Non-financial Report 2019

STATEMENT ON NON-FINANCIAL INFORMATION OF ORBIS S.A AND ORBIS GROUP FOR 2019

20 FEBRUARY 2020

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Non-financial key performance indicators

	2019	2018	CHANGE
Group employees' engagement level	75%	72%	+3 p.p.
Ratio of median remuneration to the highest remuneration	40.7	43.8	-3.1
GHG emissions Scope 1+2 in Mg CO_2e	78,195.60	80,315.80	-2.6%
Total GHG emissions Scope 1+2 in kg CO_2e per guest night	13.6	14.3	-5.3%
Total water used in m^3	912,189	901,332	+1.2%
Number of key suppliers ratifying Planet 21	100%	89%	+11%

Non-financial key performance indicators are monitored at the consolidated level, i.e. for the whole Orbis Group.

Letter from the President

[GRI 102-14] [GRI 102-26] [GRI 102-32]

Ladies and Gentlemen,

This is the fourth non-financial report published by the Orbis Group. In the recent years we have been paying special attention to the methods of ethical value creation. Drawing on the experience of our strategic partner Accor, in the Orbis Group we improve the management of our impact on the natural and social environment. We listen to our stakeholders' suggestions and consider the raised topics in our decision-making processes.

To prepare this report we have once again chosen the GRI Standard, an international non-financial reporting standard. Thanks to applying the uniform standard, each year we achieve a constant increase of transparency of the reported issues and comparability of the presented data.

E

Planet 21 - environmental responsibility of the hotel industry towards climate change

We put a particularly strong emphasis on our approach to managing our environmental impacts. As the leader of the hotel industry in the region, we make our best efforts to thoroughly evaluate and monitor the individual factors that account for the environmental impact caused by our operations. We adapt our approach by following the best practice described by, among others, the 2030 Agenda of the UN Sustainable Development Goals and TCFD (Task Force on Climate-Related Disclosures)[1]. By reshaping our business model towards being an owner of hotel chains we gain full control over implementing innovative solutions. The facilities we build pass BREEAM certification which confirms their high energy efficiency. In 2019, we managed to reduce Scope 1&2 CO_2 emissions by 2.6%. We counter the negative environmental impact by engaging in initiatives that combat food waste. By selecting the Group Orbis' hotels for their accommodation, our guests can be sure that they are choosing quality and responsible management of natural resources.

S

We do not exclude anybody

We identify the benefits stemming from social diversity of our employees, which is a value for us. We use their unique talents to guarantee high quality of hotel services to our customers and guests. We support individual development of our employees by offering them opportunities to participate in profiled educational programmes. RiiSE network, a direct successor of the WAAG (WOMEN AT ACCOR GENERATION) initiative, that operates within the Orbis Group, is a unique project that gives our employees an opportunity to develop and share their experience. We care about compliance with human rights in our value chain. We have established a transparent system for communicating any ethical violations and concerns that our employees may encounter. We combat the issue of children abuse - we are the first

[1] https://www.tcfdhub.org [12.02.2020]

signatory to the ECPAT (End Child Prostitution, Child Pornography & Trafficking of Children for Sexual Purposes) Code in Central and Eastern Europe - both our employees and our guests are given instructions and tools that facilitate responding to situations which indicate inappropriate behaviour.

G

Changes in the model and quality of management

The year 2019 was a time of significant changes in our business model. In October Orbis and Accor entered into an agreement covering the sale of service business conducted by Orbis. Currently, we focus on the development of the hotels that we own or that operate under a lease agreement. We implement innovative and effective business solutions, at the same time ensuring the high level of quality and responsible conduct. In order to ensure the highest standards in our supply chain, in 2019 in Hungary among other measures we conducted audits at 75% of suppliers qualified to the high-risk category. All our recommended suppliers sign the Planet 21 Purchase Charter. The Ethics and CSR Charter is our fundamental policy that serves as our guidelines in managing the ESG issues and encompasses our commitments in all of the mentioned areas.

I would like to invite you to read our report. We are always open to any comments and opinions. By listening to our stakeholders, we can constantly improve our business activity.

Yours faithfully,

Gilles Clavie
President of the Management Board and CEO, Orbis S.A.

Orbis Group

ABOUT THE ORBIS GROUP

[GRI 102-1] [GRI 102-2] [GRI 102-3] [GRI 102-4] [GRI 102-6] [GRI 102-7] Orbis is the largest group in Poland and Eastern Europe investing in hotel real estate in the region. It consists of 73 hotels, including 63 owned and 10 leased, that offer in total over 14,000 rooms in 6 countries in the region: in the Czech Republic, Lithuania, Poland, Romania, Slovakia and Hungary. The hotels operate under the brands owned by Accor, i.e.: Sofitel, MGallery by Sofitel, Novotel, Mercure, ibis, ibis Styles and ibis budget, and soon also adagio, Tribe and JO&JOE. Internationally recognized brands guarantee the high quality of services with diversified standards, from luxury 5-star hotels to economical 1-star hotels.
Orbis S.A. is the leader in the hotel property market in Eastern Europe. It invests in building and modernisation of hotels and also actively operates in other areas of asset management. Since 1997, Orbis S.A. has been listed on the Warsaw Stock Exchange.
Employees play the key role in the hotel industry. We take particular care of the management culture and human capital as well as sustainable development, ethics and corporate social responsibility. Our knowledge, experience and strong position in the hotel industry enable us to face new challenges so that we could continue the development of the Orbis Group in the region in a sustainable way.

In 2019, Orbis and Accor entered into an agreement that significantly changed the scope of the company's business activity. The agreement covered a sale of the hotel service business, Orbis will now focus on managing hotel properties that it owns or that are operated under a lease agreement. Simultaneously, Orbis entered into long-term agreements with Accor, its current long-term business partner, on the basis of which Accor will run operational activity at all Orbis hotels.

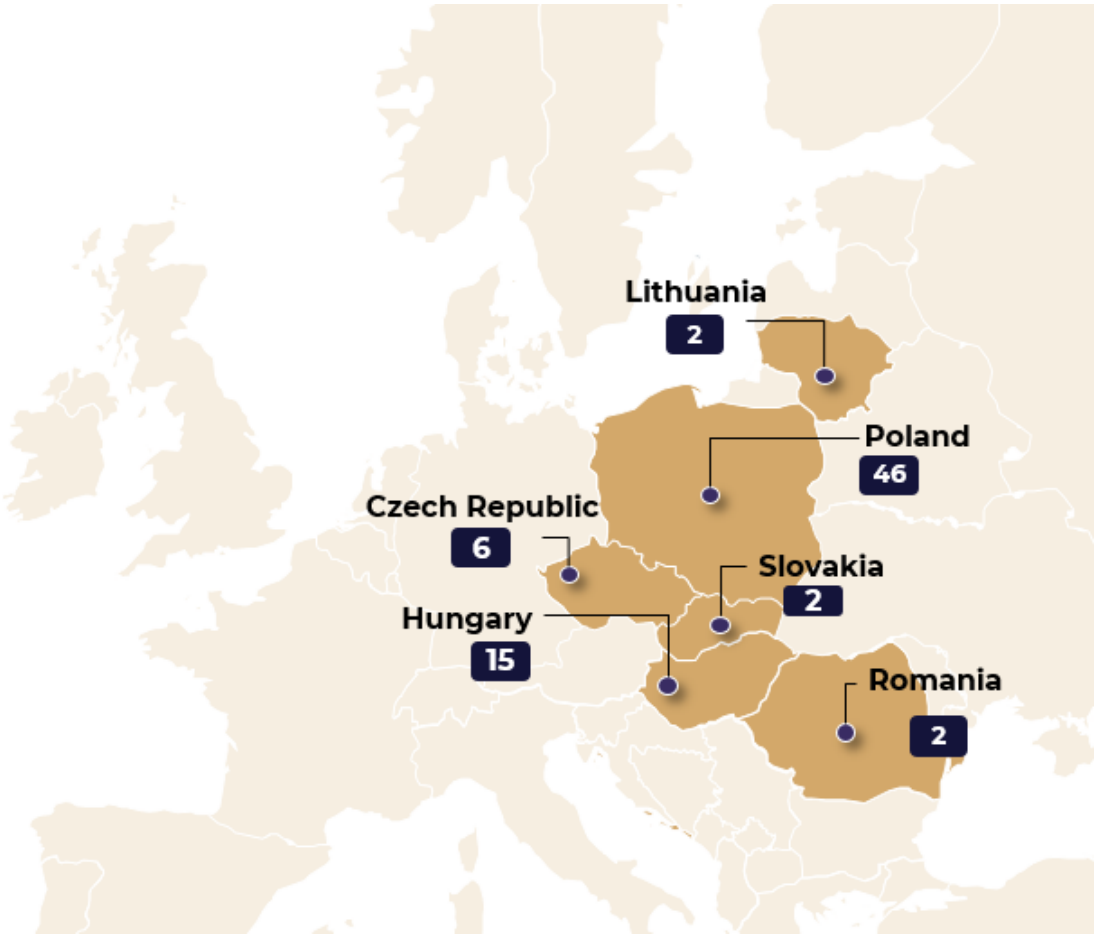
[GRI 201-1] The tables below present basic financial performance indicators for the Orbis Group and its parent company Orbis S.A.:

Financial indicators for the Orbis Group		
	2019	**2018**
Net sales	1,455,296	1,401,004
EBITDAR	520,928	511,144
Operating EBITDA	509,184	453,420
Operating profit	329,193	411,427
Pre-tax profit	283,352	395,061
Income tax	(52,654)	(54,051)
Net profit for the period	1,258,586	363,358

Financial indicators for the parent company Orbis S.A.		
	2019	2018
Net sales	934,687	885,101
EBITDAR	387,931	289,642
Operating EBITDA	387,931	282,046
Operating profit	289,324	154,028
Pre-tax profit	411,726	160,007
Income tax	(52,471)	(32,732)
Net profit for the period	778,676	141,901

MARKETS WHERE WE OPERATE

73 hotels in Central and Eastern Europe



ASSOCIATIONS AND INITIATIVES

[GRI 102-12] [GRI 102-13] Participation in associations and initiatives allows us as a group to take on unique opportunities to constantly broaden our knowledge and develop our managing approach to the issues of Sustainable Development. The *Planet 21* plan (for more information about *Planet 21,* see the chapter on **Strategy**) implemented by the Orbis Group is in line with the premises established by the UN Sustainable Development Goals (SDGs), including:

LOW-EMISSION BUILDINGS

we ensure that all hotels build or modernised by the Group will be marked by the possibly lowest levels of emissions, in the context of construction as well as exploitation and modernisation. The Group declares green BREEAM certification for all new investments.

