting climate change and improving landscape quality by preserving and expanding woodlands, planting trees in degraded areas and raising environmental awareness of the public. So far more than 2 million trees have been planted together with the local people of Transylvania.

The Program is run by Mihai Eminescu Trust Foundation in cooperation with schools, municipal authorities, non-governmental organizations and forest inspectorates.

BIO & CO

Upon the initiative of the Bucharest Gara de Nord hotel in Bucharest, the Bio & Co project has been launched on the farm in the Ciocănari village. It is implemented together with the Ateliere Fara Frontiere foundation and involves helping people in a very difficult life situation. They are offered vocational training and then employed on the organic farm. Food waste from hotels is used in the project

as fertilizer, while vegetables and fruits produced are sent to Orbis Group hotels in Bucharest. Thus, the project embodies the idea of a closed-circuit economy.

At the request of Orbis Group employees in Romania, the corporate foundation Solidarity AccorHotels co-financed the project with the sum of EUR 23 000 in 2017.

BIG FAMILY CARD PROGRAM

The Orbis Group is the first hospitality group in Poland to have joined the Big Family Card, a government program of discounts for families with at least three children, regardless of the family's income.

By making a booking through the www.accorhotels.com website, holders of the Big Family Card are granted a 20% discount for stays in hotels of the Sofitel, Mercure, Novotel, ibis and ibis Styles brands operating in Poland. Additionally, Card holders do not pay for breakfasts for children under the age of 16.

HOTEL WITH A HEART

The Hotel with Heart program involves equipping our hotels with resuscitation devices. In case of need, defibrillators can save lives of not only our guests or employees, but also any person in the vicinity of the Group's hotel. We provide information on the location of equipment to voivodes, thus supporting the operations of emergency medical rescue services.

In 2017, we equipped 40 hotels operating under AccorHotels brands in Poland with high quality cardio equipment designed to save lives of people at risk of a sudden cardiac arrest. Automated External Defibrillators (AED) have been placed in generally accessible exposed spots in our hotels to minimize witness response time.

Our Suppliers



As part of accomplishing our mission stated in Planet 21 CSR program, we cannot omit the issue of local suppliers. It is also thanks to the products they supply that we can offer our guests top notch services. We focus on long-term cooperation based on partnerships.

PROGRAM PLANET 21

We require our suppliers to act in accordance with the principles stated in Planet 21 CSR strategy and to support us in the attainment of our social and environmental goals. Moreover, the enterprises we cooperate with have to require their business partners to follow the same standards.



Orbis Group's suppliers have to observe the standards we set and be ready to undergo audits and possibly implement remedial action plans. All these measures enable us to maintain the highest quality, while ensuring that the meals we serve and the services we offer are socially and ecologically responsible.

CONDITIONS OF WORK

The Supplier commits not to apply degrading practices, such as corporal punishment, sexual harassment and molestation, forced labour or labour under threat, and to take all the necessary measures to ensure that each employee is treated with respect. Moreover, the Supplier requires of each of its directors and/or managers to report to the HR Department any sexual harassment and/or molestation in order to eliminate them. The Supplier also commits to verify its suppliers and subcontractors who may use forced labour or labour under threat in any form. Upon obtaining any information about such occurrences, the Supplier must immediately stop cooperation with the relevant service provider.

CHILD LABOUR

The Supplier and its subcontractors must comply with the minimum age requirements laid down by the legislation of each country in which the supplier operates. The Supplier confirms that regardless of the legislation of the country concerned, the Supplier will in no case permit employing children under the age of 14.

PROTECTION OF HEALTH AND SAFETY

The Supplier must protect health and safety at the workplace as required by the laws, in particular through regular checks of the compliance of the Suppliers' equipment/ installations with the applicable standards. The Supplier represents that its actions are not detrimental to the health and safety of its employees, subcontractors, operators involved in its business, the local population and its product users.

WORK HOURS

The Supplier must apply national laws and in all cases comply with international working time rules defined by the International Labour Organization with regard to its business sector. Moreover, the Supplier will provide appropriate rest time to its employees.

REMUNERATION

The Supplier must apply national laws and provide his or her employees with a minimum salary level that allows for decent living conditions, taking into account the cost of living in the vicinity of the place of work. The Supplier will regularly pay salaries to employees.



ORBIS GROUP'S SUPPLIERS **HAVE TO COMPLY THE STANDARDS WE SET**

COMPLIANCE WITH TRADE UNION AND ASSOCIATION REGULATIONS

The Supplier commits to respect the freedom of association and to accept trade union activities consistent with the relevant national legislation. The Supplier is required to give employees the freedom of expression in the company with respect to matters relating to work conditions.

DISCRIMINATION

The Supplier should combat all and any forms of discrimination, specifically discrimination based on gender, origin, religion, political views or sexual orientation. The Supplier commits to promote cultural diversity.

COMBATING SEXUAL ABUSE OF MINORS

The Supplier commits to remain vigilant in order to ensure protection of minors against sexual abuse as part of his business and the Supplier's premises cannot be used for the production, distribution and storage of pornographic materials produced with the participation of minors.

INTERSECTORAL COOPERATION

We established cooperation with Humane Society International organization in order to jointly determine responsible sources of supplies, especially in the regions where appropriate supply chains do not exist, are difficult to find or are only being formed. By 2020 we will completely eliminate eggs from caged hens from our supply chains on European markets and any other markets

where the laws and the applied certification principles permit doing so.

By ceasing to buy battery-cage eggs we implement the provisions of the Healthy and Sustainable Food Charter. The Charter requires us to offer guests food which is not only healthy, but also produced in a way to cause animals the least suffering.

Social Engage- ment



As the leader in our industry, we engage with activities that influence the perceptions and behaviours of the society as a whole. We also tackle demanding topics, sometimes ones that are not spoken about, in the hope that by voicing social and ecological concerns we will raise awareness and change the attitudes of many people.

FOOD LOSS PREVENTION AND WASTE REDUCTION

Year by year a staggering 1/3 of the food produced worldwide is wasted: 1.3 billion tons; in the hotel & restaurant sector some 25% of the food that is bought ends up in the bin. This means economic and social costs, but also ecological costs, because farming and food processing have an enormous impact on the environment. It takes no less than 16,000 litres of water to produce 1 kg of beef, 100 litres to make a baguette. Food produced and not eaten is responsible for over 7% of the global CO2 emissions.