HEALTHY AND SUSTAINABLE FOOD

we promote and offer healthy and balanced meals, reduce food waste generated at our restaurants by 30% and set up as many vegetable gardens next to our Group hotels as possible.

Initiatives

Initiatives in which the Orbis Group participates, as at the day of publishing this report:

- Chamber of Commerce of the Polish Hotel Industry (IGHP)

IGHP | IZBA GOSPODARCZA HOTELARSTWA POLSKIEGO

https://www.ighp.pl

- Business Centre Club

Business Centre Club

https://www.bcc.org.pl

- Polish Association of Listed Companies (SEG)

https://seg.org.pl/pl

- Warsaw Tourist Organization (WTO)

https://wot.waw.pl

We are also signatories to the principles that are key to our sector, including:

- Diversity Charter, in Poland coordinated by the Responsible Business Forum http://odpowiedzialnybiznes.pl/karta-roznorodnosci/
- Global Code of Ethics for Tourism, adopted by the United Nations World Tourism Organization (UNWTO) https://www.unwto.org/global-code-of-ethics-for-tourism
- Code of Conduct of the international ECPAT network (End Child Prostitution, Child Pornography and Trafficking of Children for Sexual Purposes) https://www.ecpatusa.org/code

OUR OFFER

The hotels in the Orbis Group's offer are currently located in 6 countries. Orbis successfully develops its portfolio in the Eastern Europe region. Drawing from the experience and resources of Accor, the Orbis Group is able to reach unique growth opportunities within its own business model which is based on owned hotels in key agglomerations in Poland and the capital cities of countries where it runs its business. The Orbis Group invests in the construction and modernisation of its own hotels.

[GRI 102-10] In 2019, we opened one own hotel - ibis Styles Caste Hill (150 rooms) in Budapest as a result of modernisation of the Mercure Buda hotel.

Our customers

[GRI 102-6] It is our passion to professionally serve our guests. In the process of value creation, we follow the voice of our customers and industry trends. Responding to the expectations regarding local healthy food, whenever it is possible and reasonable, we select

local suppliers. We limit the number of intermediaries and minimise the purchase of products made through large-scale methods.

We try to adjust our offer to the expectations of a diversified group of clients - this topic is further discussed in the sub-chapter **Our Brands**. Thanks to our cooperation with Accor, we can offer our guests all the benefits of participation in the international loyalty programme Accor Live Limitless (ALL). The participants of the loyalty programme can, via the Internet, manage their preferences, check reservations, take advantage of personalised offers at discount prices and select their prizes. As part of the programme, participants can collect points not only at the Accor brands' hotels but also at the Group's partners', including over 20 airlines.

ALL:

- over 1.5 mln ALL participants in Poland and Eastern Europe

over 55 mln ALL participants worldwide

Our brands

[GRI 102-2] When shaping our offer, we try to maximally adjust it to the diversified expectations and financial capabilities of our guests. The flexible business model of Orbis Group is reflected in the division of our portfolio brands into three classes, which currently cover:

Premium class

SOFITEL HOTELS & RESORTS

3 hotels, 680 rooms in the Orbis Group

Genuine, luxury hotels with a French flair

International, luxury, non-standardised brand. Hotels combining their French origin with the finest local customs and traditions. Designed by prestigious architects who embrace the French style and elegance in their projects.

GALLERY BY SOFITEL

1 hotel, 170 rooms in the Orbis Group

Luxury boutique hotels, inspiring and unique

Upscale, international, non-standardised brand.
Boutique hotels offering luxury accommodation for theme weekends, seminars, business travels. Each hotel is inspired by ancient or contemporary history.

Midscale class:

Modern Easy Living

20 hotels, 4.6 thousand rooms in Orbis Group

Midscale, international, standardised brand. In the Novotel hotel chain everyone can feel comfortable and choose their own life style. These modern hotels are adapted to the needs of people on business trips as well as families with children. This unique approach to hospitality, based on simplicity and elegance, is appreciated throughout the whole world.

In harmony with people and places

14 hotels, 3.2 thousand rooms in Orbis Group

Midscale, international, non-standardised brand.
It combines the advantages of an international brand guaranteeing high quality with a casual atmosphere which is typical for non-chain hotels. The hotels are located in city centres as well as in seaside and mountain resorts.

Economy class:

Well-being at the best price

24 hotels, 3.8 thousand rooms in Orbis Group

European leader in the economy-class hotel segment.
Standardised brand. Modern rooms with comfortable beds. A wide range of different types of restaurants. Care about quality.

Comfort, unique style and all inclusive

3 hotels, 400 rooms in the Orbis Group

International, non-standardised brand. The hotel offer is targeted at people who travel alone and for business as well as families and tourists. Apart from accommodation, it offers breakfast, Wi-Fi access and a number of additional services.

8 hotels, 1.1 thousand rooms in the Orbis Group

Essence of comfort at an affordable price

International, standardised brand. Modern, simple design. Comfortable *Cocoon* rooms for 1-3 people, with showers, flat screen TV sets, Wi-Fi network and unlimited breakfast with a self-service buffet.

In 2019, Orbis disposed of its service operations, i.e. 44 franchise hotels and 19 hotels under management, as well as 42 agreements for new facilities in the pipeline. As at year-end, the Orbis portfolio included 73 owned and leased hotels, including 45 hotels located in Poland. *[GRI 417-1] [GRI 417-2] [GRI 417-3]* To classify our hotels we apply star rating systems that are specific for a given country as well as the category division according to the brands presented above. In 2019, there were no incidents of non-compliance concerning service labelling standards and marketing communications.

STRATEGY

The dynamic expansion of the Orbis Group, which allows for an increased generation of value for shareholders, stems from the implementation of the key components of its strategy. The strategy is based on the three pillars: PEOPLE, PORTFOLIO, RESULTS. The foundation for creating the Orbis Group Strategy is based on the following values:

- PASSION FOR SERVING OUR GUESTS - pleasing our Guests is our motivation. We put them first, care for them and make sure to meet their expectations. We like doing it.
- THE CONQUEROR SPIRIT - our Guests are globetrotters and so are we. We want to be where our guests want to be. We explore, take initiative and grow. We make the impossible possible, and we enjoy it.
- TRUST - we believe in natural kindness. We support and appreciate every human being and recognise their value. We deliver what we have committed to. We talk about what we do, and we walk the talk.
- STABLE AND SUSTAINABLE EFFECTIVENESS - our goal is to create long-lasting value for as many people as possible.
- INNOVATION - we heard that this is not possible but together we managed to make it. We make our Guests' dreams come true. We are curious about the world around us and we are open to new ideas. We value the opportunity to try and learn.
- RESPECT - we are a part of the global society. We enjoy the multi-culture and are proud of our diversity. Everyone is important to us, we value everybody. We care about our planet.

Areas of value creation

- PEOPLE - we pay special attention to the needs of our guests and respond to them. We increase the participation of our employees in the creation of our success and support their talents. We set trends in CSR activities in the hotel industry.
- PORTFOLIO - we allocate capital to the most promising markets and brands. We aim for a dynamic expansion of our chain and improvement of the quality of our hotels.
- RESULTS - we focus on increasing the operating results. We manage costs effectively. We implement innovative solutions that increase the efficiency of our activities and our guests' satisfaction.

Expansion directions

Thanks to the sale of the servicing segment, the Orbis Group can fully concentrate on its basic business, i.e. the real estate segment, which will be further developed through a number of investment schemes: organic growth, acquiring new facilities and modernisation of the existing buildings, as well as building new facilities as part of the expansion of the hotel business.

The expansion strategy of the Group's hotels implies owning hotels in the most crucial localizations, i.e. 6 key agglomerations in Poland (Warsaw, Cracow, Wrocław, Tricity, Poznań, Szczecin) and capital cities of each countries where we operate, and additionally, planning to build new or acquire already existing hotels.

Further strengthening of our position as the hotel investor leader in the region will be possible only if new projects that improve the attractiveness of our asset portfolio are implemented and a constant strive to maintain the operating excellence is pursued. Thanks to future renovations, reconstructions, acquisitions and effective management of facilities, we will remain a committed company that is ready to offer the standard of our hotels that our guests and partners expect from us, in line with the guidelines of sustainable development (CSR).

The strategy of the Orbis Group is also to increase our hotels' operating efficiency through our partnership with Accor and maximising the long-term value for investors, partners and associates. The cooperation with Accor enables Orbis to use all 39 hotel brands in Accor's portfolio, which is a clear added value, considering the further expansion of the hotel chains.

Orbis is based on a team of highly qualified employees who have the knowledge about the conditions and opportunities of local markets. We take all efforts to enable our employees to constantly broaden their knowledge and perfect their skills, to ensure both satisfaction of our guests as well as sustainable development of our Group.

PLANET 21

Acting for positive hotel industry

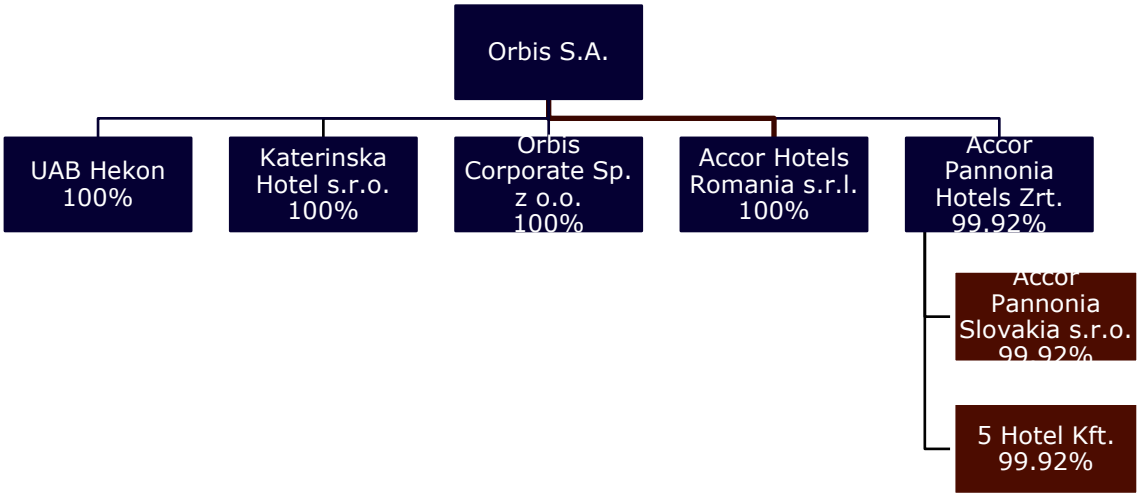
The sustainable development programme Planet 21 is a tool designed for hoteliers which can be easily implemented in any hotel or resort operating under Accor brands. The programme is focused around 6 major areas of a hotel daily life: guests, partners, local communities, low-carbon buildings, healthy and sustainable food, and people (including employees). In 2019, the hotels were focused on implementing and improving the results of the Planet 21 programme thanks to a year-round reporting system, which facilitates hotels to monitor their individual progress on an ongoing basis. As part of our educational activities, at the turn of April and May, approximately 1,000 employees of the hotels and the Management Office participated in "Planet 21 Day" - a day when we pay attention to the issues related to environmental protection, healthy food, health, food waste reduction and local community aid. In Poland, the hotels of the Orbis Group were engaged in an initiative called Trash Challenge in which they had to quickly pick up trash from green areas and then nominated another hotel to accept the challenge. The hotels in Warsaw and Budapest decided to finance beehives and gardens with melliferous flowers for bees in these capitals. As part of the educational activities, the support office in Budapest was also involved in an organisation of a photography exhibition and professional workshops with Mate Bence, a famous Hungarian nature photographer. Moreover, hotel employees in the Czech Republic and Slovakia organized a memorable children's day for 26 children of an orphanage in Solenice, with which the company has cooperated for several years. Implementation of the Plant for Planet and Do Not Clear My Room programmes. Nearly 70 % of the hotels in Orbis Group donate 50% of savings generated by towel reuse by our guests for the Plant for Planet programme. The funds support two projects in the region - "Kosztela" project carried out together with the AgriNatura Foundation in Poland, which facilitated the plantation of another 3,000 organic fruit trees in the first half of the year (altogether, over 17,500 organic seedlings of traditional tree varieties were donated

to Polish eco-farmers) and afforestation of Transylvania, together with Mihai Eminescu Trust, thanks to which over 2.3 million of trees were planted in the region of Romania.
Full information about the objectives of the programme is available here:
https://press.accor.com/planet21-presskit/commitments-to-2020/

CORPORATE GOVERNANCE

Structure of the Group

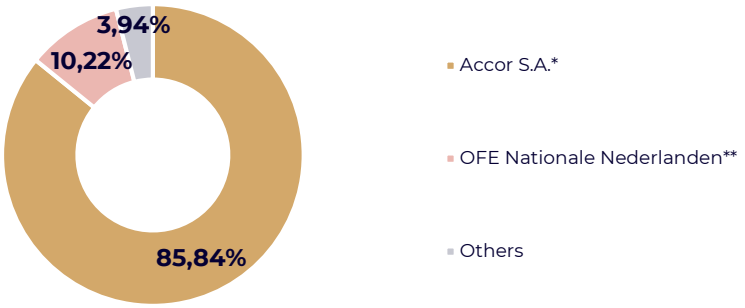
[GRI 102-5] The Orbis Group consists of a parent company and 6 subsidiaries running their business in different areas of activities. The parent company of the Group is Orbis S.A.
The structure of the Group (as at 31 December 2019) is as follows:



Most of the companies belonging to the Orbis Group are involved in hospitality and gastronomy.

Shareholders

Share capital of the company is divided into 46,077,008 ordinary bearer shares. There are no preference shares. The nominal value of each share is PLN 2.
The shareholder structure as at 20 February 2020



* Including 4.99% held indirectly by Accor Polska Sp. z o.o.
** Nationale-Nederlanden Otwarty Fundusz Emerytalny and Nationale-Nederlanden Dobrowolny Fundusz Emerytalny managed by Nationale-Nederlanden Powszechne Towarzystwo Emerytalne S.A.

As at 31 December 2019, the value of the share capital of Orbis S.A. registered in KRS (National Court Register) is PLN 92,154,016 and the number of issued shares is 46,077,008. Shareholders who directly or indirectly through subsidiaries hold at least 5% of the total number of votes at General Meetings, determined according to the holding of shares and their percentage share in the share capital as at 31 December 2019, disclosed in the notifications submitted to the Company under Article 69 of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading and on Public Companies, include:

Shareholder (details)	Number shares held as at 31 December 2019 (equal to the number of votes at AGM)	Percentage share in the share capital as at 31.12.2019 (equal to the % participation in the total number of votes at AGM)
Accor S.A.:	39,550,531	85.84%
[Including Accor S.A. subsidiary - Accor polska sp. z o.o.]:	2,303,849	4.99%
Nationale-Nederlanden Otwarty Fundusz Emerytalny and Nationale-Nederlanden Dobrowolny Fundusz Emerytalny managed by Nationale-Nederlanden Powszechne Towarzystwo Emerytalne S.A.	4,710,265	10.22%

Governance Structure

[GRI 102-24] The governance bodies of Orbis S.A include the management board, supervisory board and general meeting of shareholders. The issues of the operation and selection of the governance bodies are regulated by the Orbis S.A. Articles of Association which are available online at www.orbis.pl

Supervisory Board Composition

[GRI 102-18] [GRI 102-22] In the period of 1 January until 30 September 2019, the Supervisory Board of Orbis S.A. consisted of:

- Franck Gervais – Chairman,
- Pierre Boisselier – Member,

- Krzysztof Gerula – Independent member (appointed member of the Supervisory Board, effective as of 14 June 2019),
- Christian Karaoglanian – Member,
- Krzysztof Kostro – Member (appointed member of the Supervisory Board, effective as of 14 June 2019),
- Jean-Jacques Morin – Member,
- Piotr Nowjalis – Independent member (appointed member of the Supervisory Board, effective as of 14 June 2019),
- Laurent Picheral – Member,
- Laurent Picheral – Member,
- Christian Karaoglanian – Member,
- Artur Gabor – Independent member (member of the Supervisory Board until 14 June 2019),
- Jacek Kseń – Independent member (member of the Supervisory Board until 14 June 2019),
- Andrzej Przytuła – Member (member of the Supervisory Board until 14 June 2019).

In the period of 1 January to 14 June 2019, the composition of the Supervisory Board of Orbis S.A of the 10th term of office was as follows:

- Pierre Boisselier – Vice-Chairman,
- Artur Gabor – Independent member,
- Franck Gervais – Chairman,
- Christian Karaoglanian – Member,
- Jacek Kseń – Independent member,
- Jean-Jacques Morin – Member,
- Laurent Picheral – Member,
- Andrzej Procajło – Member,
- Andrzej Przytuła – Member,
- Jarosław Szymański – Member.

At 14 June 2019, the General Meeting of Orbis S.A. appointed members of the Supervisory Board of the 11th term of office. In the period of 14 June to 31 December 2019, the composition of the Supervisory Board of the 11th term of office was as follows:

- Pierre Boisselier – Vice-Chairman,
- Krzysztof Gerula - Independent member,
- Franck Gervais – Chairman,
- Christian Karaoglanian – Member,
- Krzysztof Kostro – Member,
- Piotr Nowjalis – Independent member,
- Jean-Jacques Morin – Member,
- Laurent Picheral – Member,
- Andrzej Procajło – Member,

- Jarosław Szymański – Member.