We are fully aware of the gravity of this problem and we want to be a part of the solution. This is why we keep rationalizing the way we manage food products, in particular by improving the methods of matching purchases to needs. What is much more difficult is limiting the scale of wastage of the food guests leave on their plates. An example of a practical response to both

challenges, as well as a waste-reducing measure is what happens at the Novotel Warszawa Centrum. The chef at this hotel started changing the habits of both the staff and customers in the spirit of Planet 21 CSR program.

He started with a series of workshops showing how to cook without food loss. The kitchen staff were enthusiastic about the idea, despite their initial resistance to registering each piece of waste and the place where it is generated. This is done in a system called Winnow, which enables determining where the most food gets wasted (more details about it can be found in the section “Investments in Systems and Creation of Tools for Hotels”). The monitoring showed that half of the waste was generated by guests at the restaurant (unfinished dishes, leftovers such as bones or egg shells), and the other half in the kitchen (peels, removed parts of vegetables and meat, shells, bones, etc.).

Having analysed the collected data, the hotel introduced the 5R principle, whereby specific actions are required

REFUSE

eliminate from orders products that generate particularly large amounts of waste, e.g. in small containers or ones that are hard to recycle

REDUCE

reduce the portions served at the buffet so that the customer can try and then decide whether to order a second portion

REUSE

reuse certain products as components of others, e.g. coffee grounds in coffee cake or carrot pulp left over after making juice in carrot cake

RECYCLE

buy food in large packagings and then place it in smaller containers, while the packaging is recycled; an example is yoghurt poured from big buckets into small jars, which reduces the amount of plastic waste generated

ROT

the hotel is planning its own garden with a composter.

Thanks to the new methods of managing the kitchen and breakfast buffet, in the span of eighteen months the Novotel Warszawa Centrum hotel reduced the amount of organic waste by as much as 54%.

The Novotel City Center in Bucharest has been following its 3R strategy (Reduce, Reuse & Recycle) with regard to food waste since 2016. In the first year of its implementation, the amount of kitchen-generated waste was brought

down by 39%. The hotel applies similar mechanisms as in Warsaw: portion sizes have been reduced, dishes where leftovers are used have been added to the menu, while organic waste is sent to a composting firm. Moreover, the hotel is planning to give away excess food to those in need (however, like in the case of Polish food&beverage operators, the applicable laws make it difficult to implement this initiative).

INVESTMENTS IN SYSTEMS AND CREATION OF TOOLS FOR HOTELS

In the summer of 2016, the Novotel Warszawa Centrum, where a tool supporting minimization of food waste was implemented, started modifying the system used for managing food and drinks at the hotel. After very promising results, in 2017 the same system was launched by the Sofitel Budapest Chain Bridge and the Novotel Budapest City.

The aforementioned system works as follows: the kitchen staff write on a tablet installed near the waste bins what kind of kitchen waste is being thrown out. An electronic scale registers its weight and sends to the user a message showing the price of food thrown in the bin. The measuring device is connected to software operating in the cloud, where kitchen waste generated in a whole working day is registered and analysed. This gives the chef the information necessary to improve the production processes and thus to reduce the amount of food which gets thrown away. The effect is not only cost savings, but also limiting the adverse impact on the natural environment.

In July 2016, when the food loss reduction program was introduced, the Novotel Warszawa Centrum hotel generated 720 kg of waste every two weeks. The goal it set then was to reduce this figure by 30% in the 10-week

pilot period. Thanks to the strict action plan combined with training and mobilizing the teams, the amount of waste halved, which corresponds to saving approx. PLN 130,000 a year.

Based on the experience of the Novotel Warszawa Centrum and other hotels, in those hotels that cannot afford to install an external system supporting the reduction of food waste, we introduced operating procedures to prevent food wastage:

- » Raising awareness of restaurant and F&B department staff (presentations, workshops, commitments within various projects)
- » Regular weighing, monitoring and analysing waste (food waste, food used in other dishes, donating food, etc.)
- » Implementing an action plan in the F&B department: orders, deliveries, storage, preparation in kitchens, preparing and arranging buffets, sizes of portions served, raising guests' awareness and informing them.

“

The above principles and procedures were implemented in all hotels owned and managed by Orbis Group across Poland and Central Europe.

Due to the level of commitment of hotels operating under AccorHotels brands to the fight against food loss and to promoting healthy eating, Orbis was invited as one of the partners to take part in the first Warsaw Culinary Festival: Plants, Insects and Honey, organized by Grzegorz Łapanowski, a chef who promotes healthy and responsible cooking. The Festival was held on 9-10 September 2017 and was attended by nearly 8,000 visitors.



COOPERATION WITH LOCAL COMMUNITIES



Protecting children and youth against sexual abuse in tourism and leisure sectors is one of the major tenets of Planet 21 CSR program. Efforts in this field are carried out on the basis of the Code of Conduct, prepared in 1998 on an initiative of End Child Prostitution, Child Pornography & Trafficking of Children for Sexual Purposes (ECPAT) – an international network of non-governmental organizations trying to eradicate the problems of child prostitution, child pornography, and child trafficking for sexual purposes. The Code aims to raise social awareness and to initiate and implement measures to counteract the above forms of child abuse.



EMPOWERING CHILDREN FOUNDATION
Formerly Nobody's Children Foundation

Although the Code has been signed by more than 1,000 companies worldwide, in Poland it has been embraced only by the Orbis Hotel Group, which is the only company that meets all its criteria and which, since its signature, has regularly trained hotel staff in partnership with Empowering Children Foundation (Fundacja Dajemy Dzieciom Siłę). In the first half of 2017 training sessions were held for 187 employees of hotels in Poland and 20

employees of hotels in Lithuania. In April 2017, at the Novotel Vilnius hotel, the President of the Board of Orbis S.A. and representatives of a Lithuanian foundation Paramos vaikams centras, signed a Code of Conduct to prevent child abuse in tourism. Since that day the policy of protecting children against sexual abuse, first introduced in Eastern Europe by Orbis Group and AccorHotels, has been applied in as many as six countries of the region. To sum up, from 2012 to the end of 2017, training was delivered to nearly 1,000 employees of hotels operating under AccorHotels group brands in Poland and Eastern Europe, as well as some 100 employees of partner firms (security guards, taxi drivers).