In the period of 1 January to 31 June 2019, the composition of the Committees of the Supervisory Board was as follows:

Audit Committee:

- Jean-Jacques Morin,
- Jacek Kseń – Chairman (until 14 June 2019),
- Artur Gabor (until 14 June 2019),
- Krzysztof Gerula (since 14 June 2019),
- Piotr Nowjalis (since 14 June 2019 – Chairman of the Audit Committee since 29 July 2019)

Remuneration Committee:

- Jacek Kseń (until 14 June 2019),
- Laurent Picheral (until 14 June 2019),
- Franck Gervais (since 14 June 2019),
- Krzysztof Gerula (since 14 June 2019),

[GRI 102-20] **Corporate Social Responsibility Committee:**

- Artur Gabor (until 14 June 2019),
- Krzysztof Kostro (since 14 June 2019),
- Piotr Nowjalis (since 14 June 2019),
- Laurent Picheral,
- Andrzej Procajło,
- Andrzej Przytuła (until 14 June 2019),
- Jarosław Szymański.

[GRI 405-1] In the reporting period, men constituted 100% members of the Supervisory Board.
Age distribution of the Supervisory Board members is presented in the table to the right.

AGE CATEGORY	NUMBER OF PEOPLE
BELOW 30	0
30-50	3
50+	7

[GRI 202-2] Other diversity factors of the members of the Supervisory Board and the Management Board are shown in the following table:

Name and surname	Gender	Foreigner	Year of birth
Gilles Clavie	Male	Yes	1969

Ireneusz Węgłowski	Male	No	1955
Dominik Sołtysik	Male	No	1975
Pierre Boisselier	Male	Yes	1970
Krzyszof Gerula	Male	No	1943
Franck Gervais	Male	Yes	1976
Christian Karaoglanian	Male	Yes	1951
Krzysztof Kostro	Male	No	1963
Jean-Jacques Morin	Male	Yes	1960
Piotr Nowjalis	Male	No	1974
Laurent Picheral	Male	Yes	1965
Andrzej Procajło	Male	No	1952
Jarosław Szymański	Male	No	1965

Composition of the Management Board

[GRI 102-18] [GRI 102-23] As at the day of publication of this report, the composition of the Management Board was a follows:

- Gilles Clavie – President, CEO,
- Ireneusz Węgłowski – Vice-President,
- Dominik Sołtysik – Member,

Additionally, in the reporting period, the position of member of the Management Board was held by:

- Marcin Szewczykowski – Member, CFO until 19 August 2019.

[GRI 102-24] Nominating and selecting the highest governance body

Management Board

The company's Management Board is composed of 3 to 7 members. A shared term of office of the Management Board lasts 3 years. The Supervisory Board appoints and dismisses President of the Management Board and - after consultation with President of the Management Board - other members of the Management Board. President, a member of the Management Board or the whole Management Board can be dismissed by the Supervisory Board before the term of office ends. In case the number of members of the Management Board decreases below 3 persons during a term of office, the Supervisory Board, on its own initiative or upon a request of one of the remaining members of the Management Board, convenes a meeting of the Supervisory Board in order to complete the composition of the Management Board.

Supervisory Board

The Supervisory Board is composed of 10 members. The General Meeting selects members of the Supervisory Board, apart from three members who are selected by employees of the company. The Supervisory Board appoints and dismisses from among its members Chairman of the Supervisory Board, Vice-Chairman, and also, if needed, Secretary of the Supervisory Board.

Committees of the Supervisory Board

In Orbis S.A., the following Committees were established by the Supervisory Board, which exercise advisory functions to the Supervisory Board:

- Audit Committee,

- Remuneration Committee,

- Corporate Social Responsibility Committee.

[GRI 405-1] In the reporting period, men constituted 100% members of the management board.
Age distribution of the Management Board members is presented in the table to the right.

AGE CATEGORY	NUMBER OF PEOPLE
BELOW 30	0
30-50	2
50+	1

In order to ensure transparency of the Company's activities, and at the same time strengthen its relations with the market, Orbis applies the principles of the "Best Practice of GPW Listed Companies". The principles are available at www.gpw.pl/dobre-praktyki and at the offices of the Warsaw Stock Exchange. The company informs the market in case it does not apply any of the principles.
The Management Board of Orbis S.A, pursuant to § 29(3) of the Regulations of Warsaw Stock Exchange S.A., informs about non-application of some of the corporate governance principles outlined in the document "Best Practice of GPW Listed Companies".
Read more in the Current Report 1/2016.

Responsibility for ESG issues

[GRI 102-18] [GRI 102-19] [GRI 102-20] The expectations of our stakeholders regarding issues such as labour rights, human rights or data privacy protection are increasing. And so are our ambitions in the sphere of social responsibility. What is more, new national and international regulations and standards are being introduced. With this in mind, in 2017, the Management Board of Orbis S.A established a position of Compliance Officer.

[GRI 102-27] Diagram presenting delegation of ESG issues:

Evaluating the highest governance body's performance

[GRI 102-28] Evaluation of the performance of the Management Board is done by the Supervisory Board and General Meeting of Shareholders on the basis of, among other things, a report of the Management Board on the activities of Orbis Group and Orbis S.A. for a given financial year, consolidated financial statements of the Orbis Group for a given financial year, non-consolidated financial statements of Orbis S.A for a given financial year and independent auditor's opinion report on financial statements and the Management Board's activities report. As a result of the evaluation, discharges are granted by General Meeting of Shareholders to individual members of the Management Board for a given financial year.

Management Board remuneration:

[GRI 102-35] [GRI 102-36] Remuneration of the members of the Management Board and annual bonuses are determined in resolutions of the Supervisory Board which makes it decisions on the basis of recommendations presented by the Remuneration Committee of the Supervisory Board. The amount of remuneration (increases in remuneration) and the conditions to obtain the annual bonus, awards as well as other bonuses for the members of the Management Board has to be determined by a resolution of the Supervisory Board. Moreover, a Resolution of the Supervisory Board includes a delegation to each time determine the annual bonus for a given member of the Management Board. As all members of the Management Board are employed on the basis of an employment agreement, a change in the remuneration conditions (increase in the basic remuneration) requires that an annex to the service agreement is signed.

Shareholders' involvement in remuneration

[GRI 102-37] The company's shareholders are involved in determining the remuneration through the members of the Supervisory Board selected by General Meeting of Shareholders, and in particular through the members of the Remuneration Committee of the SB elected by the Supervisory Board from among its members.

[GRI 102-38] [GRI 102-39] The table below presents the summary of remuneration of individual members of the Management Board, median annual remuneration of employees

excluding the Management Board as well as ratio of the above-mentioned median to the highest annual remuneration at the company:

Remuneration of the Management Board members in 2019 in PLN	
Data for 2019	**Remuneration received in 2019 (thousand PLN)**
Gilles Stephane Clavie	2,367
Ireneusz Andrzej Węgłowski	1,081
Dominik Sołtysik	1,500
Marcin Szewczykowski *	847

Ratio of the highest remuneration at the company to the median of annual remuneration at the company (the median excludes the highest remuneration) in PLN			
Year	**The highest remuneration**	**Remuneration Committee:**	**Ratio**
2019	2,367,000	58,211	40.7
2018	2,281,000	52,119	43.8

[GRI 102-26] The Orbis Management Board plays the main part in determining the Company's objectives, values and strategy, paying close attention to a positive impact of the organisation on the environment and society. The Supervisory Board, the highest supervisory body, may express its opinions concerning all matters that relate to the Group and issue motions and initiatives to the Management Board concerning CSR aspects under the function of the Corporate Social Responsibility Committee.

[GRI 102-32] Vice-President of the Management Board in charge of Corporate Affairs, PR, IR and CSR is responsible for formal evaluation and approval of the Sustainability Report.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

Materiality assessment

[GRI 102-47] The process of assessing issues that are material for the Orbis Group's operations was done based on the priorities of the "Planet 21" Programme. The analysis of stakeholders' expectations, that accompanied the creation of the programme, ensures compliance with the fundamental principles related to defining the content of non-financial reports (principles: materiality, completeness and inclusion of stakeholders).

Material topics

[GRI 102-47] [GRI 103-1] [GRI 103-2]

Economic responsibility

- **SPECIFIC INDICATORS:** GRI 201, GRI 202, GRI 203, GRI 205, GRI 206, GRI 403

1. Strengthening the partnership and transparency of the cooperation with our key stakeholders

- **DESCRIPTION:** By ensuring the comfort of transparent communication and meeting the needs of our key stakeholders, we are able to adjust our organisation to the dynamically changing environment on an ongoing basis.
- **IDENTIFIED IMPACT:** Direct impact of the Orbis Group on managing the material topic.
- **MANAGEMENT:** Our approach to cooperation with stakeholders is outlined in the sub-chapter: **STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT**

2. Development of responsible and innovative services

- **DESCRIPTION:** By adjusting our services to the requirements and changes in our environment, we take the utmost care to ensure that the value we create is developed in compliance with ethical standards.
- **IDENTIFIED IMPACT:** Direct impact of the Orbis Group on managing the material topic.
- **MANAGEMENT:** Our approach to the material topic is outlined in the sub-chapter **STRATEGY.**

3. Ensuring fully ethical approach and transparent management systems

- **DESCRIPTION:** We ensure compliance with generally recognised standards of ethical business conduct through implementing, monitoring and updating the internal norms of conduct.
- **IDENTIFIED IMPACT:** Direct impact of the Orbis Group on managing the material topic.
- **MANAGEMENT:** Our approach to the material topic is outlined in the sub-chapter **COMPLIANCE PROGRAMME.**

Environmental responsibility

- **SPECIFIC INDICATORS:** GRI 302, GRI 303, GRI 304, GRI 305, GRI 307, GRI 308, GRI 406, GRI 416, GRI 417, GRI 418, GRI 419

4. Reference to mitigating the effects of climate change in our offer

- **DESCRIPTION:** We are aware of the impact climate change has on life on Earth. We care about ensuring high standards of the environmental management in our offer.
- **IDENTIFIED IMPACT:** It is only possible to manage the impacts of the Orbis Group's operations on climate-related issues.
- **MANAGEMENT:** More information about environmental management is included in the section on Planet 21 Programme in the chapter **ENVIRONMENT.**

5. Minimising the direct and indirect impact of our operations on the natural environment

- **DESCRIPTION:** We are aware of the impact we have on the natural environment through our operations as a company offering hotel services. We constantly monitor possibilities of implementing new solutions to our operating activities as well as changes in environmental regulations, e.g. parts of the new European Green Deal. We

seek to minimise the negative impact on the environment in the process of value creation.

- **IDENTIFIED IMPACT:** It is possible to manage the impacts of the Orbis Group's operations on climate-related issues. It is possible to have indirect impact through cooperation with, e.g., entities in the supply chain.
- **MANAGEMENT:** More information about environmental management is included in the section on Planet 21 Programme in the chapter **ENVIRONMENT.**

6. Making the quality of our services and products (with regard to environmental protection) a leverage for financial results

- **DESCRIPTION:** We see taking responsibility for our activities in the environmental area as a value. Environmental criteria are included in our procedure of assessing the quality of the services and products that we offer.
- **IDENTIFIED IMPACT:** Direct impact of the Orbis Group on implementing solutions in our offer.
- **MANAGEMENT:** More information about environmental management is included in the section on Planet 21 Programme in the chapter **ENVIRONMENT.**

Social responsibility

- **SPECIFIC INDICATORS:** GRI 401, GRI 402, GRI 403-6, GRI 404, GRI 405, GRI 406, GRI 408, GRI 412, GRI 414

7. Ensuring health, flexible and innovative work environment which enhances well-being of our employees

- **DESCRIPTION:** Our employees are one of the key stakeholder groups and are an important development asset for the company. We strive to ensure that our employees have favourable conditions for development and have a healthy work and life balance. In this way we care about ensuring business continuity in our organisation.
- **IDENTIFIED IMPACT:** Direct impact of the Orbis Group on managing the material topic.
- **MANAGEMENT:** A description of our approach to labour management is included in the chapter **EMPLOYEES** (Responsible and attractive employer).

8. Promoting diversity, equal opportunities and employability of our teams

- **DESCRIPTION:** We see diversity in work environment as a value. We respect legal obligations to ensuring fair work environment and fair recruitment process by considering the matters related to diversity.
- **IDENTIFIED IMPACT:** Direct impact of the Orbis Group on implementing solutions that promote diversity within the organisation. Indirect impact through, e.g., promotional activities.
- **MANAGEMENT:** A description of our approach to labour management is included in the chapter **EMPLOYEES** (Anti-discrimination policy and promoting diversity).

9. Empowering our employees to develop initiatives related to Sustainable Development.

- **DESCRIPTION:** We want to fully use the creativity of our employees. By widening the scope of our impact on sustainable business, we create unique opportunities for our employees to propose and implement their own initiatives and development under the Planet 21 programme, such as, for example, setting up eco apiaries on rooftops of our hotels and in city gardens, supporting local social organisations and foundations, cooperation with NGOs, reducing the use of paper and plastic at our hotels and at the management office.
- **IDENTIFIED IMPACT:** Direct impact of the Orbis Group on creating opportunities for employees to undertake own initiatives that fit into the topic of sustainable development and CSR.
- **MANAGEMENT:** More information about managing the topic is included in the section on Planet 21 Programme.

Public responsibility

- **SPECIFIC INDICATORS:** GRI 413, GRI 415

10. Promoting CSR knowledge and activities in the professional environment of the real estate sector

- **DESCRIPTION:** We want to contribute to creating a comfortable space to exchange the know-how in the field of CSR and Sustainable Development in the real estate sector. Through our partnership and participation in initiatives we share our extensive experience.
- **IDENTIFIED IMPACT:** Direct impact of the Orbis Group on managing the material topic - promotional activities.
- **MANAGEMENT:** Information on our approach can be found in the sub-chapter About the Group (Partnerships and initiatives)

11. Promoting development of the local economy

- **DESCRIPTION:** Using local products and cooperation with local suppliers of services.
- **IDENTIFIED IMPACT:** Indirect impact of the Orbis Group on managing the material topic - promotional activities.
- **MANAGEMENT:** More information about environmental management is included in the section on Planet 21 Programme

12. Supporting local communities

- **DESCRIPTION:** Transparent communication with local communities is one of our priority areas. We undertake diversified initiatives addressed at local communities.
- **IDENTIFIED IMPACT:** Indirect impact of the Orbis Group on managing the material topic.
- **MANAGEMENT:** Information on our approach can be found in the chapter **Society** (Combating social exclusion)

[GRI 103-3] Evaluation of the efficiency of activities that form management systems of the material non-financial topics falls under the responsibility of Compliance Officer. The duties of

Compliance Officer include internal communication of the results of the undertaken measures and areas which need to be improved.

Stakeholders

[GRI 102-21] [GRI 102-40] [GRI 102-41] [GRI 102-42] [GRI 102-43] In the Orbis Group we value transparent and two-way communication with our stakeholders. The following stakeholders were identified as material for our Group in a consultation process with an advisory firm:

- Hotel guests
- Employees
- Investors
- Business Partners
- Industry organisations
- Media
- Local communities

The principles of dialogue with our environment are outlined in the Ethics and CSR Charter. The frequency and form of dialogue with particular stakeholder groups depend on the character of a given group and our relations.

Hotel guests

[GRI 416-1] We care about the opinions of our guests. Using an online survey, each person who uses our services can share their views with us. We do our best to monitor our clients' opinions every day, regardless of for how long, in which hotel and where they have been our guests. By implementing changes based on the feedback of our guests we are able to more efficiently adjust our offer to the changing expectations. The programme "Satisfaction Guarantee" of the ibis brand serves as an example - if the hotel is responsible for a fault and does not fix it within 15 minutes, the guest is provided with one overnight stay or breakfast free of charge. We place great importance on our guests' satisfaction and well-being, which is reflected in the programmes and regulations that we implement, e.g. **Healthy and Sustainable Food Charter**. We handle every feedback from our quests with care.
[GRI 416-2] In 2019, there were no confirmed reports of incidents concerning the safety of products and services.

Employees

In caring about transparent relations with employees, one of the basic forms of communication are the annual performance reviews. We give our employees clear information about the rights and privileges they are entitled to as well as about their duties. Employees are informed about any changes resulting from restructuration and reorganisation. The results of the annual

employee opinion and satisfaction survey are valuable feedback for us. We hold regular meetings and dialogue with representatives of the labour unions as well as informational and consultation meetings with the Employee Council of Orbis S.A. An open internal communication, which is supported by, e.g., intranet of the Group and "Orbis Corporate Newsletter" - newsletter sent every 3-4 weeks to all employees in electronic form, complements the above-mentioned activities.

Investors, Partners and Organisations

We care about creating and developing relations with investors. In the area of our contact with the investing community our activities are focused on:

- direct meetings with the Management Board (results conferences, chats with individual investors)
- conferences and conference calls accompanying publications of interim results
- participation of our representatives in events organised by financial institutions
- ongoing contacts of the Investor Relations Department with participants of the capital market

Thanks to our cooperation with the Polish Association of Listed Companies (in Polish Stowarzyszenie Emitentów Giełdowych, SEG) and StockWatch we are able to implement continuous improvements in our procedures for communication with the investing community. Our results conferences are transmitted live in Orbis TV available online on the company's website. Investors will also find there access to an archive with videos, reportage and interviews concerning the Group's operations. The Investor Relations website has been designed in a transparent and intuitive way. It allows for, among other things, quick search for archived current reports and interim reports sent by Orbis S.A through the ESPI system as well as tracking the share price. The Investor Relations website of Orbis S.A fulfils the criteria for issuers set by the Warsaw Stock Exchange.

Others

Our dialogue with local communities and nongovernmental organisations has not been consolidated under a scope of determined procedures or mechanisms. The cooperation with the above mentioned parties is most often a reaction to ensuing situations which require taking a joint action.
[GRI 102-44] In 2019, within the established channels of communication with stakeholders, no topics or concerns of key importance to the Orbit Group's operational activity were raised.

RISK MANAGEMENT:

[GRI 102-11] There is an implemented risk management system functioning within the Orbis Group. It is based on corporate and organisational guidelines that serve the purpose of risk identification and assessment (risk mapping), risk prevention and security against risk

(proactive activities) as well as effective conduct procedures in case a given risk is materialised (reactive activities). Thanks to applying the structured approach in this area, it is possible to:

- identify, prevent and minimise risks that may have a negative impact on the Group's reputation
- protect our guests, employees, brands and assets of the Group, its contractors and franchisees
- create awareness among all stakeholders of the Group about the types of risks to which it is exposed

Risk management structure

[GRI 102-29] [GRI 102-30] [GRI 102-31] Director in charge of risk management, safety and internal audit, who reports directly to President of the Management Board and Chief Executive Officer of Orbis S.A, is responsible for the matters related to risk mapping and prevention as well as responses to risks. The tasks of the team in charge of risk include:

- formulation of recommendations
- distribution of information about safety and security
- support in the implementation of training initiatives
- implementation of applications which aim to prevent potential damage
- consultation, audit and operational support in order to protect the Group's assets, employees and guests

At least twice a year, Director in charge of risk management, safety and internal audit reports about risk management to the Audit Committee of the Supervisory Board of Orbis S.A.