At the same time, clauses on actions to combat sex tourism have been added to contracts with suppliers. We inform tourists about the problem through a variety of communication tools, alerting them to symptoms that may indicate child abuse. Orbis cooperates with institutions and people who may come in contact with the problem also at the local level.

Thanks to comprehensive measures, and - first and foremost - thanks to the vigilance of the hotel staff and our guests, each year we manage to thwart several attempts to sexually abuse children. We hope that by

alerting guests and staff to this problem, we will sensitize and encourage other hoteliers to take action. Setting an example, as the leader in the industry, we are counting on this approach to become the industry's benchmark.

BY SIGNING THE CODE, WE COMMITTED TO



1 Put in place an internal policy aimed at preventing sexual abuse of children.



2 Regularly train hotel staff in respect of the aforementioned policy.



3 Introduce a clause in contracts with suppliers informing about the actions taken against sex tourism.



4 Provide information to travellers by means of catalogues, brochures, flyers, commercials or a website about the problem of sexual abuse of children and social commitment of businesses to efforts aimed at combating the problem.



5 Inform key persons in the local environment about the Company's policy and cooperate with the police, taxi drivers, owners of bars and restaurants, etc.



6 Report annually.

Environmental Protection

In managing our hotels we carefully consider the issues of environmental protection. When planning the Group's development, we try to ensure that our buildings have the lowest possible environmental impact. The ideal we strive to achieve is to integrate circular economy principles in our hotels, where cutting-edge technology is used to serve ecology.

OUR APPROACH

Planet 21 CSR program, where our environmental policy is defined, requires us, among other things, to use ecologically innovative solutions in new buildings and to modernize existing ones. According to plans for the period until 2020, all newly built Group hotels will be low-emission buildings.

Each new hotel project in Orbis group is completed in accordance with BREEAM certification requirements, so that all new hotels meet its standards, including in the field of reducing energy and water consumption. The existing hotels are being adjusted to these standards, wherever possible.

Selection of appropriate indicators is pivotal for minimizing environmental impact. For the purposes of monitoring and analysis we use an internal OPEN program, which enables us, for instance, to manage energy efficiency, water

consumption and waste segregation in all our buildings. The comprehensive approach to managing the impact on the natural environment is combined with measures to raise the environmental awareness of employees and guests, hence our focus on activities carried out together with our customers as part of Planet 21 CSR program. For our staff we prepare special events, such as annual celebrations of the Earth Day or the World Food Day. We take every opportunity to promote living in harmony with nature, covering these topics even in our communication in the hotel space (also in unconventional ways, such as murals). We believe that all these measures will bring about a change of attitudes of our customers and employees in everyday life.

Environmental footprint areas which the Orbis Group particularly focuses on:

- » Energy consumption and the related carbon dioxide emissions
- » Water consumption
- » Pollution and sewage
- » Waste management and recycling
- » Biodiversity.

MINIMIZING ENERGY CONSUMPTION

When so many properties are in operation day in day out, there is invariably high demand for electricity and heating, therefore we attach great weight to controlling their consumption. Naturally, energy consumed in hotels entails considerable costs, which means that rationalizing such consumption not only respects the environment, but also enables quantifiable financial savings.

In order to achieve permanent reduction of demand for electricity in public rooms and areas we use energy -saving LED lighting; we also use it in our emergency and evacuation lighting systems. Rational electricity consumption management is also supported by procedures of switching off unnecessary lighting and by systems that reduce energy consumption in food production areas.

In addition, we try to focus on renewable energy sources, also while properties are being built or improved, by choosing the sources available in the given region and by participating in the development of technologies that will help curb energy consumption and reduce the carbon footprint. The newly built owned hotels often produce energy using solar panels.

In 2016-2017 we conducted energy audits in our hotels. In 2017 we also implemented measures in response to conclusions from the assessments of energy efficiency of the cooling and heating systems conducted in 2016.



In 2017 cooling sources were replaced in four hotels: Novotel + ibis Wrocław Centrum, Novotel Kraków City West, Novotel Katowice Centrum (1st phase) and Mercure Warszawa Centrum (without performance tests). The devices were replaced with considerably higher-output ones, while significantly reducing noise emission into the environment. These activities are continued at the Novotel Katowice Centrum and Mercure Warszawa Centrum hotels (performance trials and tests). In Katowice and Wrocław cooling towers were removed as well. In 2017, we also started modernizing the cooling sources and removing cooling towers at the Novotel Warszawa Centrum and Sofitel Warszawa Victoria hotels. Moreover, modern high-performance air conditioning system were installed at the Novotel Poznań Centrum, Novotel Gdańsk Posejdon and Novotel Poznań Malta hotels. At the Warsaw University of Technology a dissertation is being written on the basis of the cooling systems used in our hotels.

REDUCING WATER CONSUMPTION

Our hotels source their water entirely from the municipal water supply network. We focus on optimizing water consumption by using water flow limiters (perlators, normilators) on washbasin taps, showers and shower heads, maintaining the required domestic hot water circulation and eliminating open circuits in refrigeration systems, as well as adjusting and controlling water

On the other hand, to save heat energy, CO2 generators have been installed in many buildings. These generators allow optimizing domestic hot water temperatures and avoiding thermal overheating. Thermal insulation of heating and cooling systems has been replaced or repaired. Mandatory free-cooling and optimization of cooling time and temperatures have been introduced. Recommendations as regards temperatures in premises and zones for low and high temperatures periods have been developed and implemented.

We are planning to modernize power distribution boards and replace devices and systems generating excessive power losses. We also want to reduce energy loss by enhancing the thermal insulation of buildings and improving the discipline of their operation.

efficiency in toilet flushes. Moreover, we use precipitation water and the so-called greywater in toilets and washbasins.