Identified material non-financial risks

[GRI 102-15] The continuously changing political, economic, social, natural and technological environment in the countries of Central Eastern Europe where we are present creates a number of potential risks. As part of our culture of active risk management, we analyse risks on an ongoing basis and are able to face them. Below we present a list of identified material risks together with descriptions on how we manage them. More detailed descriptions of our approached to managing particular areas are included in chapters dedicated to specific topics.

Reputational risks for the company and its brands

The reputation of our brands depends on, among other factors, the quality of the offered services, keeping up with the changing expectations of our guests and effective prevention of incidents that could impact their safety.

Preventing and addressing the risk:

- As part of our every-day work, the reputation of the Orbis and Accor brands is secured jointly by hotel employees, directors, employees, the team in charge of talent development and corporate culture, specialists in the CSR field, people managing risk and internal auditors. For this purpose we also have in place standards of the brands and procedures on how to react in crisis situations.
- We continually update our concepts in the area of gastronomy - the restaurant chains we operate, WineStone, NOVO2 and Wise Café, respond dynamically to the changing trends in interior design and menu.
- Since 2017, we have been implementing and promoting the project Heartist™ - an innovative approach towards customers and employees which relates to the spirit of Accor's programme Feel Welcome. The approach supports the creation of natural and personalised service atmosphere and establishing good relations among employees, which translates into their approach towards our guests. Activities of this kind translate into an increased level of employee engagement, which we observe in our surveys, as well as the customer satisfaction level measured by the so-called Reputation Performance Score.
- We constantly raise the awareness about our brands and customer loyalty on all the markets where we are present through combining global (Accor) and local marketing projects, programmes, campaigns and initiatives.
- We monitor the activities of media and respond to any issues that are raised through social media on an ongoing basis.

Growing competition in the industry

The hotel industry is characterised by a large increase in the number of rooms, which can negatively impact the prices of hotel services and occupancy rates.

Preventing and addressing the risk:

- We actively manage the price and availability of rooms, adjusting them to the current conditions of particular markets and introducing a number of promotional offers.
- We constantly expand our offer by introducing new and interesting products, going ahead of our competitors.
- We improve our systems of distribution and reservation as well as the terms and conditions of cooperation with intermediaries, websites that contain metasearch engines and other partners.

[GRI 206-1] In 2019, there were no legal actions ongoing against the Orbis Group for violating the principles of free competition.

Challenges in the labour market

The demographic situation in Poland and the whole Central and Eastern Europe results in shortage of well-qualified workforce.

Preventing and addressing the risk:

- We have developed a comprehensive structure for managing our employees and corporate culture (Talent&Culture) which increases the efficiency of recruitment processes, limits employee turnover and supports the development of employees in our hotels and offices.
- We verify the tools and systems that are offered to our employees on an ongoing basis.
- We continually polish our recruitment strategies based on "real case scenarios".
- We introduce automatization and robotization solutions. In selected hotels, we are testing the use of cleaning robots and new tools for searching for new candidates who want to work for us, e.g. recruitment automates which use the location of a potential candidate.

Using our facilities for illegal activities and risk of violating human rights

[GRI 408-1] [GRI 409-1] Hotels are sometimes used by sex offenders abusing children and teenagers. We identify the risk of human rights violations in our supply chain, among our partners and in the entities that belong to the Group.

Preventing and addressing the risk:

- In our hotels in Poland, Romania, Belgium, the Czech Republic, Lithuania and Hungary, we implement a comprehensive policy of children protection, based on the international guidelines of the ECPAT network, and we promote our approach in the whole region.
- When conducting our activities, we respect internationally recognised human rights principles, such as the Universal Declaration of Human Rights. The Ethics and CSR Charter, which is implemented in the Orbis Group, our system for reporting violations as well as supplier evaluation method are parts of our efforts to address the threats related to materialisation of this risk.

The escalation of climate crisis

Global challenges in the sphere of environmental protection (climate change, unsustainable food production) may lead to stricter regulatory requirements. The works on the European Green Deal, a new climate regulation guiding the way for EU members to reach carbon neutrality, are scheduled to be completed by March 2020. The regulatory changes may result in, for example, fluctuating prices of energy or an increased push to introduce a circular management model which directly impacts the costs of running business.[2] The regulations are a response to the currently observed rapid climate changes. According to the research by the

[2] https://ec.europa.eu/environment/circular-economy/ [28.01.20]

Intergovernmental Panel on Climate Change (IPCC) in the scenario where no actions are taken in order to lower the level of GHG emissions, an average temperature at the end of the 21st century will increase by 3.7 to 4.8 °C.[3] Negative tangible effects of the increase of average temperature may be disruptions in supply, water shortage, changes of vegetation periods and spheres.

Preventing and addressing the risk:

- We reduce our impact on climate through building only low-emission hotel facilities that are certified to BREEAM, which defines the highest standards for sustainable design, construction and use of buildings.
- All of the owned Orbis hotels implement a programme for reducing food waste. For this purpose, we have also implemented the Healthy and Sustainable Food Charter which also commits to taking actions for the prevention of biodiversity in agriculture.
- The facilities of the Orbis Group give up using plastic straws and cotton buds as well as disposable cups in hotel rooms. We have also conducted works that prepare the Group for the planned EU regulations related to waste and introduction of circular economy.

Cybercrime

The hotel industry is nowadays dependent on digital technology (office administration, reservation systems, managing client relations, Wi-Fi access, etc.). This is linked to cybersecurity risks and stricter EU regulations on data protection and security.

Preventing and addressing the risk:

- We have appointed Data Protection Officer who ensured the compliance of the Orbis Group with GDPR requirements.
- We have a special unit in charge for IT systems security, we have defined rules for using such systems and verified their stability. Our security policy also covers, among other aspects, the lifecycle of IT applications and regular training.
- Our IT systems comply with the Payment Card Industry Data Security Standards (PCI-DSS).
- The Orbis Management Board Office prepares monthly Business Market Intelligence reports, which identify, among other things, threats for the Group's business posed by global companies (e.g. booking platforms) which apply modern technological solutions.

Political and economic instability

The dynamically changing political and economic situation in Central Eastern Europe may result in, among other things, an introduction of new taxes or an increase in the already existing ones by some governments, and an application of protectionist measures. This may have negative impacts on the Company's financial results.

[3] https://www.ipcc.ch [28.01.20]

Preventing and addressing the risk:

- The Management Board of Orbis cooperates with the Chamber of Commerce of the Polish Hotel Industry, the Confederation of National Associations of Hotels, Restaurants and Cafes (HOTREC), UNWTO and the Polish Association of Listed Companies., among others. This allows us to anticipate legislative and regulatory changes as well as incorporate them in our action plans.
- The Management Board Office prepares monthly Business Market Intelligence reports and weekly PR and press monitoring in order to track changes in the market, regulations and innovations, which may have significant impact on our operations.

Corruption

[GRI 205-1] Orbis is deeply engaged in combating corruption, favouritism and conflict of interests - thus, we do not tolerate any form of bribery and corruption, regardless of whether it concerns government officials, individuals or other entities.

To execute this commitment, Orbis has implemented a comprehensive compliance programme which includes, among other things, detailed anti-corruption principles, and requires that employees and partners apply strict ethical standards. Our ethical principles are laid out in the Ethics and Corporate Social Responsibility Charter of the Group which all employees are required to comply with.

When cooperating with our business partners, we apply the due diligence procedure KYC ("Know Your Counterparty"), in order to prevent us from entering into agreements with third parties who do not share our values or do not accept our standards.

Regardless of other procedures and principles that are applied within the Group, Orbis has formulated a detailed regulation on giving and accepting gifts based on the "No Gift Principle", which allows for only few exceptions that stem from customary practices. The regulation prohibits employees from giving and accepting gifts as part of and during their employment contracts.

Under the Ethics and Corporate Social Responsibility Charter, in 2019, the Group updated the Policy on accepting and giving gifts. Apart from expanding the principles of the existing recommendations, the procedures in particular apply to employees of the central departments of the company and its subsidiaries, including own hotels as well as hotels operating under franchise and management agreements. Another material modification in the procedures is a reference to the notion of traffic of influence (French: traffic d 'influence) in line with the recommendations of the Agence Française Anticorruption, an institution which issues recommendations to the Accor Group. The overall principle is that if employees receive gifts whose value is higher than EUR 30, such gifts have to be distributed among employees of a given department, if they can be shared (gift baskets, chocolate boxes).

CULTURE, ETHICS AND HUMAN RIGHTS IN THE ORBIS GROUP

[GRI 102-16] In our business, at each stage of our activities, we strive to act with utmost care, respecting the principles of Ethics. Human rights are key values in the Orbis Group's

operations. The holistic approach to managing our responsibility at each and every organisational level of the Group is possible thanks to the ongoing analysis of the stakeholders' needs, expectations and concerns as well as thanks to structuring our activities in the form of "Planet 21" programme, Ethics and CSR Charter, Diversity policy and Sponsoring policy.

Ethics and CSR Charter

The Ethics and CSR Charter includes guidelines and principles that should be applied by Orbis employees, both internally within the Group and externally in their relations with our stakeholders. Thanks to the Ethics and CSR Charter, we effectively counter abuses and perfect our activities.

The document includes a firm commitment to eradicate all forms of **forced labour** and **illegal employment.** We control our suppliers and service providers in this respect and we reserve the right to immediately terminate any business relations in case any abuse is detected. We have a rigorous approach toward the issue of **child labour.** We absolutely comply with the age limit that is determined by the legal regulations in particular countries and refuse to cooperate with entities that violate law in this respect.

We take utmost care to ensure that our hotel rooms are used in accordance with their destination. We pay special attention to **protect children and teenagers from sexual exploitation in the tourism industry.**

We strictly follow the rules of fair competition and undertake any possible steps in order to **eradicate corruption**, in particular, as part of our purchasing and sale procedures as well as the Policy of giving and accepting gifts.

We join the international fight against money laundering. To do this, we remain vigilant about money flows whose source or destination may be related to crime.

[GRI 418-1] The Ethics and CSR Charter also regulates the matters of **asset and data protection**, including countering illegal use of confidential information (insider trading), misappropriation of the company's assets, conflicts of interests, fraud and breaches of intellectual property. We have established procedures covering employees' disclosure of information that limit the possibility of using their professional position in order to gain benefits at the expense of the Group's own interests or interests of its partners or customers. Moreover, we attach great importance to protecting personal data and safety of IT systems.

On the basis of the Charter, we care about the **safety of our guests and employees.** We minimise the risks through implementing up-to-date fire prevention methods and standards of food hygiene control, among other things. We constantly analyse the level of safety in the countries and cities where we operate or plan to operate. We develop recommendations in the area of safety that relate to construction, furnishings, technology and procedures. We have also committed ourselves to share tools ensuring safety (procedures for managing crisis situations, contacts to decision-making people and a description of the complete policy on crisis management are available to all hotels in the Group Orbis intranet). We have developed and implemented a mechanism for reporting dangerous incidents, including a platform that allows employees to report cases of violating the Ethics and CSR Charter, which encompasses all levels of the organisation (starting with hotels, through national management to central

management). What is more, we conduct periodic audits of the safety measures applied in hotels as well as training and counselling for employees.

COMPLIANCE PROGRAMME

Mechanism for reporting and managing non-compliance

[GRI 102-17] [GRI 102-25] [GRI 102-33] Orbis, being a leader in the hotel industry, wants to be a role model in the categories of fair conduct, respecting the law as well as social and environmental responsibility. One of the basic conditions for acting in compliance with the above is to enable all employees and other parties to freely and anonymously report non-compliance related to the Orbis Group's operations to the Management Board or the Supervisory Board of Orbis S.A.

Orbis has implemented a dedicated digital platform, available at www.accorhotels-integrity.com, operating 24 hours a day, 7 days a week ("Platform"), through which it is possible to report breaches of law as well as violations of ethical procedures and standards. The Platform is addressed to all employees, associates and partners of the Orbis Group who have the possibility to use it in order to prevent any risks in the areas related to human rights, legal compliance, occupational health and safety and environmental protection.

The Platform complements the existing, internal channels for reporting non-compliance via:

- supervisors;
- the person in charge of ethics and CSR;
- the person in charge of compliance (Compliance Officer);
- the legal department or the Talent & Culture department;
- the Supervisory Board of Orbis S.A

The Platform allows employees to freely and safely express their concerns and report any possible cases of conduct that are not in line with regulations, regardless of whether the information concerns the employee directly or whether he or she only witnessed them. Types of misconduct that may be reported through the Platform include in particular:

- all cases of legal breaches, including violations of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organized Trading and Public Companies;
- all matters laid out in the Ethics and CSR Charter (hereinafter referred to as "Charter"), that Orbis is a signatory of, particularly in the following areas:

– Corruption and influence, including:
  - *offering bribes to government officials,*
  - *accepting disproportionate gifts from a supplier,*
  - *giving a large gift/granting a favour to an owner in order to obtain a favourable decision.*

– Fraud, including:
  - *inappropriate use of monetary funds,*
  - *unfair use of the company's assets in order to gain personal benefits,*
  - *appropriation.*

- Mobbing, including repeated behaviour such as:
  - *humiliation,*
  - *insult,*
  - *unjustified intimidation or criticising,*
  - *persistent complaints,*
  - *aggression,*
  - *isolation,*
  - *unjustified disciplinary measures.*

- Sexual harassment, including being a target of:
  - *comments about your physical appearance,*
  - *attempts to gain sexual favours, retaliatory actions in the workplace,*
  - *disrespectful conduct, such as insults, sexual comments, inappropriate gestures.*

- Occupational health and safety, including:
  - *actions and omissions that pose hazard in the workplace;*
  - *non-compliance with internal regulations and codes of ethics.*

- Natural environment, including:
  - *crimes against the environment - gross lack of respect towards the natural environment (e.g., illegal discharge of effluents and chemicals);*
  - *selecting a suppliers who does not comply with the quality and environmental requirements that are applied in the EU territory.*

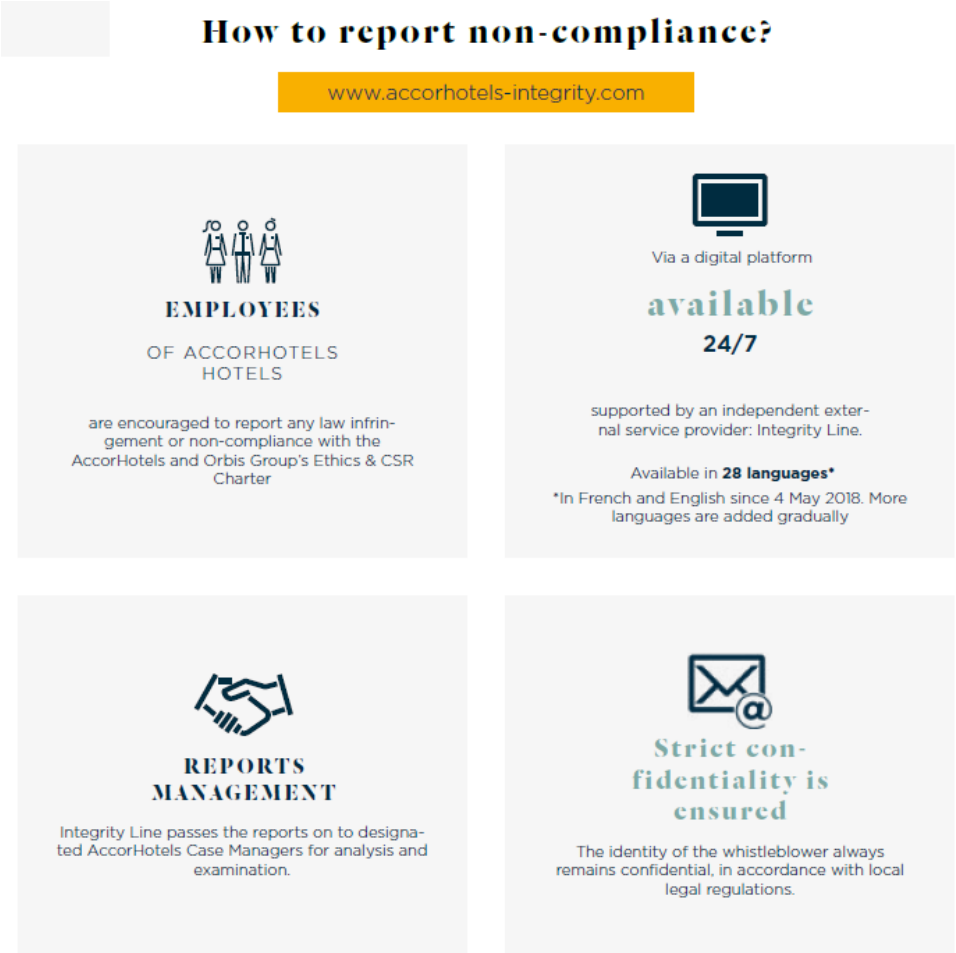
Reporting of irregularities takes place through the Planform by filling in an appropriate form, in accordance with the instructions received by the Platform user when making a report ("Report").

Employees and other people to whom the Platform is dedicated may in justified cases handover information about irregularities directly to the Supervisory Board of Orbis S.A by creating an appropriate report via email or in writing directly to any Member of the Supervisory Board or via Orbis S.A by leaving an appropriate report with an a notation saying "for the information to the Supervisory Board only" which Orbis S.A is obliged to immediately handover to the Members of the Supervisory Board. In case of the event discussed in the previous sentence, further activities related to the reported irregularities are managed in accordance with the decisions of the Supervisory Board.

The identity of the person who reports irregularities ("Whistleblower") always remains anonymous. Each case of whistleblower Report done via the Platform is transferred to Compliance Officer. Compliance Officer is obliged to immediately inform President of the Management Board of Orbis S.A about the whistleblower report that has been made via the Platform and launching of explanatory proceedings. In justified cases, Compliance Officer may decide not to inform President of the Management Board about the reported irregularity and instead present the information about said irregularity directly to the Supervisory Board of Orbis S.A. In case of the event discussed in the previous sentence, further activities related to the reported irregularities are managed in accordance with the decisions of the Supervisory Board.

Compliance Officer, together with appropriate organisational units of Orbis S.A, evaluates and conducts appropriate explanatory proceedings of the facts and circumstances related to the event that is the subject matter of the whistleblower Report.

Having conducted explanatory proceedings, Compliance Officer presents to President of the Management Board (or in justified cases to the Supervisory Board) his or her conclusions and recommendations about implementing proposed solutions in order to eliminate negative effects of the irregularity, prevent re-occurrence of the irregularity in the future and apply possible legal or disciplinary sanctions against a person/people who were involved in the non-compliance.