From the managerial point of view it was also important to install submeters to measure the consumption of individual types of energy and water in high consumption zones,

enabling proper settlement with lessees of premises and areas; similar solutions have been introduced for electricity. It is also worth mentioning that modernization and repair teams are also accountable for their consumption of energy and water.

ENVIRONMENTAL ACTIONS

We strive to limit the impact of sewage on the environment by systematic sewage pre-treatment and use of environment-friendly products (cleaning agents, herbicides, etc.) that contain less chemicals. This is also one of the criteria for selecting suppliers and service providers (primarily laundry).

We consistently deploy solutions that eliminate or minimize all kinds of nuisances (sound, visual, odours). We strive to optimize raw material consumption, for instance by choosing materials and packagings manufactured from recycled or recyclable materials. We also focus on selective waste collection and encourage our customers to do so, too.

We are aware that a hotel business can pose a threat to biodiversity at all the phases of hotel operation, beginning from the construction. Already at the phase of location search and design of the new building, we take care that the new hotel fits as closely as possible into the surrounding environment and that its construction process is least burdensome on the local ecosystems. During construction, we promote the use of raw materials and

The annual consumption of water by hotels owned by Orbis S.A. amounts to 625 thousand cubic metres.

materials derived from sustainable sources (such as certified wood from sustainably managed forests). We promote such greening and agricultural practices that restrict the use of chemicals.

We take measures to protect biodiversity on the areas belonging and adjacent to the hotel, among others, by making employees and guests aware of biodiversity issues. We also monitor our supply chains from this point of view. For instance, we do not place endangered species on the menu.

We also want to compensate the environment for our negative impact by, amongst others, conducting actions in the field of agroforestry, which combines cultivating forest trees and shrubs with farming in the same area. We also engage in the forestation and fruit tree planting program described in section: Our Customers - Plant for the Planet

About the Report



This report is the second non-financial report published by the Orbis Group. The report highlights the key initiatives in the area of sustainable growth undertaken in 2017. The report is published in annual cycles.

The report was prepared in line with the requirements of GRI G4 Core Guideline. The report was not verified by a licenced auditor.

In accordance with the ISO 26000 standard, the Orbis Group identified its key stakeholder groups and its key areas of responsibility. As a result, the following basic groups have been distinguished:

LIST OF MAIN STAKEHOLDER GROUPS



CLIENTS



EMPLOYEES



INVESTORS



SUPPLIERS



MEDIA



LOCAL COMMUNITIES



BUSINESS PARTNERS



ENVIRONMENT

DIALOGUE IN THE ORBIS GROUP

The principles of dialogue with the environment have been laid down in the Ethics and Corporate Social Responsibility Charter. The frequency and form of dialogue with specific groups of stakeholders depends directly on the type and relationship with the given group.

As far as employees are concerned, our dialogue takes the form of annual assessment interviews, providing clear information regarding employee rights, obligations and privileges, consideration of the impacts of all reorganisations and restructurings on the staff as well as an annual satisfaction survey. Regular dialogue meetings with trade union representatives take place. Furthermore, information and consultation meetings are also held with the Employee Council of Orbis S.A. These actions are supplemented by open communication supported by the Orbis Group's Intranet and the employee quarterly e-magazine named 'Orbis e-Panorama'.

Our guests participate in an online survey every year in which they can measure the level of their satisfaction with our services. We also strive to monitor the opinions of our customers every single day, regardless of the length and location of their stay. Thanks to their feedback we are able to facilitate our business and respond to ever changing expectations, for instance, by launching the 'satisfaction guarantee' ibis brand commitment to solve a problem (if the hotel is responsible for the problem and fails to remove it within a quarter of an hour, the guest is guaranteed a free night or breakfast).

We communicate with investors during direct meetings held by the Management Board, during conferences or teleconferences accompanying publication of interim results, as well as through daily contacts of the Investor Relations Department with market players and via the investor relations website prepared in line with the recommendations of the Warsaw Stock Exchange. Our cooperation with the Association of Individual Investors (SII) and the Association of Stock Exchange Issuers (SEG) and the Fitch Rating Agency also supports an open communication with investors.

The dialogue with local communities and non-governmental organizations has quite a different nature as we often work together on developing the best solutions to very specific problems.

The content of this report (its key indicators) has been determined based on the priorities of the Planet 21 Program. In-depth analysis of our stakeholder expectations accompanying the development of this Program guarantees compliance with the fundamental principles underlying the determination of the content of non-financial reports (the materiality principle, completeness, and taking into account stakeholders). Reference to the PN-ISO 26000 standard is a guarantee of preserving the context of sustainable growth.

Accordingly, the following aspects of social responsibility have been considered essential for the Orbis Group:

	Social or Environmental Aspect	Aspects of Impacts and the Corresponding GRI G4 Guideline Indicators
Economic Responsibility	1. Strengthening partnership and cooperation with our key stakeholders 2. Developing responsible and innovative services 3. Guarantee of fully ethical approach and transparent management systems	G4-SO3, G4-SO4, G4-SO5 G4-SO8
Environmental Responsibility	4. Reference to mitigating the effects of climate change in our offers 5. Diminishing direct and incremental impact of our business on the natural environment 6. Turning the quality of our products and services (with regard to the environmental issues) into the leverage of financial performance	G4-EN3, G4-EN5, G4-EN6 G4-EN8, G4-EN15, G4-EN16, G4-EN18 G4-EN20 G4-EN23 G4-EN29 G4-EN32
Social responsibility	7. Ensuring a healthy, flexible and innovative working environment which strengthens the well-being of our employees 8. Promoting diversity, equal opportunities and employability of our teams 9. Empowering our employees to develop CSR skills	G4-LA1, G4-LA3 G4-LA6, G4-LA9, G4-HR3, G4-HR11
Legal liability	10. Promoting know-how and the scope of CSR activities in the professional environment of the real property sector 11. Promoting the development of the local economy 12. Support for solidarity initiatives	G4-SO1

CONTACT

In case of any inquiries relating to economic, social or environmental performance of the ORBIS Group, do not hesitate to contact:

Katarzyna Nowak
Corporate Communication & CSR Manager
Orbis S.A.
ul. Bracka 16,
00-028 Warszawa, Poland
katarzyna.nowak@accor.com

Your comments, opinions or remarks relating to our actions relating to sustainable development, also in the context of our reporting, will be extremely valuable to us.

Non-Financial Data



Hotel Ibis, Sibiu.

ORBIS GROUP HIGHLIGHTS

	2017
Average number of employees (employed by the Group)	4 027
Average number of outsourced employees working for the benefit of the Group in the hotels of the Orbis Group	770
Number of owned hotels an dhotels operating based on franchise and/or management contract	124
Number of owned & managed hotels	78
Number of rooms of all hotels in Orbis Group	20 420
Net sales (PLN '000)	1 458 073
Net financial result (profit) (PLN '000)	232 441
Total assets (PLN '000)	2 919 302
Equity (PLN '000)	2 080 877
Share price (as at December 31)	92.50 zł
Number of shares traded	46 077 008
Stock capitalisation (as at December 31)	4 262 123 240 PLN

GOVERNING BODIES

FIRST AND LAST NAME	Gender	Foreigner	Year of birth
Orbis Management Board			
Gilles Clavie (President, CEO)	man	yes	1969
Ireneusz Węglowski (Vice-President of the Management Board)	man	no	1955
Marcin Szewczykowski (Member of the Management Board, CFO)	man	no	1971
Dominik Sołtysik (Member of the Management Board)	man	no	1975
Supervisory Board			
Jean-Jacques Dessors	man	yes	1962
Artur Gabor (independent member of the Supervisory Board)	man	no	1960
Christian Karaoglanian	man	yes	1951
Jacek Kserń (independent member of the Supervisory Board)	man	no	1949
Jean-Jacques Morin	man	yes	1960
Jan Ozinga (Chairman of the Supervisory Board)	man	yes	1964
Laurent Picheral	man	yes	1965
Andrzej Procajło	man	no	1952
Andrzej Przytuła	man	no	1951
Jarosław Szymański	man	no	1965

CONSUMPTION OF FUELS, ELECTRIC ENERGY, HEAT ENERGY, AND THE ESTIMATED CO2 EMISSION ASSOCIATED WITH THEIR CONSUMPTION

POLAND						
	Consumption of fuels and energy in 2017				CO2 emission	
Category		unit		unit		unit
Diesel oil (ON)	38 948,90	litre	1 457.1	GJ	106.8	Mg
Petrol	92 650,95	litre	3 074.6	GJ	211.0	Mg
Electric energy	51 804 532	kWh	186 494.8	GJ	17 482.0	Mg
Energy from combustion of natural gas	11 213 686	kWh	40 368.9	GJ	2 253.4	Mg
Thermal energy (municipal heat)	52 703 815	kWh	189 732.2	GJ	17 785.5	Mg
Total			421 127.7	GJ	37 838.7	Mg

OTHER COUNTRIES						
	Consumption of fuels and energy in 2017				CO2 emission	
Category		unit		unit		unit
Electric energy	35896024	kWh	129 226	GJ	20 371	Mg
Energy from combustion of natural gas	37887127	kWh	136 394	GJ	6 725	Mg
Thermal energy (municipal heat)	2 785 691	kWh	10 028	GJ	578	Mg
Total	76568842	kWh	275 648	GJ	27 674	Mg

ENERGY INTENSITY AND EMISSION EFFICIENCY

	POLAND		
	Poland	Other countries	
Total energy consumption	421 127.7	275 648	GJ/year
Total estimated CO2 emission	37 838.7	27 674	Mg/year
Energy intensity (Total energy consumption /hotel room)	43.3	55.80	GJ/available room/year
Emission efficiency (Total estimated CO2 emission / hotel room)	3.8	5.60	Mg/ available room/year

Considering the reduction of the energy consumption rate (by 3%), we have decreased the annual CO2 emission (by -1%) and heat energy rate (by -2%) accompanied versus 2016 by 463 tons. by a simultaneous increase of the gas consumption

CHANGE IN THE CONSUMPTION OF ENERGY RESOURCES AND WATER

	POLAND		
	Consumption	Unit	Reduction/growth of consumption versus 2016 (%)
Electric energy	184 788 244	MWh	-0.0019%
Water	989 663	m³	+0.20%

AVERAGE ANNUAL HEADCOUNT
BY STATUS AND GENDER

	POLAND						
	Management Office	ibis	ibis Budget	ibis Styles	Mercure	Novotel	Sofitel
Women with Staff status	90	232	90	18	330	537	176
Women with Middle Manager status	62	39	17	3	43	61	24
Women with Manager status	12	5	4	1	4	6	0
Men with Staff status	25	78	17	2	209	285	128
Men with Middle Manager status	32	35	11	3	38	54	24
Men with Manager status	14	6	2	0	5	7	3
Total Staff	115	310	106	20	538	822	304
Total Middle Manager	94	74	28	6	81	115	48
Total Manager	26	11	6	1	9	13	3
Total headcount	235	395	140	27	628	950	355

	HUNGARY							LITHUANIA
	Management Office	ibis	ibis Styles	Mercure	Mgallery	Novotel	Sofitel	ibis
Women with Staff status	43	61	27	156	13	137	122	25
Women with Middle Manager status	4	12	4	10	2	16	15	5
Women with Manager status	5	2	1	2	1	0	1	1
Men with Staff status	7	29	15	106	11	110	82	8
Men with Middle Manager status	2	12	5	15	2	18	11	0
Men with Manager status	5	3	2	2	0	5	0	0
Total Staff	50	90	41	262	24	247	204	34
Total Middle Manager	7	24	10	24	4	34	26	5
Total Manager	11	5	3	3	1	5	1	1
Total headcount	67	120	54	289	29	286	231	39

AVERAGE ANNUAL HEADCOUNT
PER SENIORITY RANGE

	POLAND						
	Management Office	ibis	ibis Budget	ibis Styles	Mercure	Novotel	Sofitel
Headcount with < 6 months seniority	10	47	14	3	73	113	37
Headcount with 6 months- 2 years seniority	24	128	42	4	151	195	94
Headcount with 2 - 5 years seniority	29	71	38	6	76	135	72
Headcount with 5 - 10 years seniority	64	69	33	3	103	99	53
Headcount with 10 - 20 years seniority	68	75	11	0	81	115	33
Headcount with > 20 years seniority	39	6	3	11	144	294	66
Total headcount	235	395	140	27	628	950	355

AVERAGE ANNUAL HEADCOUNT
OF EMPLOYEES WITH A DISABILITY

	POLAND						
	Management Office	ibis	ibis Budget	ibis Styles	Mercure	Novotel	Sofitel
Employees with a disability	36	35	0	0	67	54	24

	HUNGARY							LITHUANIA
	Management Office	ibis	ibis Styles	Mercure	Mgallery	Novotel	Sofitel	ibis
Headcount with < 6 months seniority	6	21	6	41	1	29	8	12
Headcount with 6 months- 2 years seniority	11	33	15	65	9	41	64	12
Headcount with 2 - 5 years seniority	9	22	10	29	10	43	46	8
Headcount with 5 - 10 years seniority	11	12	6	41	7	51	45	7
Headcount with 10 - 20 years seniority	21	21	14	74	2	80	32	1
Headcount with > 20 years seniority	8	12	4	40	0	41	36	0
Total headcount	67	120	54	289	29	286	231	39

	HUNGARY							LITHUANIA
	Management Office	ibis	ibis Styles	Mercure	Mgallery	Novotel	Sofitel	ibis
Employees with a disability	3	131	34	184	24	247	48	0

AVERAGE ANNUAL HEADCOUNT
BY STATUS AND AGE RANGE

	POLAND						
	Management Office	ibis	ibis Budget	ibis Styles	Mercure	Novotel	Sofitel
Headcount of Staff status being < 25 years old	52	1 015	255	25	1 034	1 345	562
Headcount of Staff status being 25 - 34 years old	273	1 451	580	67	2 043	3 019	1 431
Headcount of Staff status being 35 - 44 years old	550	575	206	5	1 131	1 417	600
Headcount of Staff status being 45 - 54 years old	322	373	177	114	1 087	2 006	428
Headcount of Staff status being > 55 years old	183	304	58	24	1 162	2 074	624
Headcount of Middle Manager status being < 25 years old	9	5	0	0	0	8	0
Headcount of Middle Manager status being 25 - 34 years old	332	429	102	16	340	467	218
Headcount of Middle Manager status being 35 - 44 years old	527	279	123	44	433	485	250
Headcount of Middle Manager status being 45 - 54 years old	184	153	84	12	166	215	59
Headcount of Middle Manager status being > 55 years old	77	27	24	0	36	202	52
Headcount of Manager status being < 25 years old	0	0	0	0	0	0	0
Headcount of Manager status being 25 - 34 years old	12	21	30	0	17	30	0
Headcount of Manager status being 35 - 44 years old	151	85	45	12	42	59	24
Headcount of Manager status being 45 - 54 years old	113	15	0	0	31	54	12
Headcount of Manager status being > 55 years old	38	8	0	0	12	16	0
Total Staff	1 380	3 718	1 276	235	6 457	9 861	3 645
Total Middle Manager	1 129	893	333	72	975	1 377	579
Total Manager	314	129	75	12	102	159	36
Total headcount	2 823	4 740	1 684	319	7 534	11 397	4 260

	HUNGARY							LITHUANIA
	Management Office	ibis	ibis Styles	Mercure	Mgallery	Novotel	Sofitel	ibis
Headcount of Staff status being < 25 years old	24	261	118	423	84	374	456	155
Headcount of Staff status being 25 - 34 years old	241	320	151	988	120	980	744	123
Headcount of Staff status being 35 - 44 years old	248	167	76	758	60	698	516	18
Headcount of Staff status being 45 - 54 years old	42	241	114	593	24	610	564	30
Headcount of Staff status being > 55 years old	39	96	36	381	0	303	168	76
Headcount of Middle Manager status being < 25 years old	0	6	0	0	0	0	0	0
Headcount of Middle Manager status being 25 - 34 years old	28	105	37	54	36	133	72	42
Headcount of Middle Manager status being 35 - 44 years old	26	77	33	128	12	141	144	16
Headcount of Middle Manager status being 45 - 54 years old	24	72	5	79	0	115	72	0
Headcount of Middle Manager status being > 55 years old	0	31	42	30	0	24	24	0
Headcount of Manager status being < 25 years old	0	0	0	0	0	0	0	0
Headcount of Manager status being 25 - 34 years old	20	5	0	0	0	0	0	12
Headcount of Manager status being 35 - 44 years old	61	21	13	6	0	35	0	1
Headcount of Manager status being 45 - 54 years old	45	36	11	20	12	24	0	0
Headcount of Manager status being > 55 years old	0	0	11	12	0	0	12	0
Total Staff	594	1 085	495	3 143	288	2 965	2 448	402
Total Middle Manager	78	291	117	291	48	413	312	58
Total Manager	126	62	35	38	12	59	12	13
Total headcount	798	1 438	647	3 472	348	3 437	2 772	473

EXTERNAL RECRUITMENTS AND DEPARTURES

	POLAND						
	Management Office	ibis	ibis Budget	ibis Styles	Mercure	Novotel	Sofitel
Number of recruitments of employees being <25 years old	5	64	11	2	66	128	39
Number of recruitments of employees being 25 - 34 years old	11	29	14	5	55	98	30
Number of recruitments of employees being 35 - 44 years old	5	7	5	1	16	33	10
Number of recruitments of employees being 45 - 54 years old	1	3	2	2	10	11	3
Number of recruitments of employees being >55 years old	0	2	0	0	2	6	1
Total external recruitments	22	105	32	10	149	276	83
Number of departures for Resignation	8	74	7	1	29	55	21
Number of departures for End non-permanent contract	0	24	1	0	28	30	17
Number of departures for Dismissal/Severance Agreement	9	49	9	4	64	107	32
Number of departures for Collective measure/Redundancy plan	7	1	0	0	1	9	6
Number of departures for Retirement	0	7	2	0	5	7	1
Number of departures for Other	0	0	0	0	0	4	0
Total external departures	24	155	19	5	127	212	77

	HUNGARY							LITHUANIA
	Management Office	ibis	ibis Styles	Mercure	Mgallery	Novotel	Sofitel	ibis
Number of recruitments of employees being <25 years old	1	18	8	39	8	36	25	21
Number of recruitments of employees being 25 - 34 years old	10	13	3	40	2	38	22	13
Number of recruitments of employees being 35 - 44 years old	5	8	1	14	4	13	9	1
Number of recruitments of employees being 45 - 54 years old	1	10	0	20	0	4	9	3
Number of recruitments of employees being >55 years old	0	2	0	6	0	1	0	4
Total external recruitments	17	51	12	119	14	92	65	42
Number of departures for Resignation	14	28	6	82	15	52	41	165
Number of departures for End non-permanent contract	1	4	0	1	0	2	3	0
Number of departures for Dismissal/Severance Agreement	5	10	1	6	3	9	21	0
Number of departures for Collective measure/Redundancy plan	0	0	0	0	0	0	0	0
Number of departures for Retirement	1	0	2	3	0	3	2	0
Number of departures for Other	0	0	0	0	0	0	0	0
Total external departures	21	42	9	92	18	66	67	165

ABSENCE, WORK-RELATED ACCIDENTS,
ACCIDENT RATES

	POLAND						
	Management Office	ibis	ibis Budget	ibis Styles	Mercure	Novotel	Sofitel
Number of working days of absence for medical reasons	1 168	3 955	1 186	616	8 537	13 351	5 521
Number of working days of absence for workplace accidents	2	10	27	0	278	497	65
Number of working days of unauthorized absences	0	33	16	0	5	50	27
Number of workplace accidents which lead to at least 1 day absence	1	1	2	0	9	19	7
Number of commuting accidents which lead to at least 1 day absence	0	1	0	1	4	9	3
Accident frequency rate (number of work-related accidents per 1000 employees)	0,4	0,2	1,2		1,1	1,7	1,6
Accident severity index (average absence due to work-related accident)	2	10	13,5		30,9	26,2	9,3
Number of workplace accidents which lead to the death of the employee within 365 days	0	0	0	0	0	0	0
Number of commuting accidents which lead to the death of the employee within 365 days	0	0	0	0	0	0	0

	HUNGARY							LITHUANIA
	Management Office	ibis	ibis Styles	Mercure	Mgallery	Novotel	Sofitel	ibis
Number of working days of absence for medical reasons	612	631	257	2 465	134	1 753	1 064	145
Number of working days of absence for workplace accidents	0	8	86	125	21	4	307	0
Number of working days of unauthorized absences	0	124	14	75	0	2	15	0
Number of workplace accidents which lead to at least 1 day absence	0	1	3	7	2	1	3	0
Number of commuting accidents which lead to at least 1 day absence	0	0	0	0	0	0	0	0
Accident frequency rate (number of work-related accidents per 1000 employees)		0,7	4,6	2,0	5,7	0,3	1,1	
Accident severity index (average absence due to work-related accident)		8,0	28,7	17,9	10,5	4,0	102,3	
Number of workplace accidents which lead to the death of the employee within 365 days	0	0	0	0	0	0	0	0
Number of commuting accidents which lead to the death of the employee within 365 days	0	0	0	0	0	0	0	0

GRI Index



Hotel Mercure, Krakow

GUIDELINE	Scope	GRI Guidelines	Area	UN Global Compact Principle	Page	Comment/Description
Strategy and Analysis						
G4-1	●	Statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability	4,7 6.2 7,4,2 6.2		6	
G4-2	●	Description of key impacts, risks and opportunities			6, 31	
Organizational Profile						
G4-3	●	Name of the organisation	6.3.10 6.4.1 6.4.2 6.4.3 6.4.4 6.4.5 6.8.5 7.8	7 1-10	75	
G4-4	●	Primary brands products and/or services			10	
G4-5	●	Location of the organisation's headquarters			75	ul. Bracka 16 00-028 Warszawa, Polska
G4-6	●	The number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report			10	
G4-7	●	Nature of ownership and legal form of the organisation			11, 75	Joint-stock company listed at the Warsaw Stock Exchange

GUIDELINE	Scope	GRI Guidelines	Area	UN Global Compact Principle	Page	Comment/Description
G4-8	●	The markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)			10, 15, 24	
G4-9	●	The scale of the organization			10, 78, 82	
G4-10	●	The total number of employees by employment contract and gender			78, 82, 86	
G4-11	●	The percentage of total employees covered by collective bargaining agreements			-	
G4-12	●	The organization's supply chain			52	
G4-13	●	Any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain			-	No such changes.
G4-14	●	Explanation whether and how the precautionary approach or principle is addressed by the organization			-	Given the nature of the organisation's environmental impact, the precautionary principle is applicable to a limited extent. However, should a potential solution or activity leave doubts as to their environmental hazard, the precautionary principle will be applied.
G4-15	●	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses			39	
G4-16	●	Memberships of associations (such as industry associations) and national or international advocacy organizations			15	

GUIDELINE	Scope	GRI Guidelines	Area	UN Global Compact Principle	Page	Comment/Description
Identified Material Aspects and Boundaries						
G4-17	●	Entities included in the organization's consolidated financial statements	5.2 7.3.2 7.3.3 7.3.4		72	
G4-18	●	The process for defining the report content			72	
G4-19	●	All the material Aspects (social, environmental) identified in the process for defining report content			72	
G4-20	●	For each material Aspect (social, environmental), report the Aspect Boundary within the organization			73	
G4-21	●	For each material Aspect (social, environmental), report the Aspect Boundary outside the organization			73	
G4-22	●	The effect of any restatements of information provided in previous reports, and the reasons for such restatements (mergers or acquisitions, change of base years or periods, nature of business, measurement methods)			-	
G4-23	●	Significant changes from previous reporting periods in the Scope and Aspect Boundaries			-	
Stakeholder Engagement						
G4-24	●	A list of stakeholder groups engaged by the organization	5.3		72	
G4-25	●	The basis for identification and selection of stakeholders with whom to engage	5.3		72	

GUIDELINE	Scope	GRI Guidelines	Area	UN Global Compact Principle	Page	Comment/Description
G4-26	●	The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group			41, 72, 73	
G4-27	●	The key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting			22	
Report Profile						
G4-28	●	Reporting period (such as fiscal or calendar year)	5.3 7.5.3 7.6.2.		-	The financial year / the calendar year: January 1, 2017 - December 31, 2017
G4-29	●	Date of most recent previous report (if any)			-	
G4-30	●	Reporting cycle (such as annual, biennial)			-	Annual.
G4-31	●	The contact point			75	
G4-32	●	GRI content index			-	
G4-33	●	Policy and current practice with regard to seeking independent assurance for the report. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided.			72	

GUIDELINE	Scope	GRI Guidelines	Area	UN Global Compact Principle	Page	Comment/Description
Governance Structure and Composition						
G4-34	●	The governance structure of the organization, including committees of the highest governance body, such as any committees responsible for decision-making on economic, environmental and social impacts	6.2 7.4.3 7.7.5	1-10	22	
Ethics and Integrity						
G4-56	●	The organization's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.	4.4 6.6.3	1-10	40	
ENVIRONMENTAL DISCLOSURES						
Energy						
EN DMA	●	Management approach			66	
G4-EN3	●	Direct and indirect energy consumption from non-renewable fuels	6.5.4	8	80	
G4-EN5	●	Energy intensity			81	
G4-EN6	●	Reduction of energy consumption	6.5.4 6.5.5		67, 81	
Water Management						
G4-EN8	●	Total water withdrawal by source	6.5.4		68, 81	
Emissions						
EN DMA	●	Management approach			66	
G4-EN15	●	Direct greenhouse gas (GHG) emissions (Scope 1)	6.5.5		80	

GUIDELINE	Scope	GRI Guidelines	Area	UN Global Compact Principle	Page	Comment/Description
G4-EN16	●	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	6.5.5		80	
G4-EN18	●	Greenhouse gas (GHG) emissions intensity	6.5.5		81	
G4-EN20	●	Emissions of ozone-depleting substances (ODS)	6.5.3 6.5.5		-	
Effluents and Waste						
G4-EN23	●	Total weight of waste by type and disposal method	6.5.3		-	
Compliance						
G4-EN29	●	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	4.6		-	In 2016, no penalties were imposed for non-compliance with environmental laws and regulations and non-financial sanction in this area.
Supplier Environmental Assessment						
EN DMA	●	Management approach			66	
G4-EN32	●	Percentage of new suppliers that were screened using environmental criteria	6.3.5 6.6.6 7.3.1		52	
SOCIAL DISCLOSURES						
Labour Practices and Decent Work: Employment						
LA DMA	●	Management approach			38	
G4-LA1	●	Total number and rates of new employee hires and employee turnover by age group, gender and region	6.4.3		88	

GUIDELINE	Scope	GRI Guidelines	Area	UN Global Compact Principle	Page	Comment/Description
Labour Practices and Decent Work: Occupational Health and Safety						
LA DMA	●	Management approach (in the aspect of w Occupational Health and Safety)			-	
G4-LA6	◐	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region	6.4.6 6.8.8		90	
Labour Practices and Decent Work: Training and Education						
G4-LA9	◐	Average hours of training per employee		1, 6	91	
Labour Practices and Decent Work: Diversity and Equal Opportunity						
G4-LA12	●	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	6.2.3 6.3.7 6.3.10 6.4.3	1, 6	-	
Supplier Assessment for Labour Practices						
G4-LA14	●	Percentage of suppliers that were screened using labour practices criteria	6.3.5 6.4.3 6.6.6 7.3.1		52	
Human Rights: Investment						
HR DMA	●	Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	1-6	39, 40	
G4-HR3	●	Total number of incidents of discrimination and corrective actions taken	6.3.6 6.3.7 6.3.10 6.4.3		-	Not reported.

GUIDELINE	Scope	GRI Guidelines	Area	UN Global Compact Principle	Page	Comment/Description
Society						
SO DMA	●	Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	10	40, 62	
G4-SO1	◐	Nature, scale and efficiency of operations with implemented local community engagement, impact assessments, and development programs	6.3.9 6.5.1 6.5.2 6.5.3 6.8		62	
G4-SO4	◐	Percentage of employees trained in anti-corruption policies and procedures	6.6.1 6.6.2 6.6.3 6.6.6	10	29, 40	
G4-SO5	◐	Actions taken in response to incidents of corruption	6.6.1 6.6.2 6.6.3	10	40	
Public Policy						
G4-SO6	●	Total financial and in-kind value of political contributions by country and recipient / beneficiary	6.6.1 6.6.2 6.6.4.	10	-	PLN 0 (it would have been illegal)
Compliance						
G4-SO7	●	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes.	6.6.1 6.6.2 6.6.5 6.6.7		-	No such proceedings were instituted against Orbis during the reporting period.
G4-SO8	●	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	4.6		-	During the reporting period Orbis did not pay any such significant fines.

GUIDELINE	Scope	GRI Guidelines	Area	UN Global Compact Principle	Page	Comment/Description
Product Responsibility: Customer Health and Safety						
PR DMA	●	Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	1, 8 1	-	
G4-PR1	●	The life cycle of a product, categories for which health and safety impacts are assessed for improvement.	6.7.1 6.7.2 6.7.4 6.7.5 6.8.8		-	
G4-PR2	●	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.	4.6 6.7.1 6.7.2 6.7.4 6.7.5 6.8.8		-	Not reported.
G4-PR4		Incidents of non-compliance with regulations concerning product and service information and labelling			-	Not reported.
G4-PR5	◐	Results of surveys measuring customer satisfaction and customer satisfaction practices	6.7.1 6.7.2 6.7.6		-	
Product Responsibility: Compliance						
G4-PR9	●	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	4.6 6.7.1 6.7.2 6.7.6.		-	During the reporting period Orbis did not pay any such significant fines.

● - full
◐ - partial
○ - no reporting /non applicable

ORBIS S.A.

Head Office
ul. Bracka 16,
00-028 Warszawa, Poland
+48 22 829 39 69
+48 22 827 33 01
www.orbis.pl