Statistics on reports and training in the area of compliance

Non-compliance reports

[GRI 102-17] [GRI 102-34] [GRI 205-3] In 2019, in the Orbis Group there were no cases of:

- corruption
- discrimination (discriminatory incidents)
- non-compliance with regulations related to information about products and services
- non-compliance with regulations related to impact of products and services on health and safety

In the said period:

- there were no legal actions ongoing against the Orbis Group for breaching the principles of free competition and antitrust
- there were no material fines imposed on the Orbis Group for non-compliance with social, economic or environmental laws and regulations, nor any related non-financial sanctions

[GRI 418-1] Highlighted statistics and activities in the Orbis Group concerning Protection of personal data in 2019:

- Day-to-day management of incidents of breaching data protection in the territory of Poland (4 reported incidents of violations of data protection in the company's hotels - no further repercussions/sanctions for the company);
- Outsourcing the services of Data Protection Officer for Slovenia, the Czech Republic, Romania and Hungary;
- Day-to-day management of the evaluation process covering compliance of the company's business operations with the legal requirements on data protection (GDPR compliance).

Training

[GRI 205-2] In 2019, we prepared and implemented an online training module (e-learning) which is obligatory for all employees of the Group. The purpose of the training is to familiarise employees with the topic of eradicating corruption and bribery. Moreover, Compliance Officer conducted in our hotels in the region workshops dedicated to the anti-corruption policy and procedures.

[GRI 412-2] In 2019, 199 employees participated in training on "Protection of children and teenagers against sexual exploitation in the tourism industry (Code of Conduct)".

We do not conduct training which is exclusively dedicated to the topic of human rights.

RESPONSIBLE SUPPLY CHAIN

[GRI 102-9] The Purchasing Department of the Orbis Group satisfies 100% of needs related to procurement and its operations are facilitated by global and local teams as well as innovative digital tools.

- The offer is divided into almost 100 categories grouped under 6 of the following packages:
- F&B
- Operational systems (OS&E)
- Technologies
- Tools
- Professional services and IT
- Furnishings (FF&E)

[GRI 308-1] From among the criteria for selecting suppliers we can distinguish the quality of the supplied product/service, price, applicable regulations, the approach of the potential suppliers to the topic of sustainable development. There is a tendering procedure in place which applies to new types of services and products as well as contracts for two or more years. As long as it is possible, we invite to tender at least three suppliers (new products and services) or the existing suppliers plus at least three new ones. The tender rules are transparent and equal for all tender participants.

Once a framework agreement with the recommended supplier has been concluded, its terms and contact data are published in the company's intranet and the hotels place their orders on

their own. Each business partner is verified in terms of the scale of cooperation at least once a year. We do our best to ensure that there is no company holding a share exceeding 20% of supplies for individual products and services.

[GRI 308-2] In 2019, there were no identified activities in the supply chain that had negative impacts on the natural environment.

[GRI 412-3] Maintaining the highest quality of the ordered services and products as well as ensuing their social and environmental responsibility require an appropriate management of the supply chain. Its key component is a commitment of all our recommended suppliers and contractors to act in accordance with the "Planet 21" programme. Moreover, entrepreneurs with whom we cooperate have to execute analogous behaviour from their own business partners. Companies that cooperate with us not only have to abide by determined standards but they also have to be ready to be audited and implement any possible corrective programme.

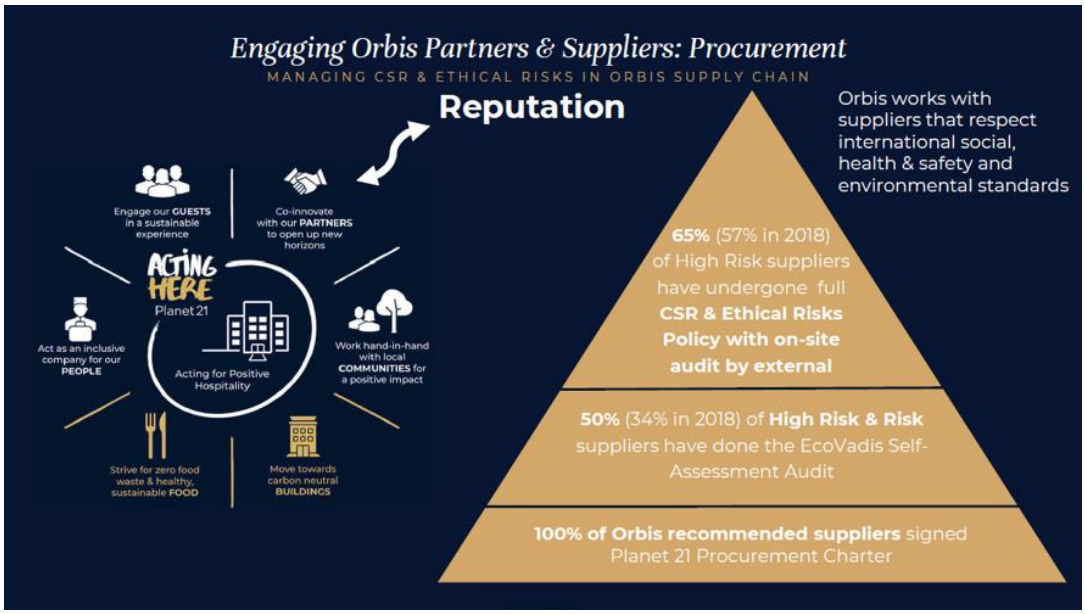
In Eastern Europe, local teams in charge of Procurement are seated in Warsaw and Budapest, covering local suppliers (mainly from Poland and Hungary) and facilitating cooperation with international suppliers, mainly from France and Germany.

The expenditure for procurement reaches about PLN 305 mln and is distributed among over 260 suppliers.

[GRI 102-10] In 2019, over 30 new contracts were signed, and the new categories included, for example, construction work providers, IT services or photovoltaic installations.

[GRI 414-1] [GRI 414-2] Focusing on the positive impact on the supply chain, all recommended suppliers are encouraged to offer environmentally friendly solutions. Moreover, selecting suppliers through regular tenders based on the labour code and charter commitments of Planet 21 counters unfair/illegal practices in the categories of services based on human labour.

[GRI 412-1] [GRI 412-3] Information concerning auditing ethical matters are included in the below infographics.



Additionally, audits concerning ethical matters were conducted in hotels located in Hungary. The statistics related to these audits are as follows:

Additional information about audits in Hungary in 2019	
Suppliers obliged to follow Planet 21 programme	100% of the audited
High risk suppliers audited by Ecovadis	75%
Suppliers audited by On-site	43%

Employees

[GRI 102-41] Employees constitute one of the identified key stakeholder groups of the Orbis Group. We strive to ensure that our employees, future and current ones, receive an opportunity to develop in a unique work environment. Thanks to adjusting our offer to the dynamic conditions of the labour market and our continuous care about employee engagement, we create sustainable and responsible work environment. The Orbis Group's policy in the labour area is composed of the following documents and procedures:

- Work Rules and Regulations
- Occupational Health and Safety Policy
- Collective Labour Agreement which covers all employees except for the management staff - it also lays out salary matters
- Anti-harassment Policy (applicable to Orbis S.A.)
- Ethics and CSR Charter - a detailed description of this document is included in the sub-chapter on Culture, ethics and human rights in the chapter The Orbis Group.

[GRI 402-1] We maintain high communication standards with our employees - a stakeholder group that is key for the operations of the Orbis Group. We inform our employees about any operational changes that could affect their functioning within the organisation on an ongoing basis.

[GRI 102-7] [GRI 102-8] Below we present key data related to employment in the Orbis Group broken down into data concerning the Group and the parent company:

– Total number of employees in the reporting period (as at 31 December 2019): **3,983**

Total number of employees by type of contract by gender

	Orbis Group				Orbis S.A.			
	2018		2019		2018		2019	
	Fixed-term contract	Contract for an indefinite term	Fixed-term contract	Contract for an indefinite term	Fixed-term contract	Contract for an indefinite term	Fixed-term contract	Contract for an indefinite term
Women	854	1,886	948	1,599	342	1,472	425	1,308
Men	536	1,045	648	949	191	841	269	723
Total	1,390	2,931	1,596	2,548	533	2,313	694	2,031

Total number of employees by type of contract by geographical area of operations

	Orbis Group				Orbis S.A.			
	2018		2019		2018		2019	
	Fixed-term contract	Contract for an indefinite term	Fixed-term contract	Contract for an indefinite term	Fixed-term contract	Contract for an indefinite term	Fixed-term contract	Contract for an indefinite term
Poland	530	2,207	690	1,914	530	2,207	690	1,914
Lithuania	3	106	4	117	3	106	4	117
Slovakia	18	42	17	40				

Romania	1	206	2	186				
Hungary	814	12	795	6				
Czech Republic	24	366	88	285				
Total	1,390	2,939	1,596	2,548	533	2,313	694	2,031

Total number of employees by working time by gender

	Orbis Group				**Orbis S.A.**			
	2018		**2019**		**2018**		**2019**	
	Full-time	**Part-time**	**Full-time**	**Part-time**	**Full-time**	**Part-time**	**Full-time**	**Part-time**
Women	2,593	136	2,363	179	1,734	80	1,650	83
Men	1,561	31	1,515	87	1,013	19	968	24
Total	4,154	167	3,878	266	2,747	99	2,618	107

[GRI 102-8] Information about the Orbis Group's employees is taken from the statistical data collected by Human Resources Departments of the entities belonging to the Group.

RESPONSIBLE AND ATTRACTIVE EMPLOYER

Respecting regulations of the Labour law as well as our commitments stemming from the auto-regulations we have applied in relation to diversity and ethical business, we conduct a recruitment process that is transparent and free from any forms of discrimination. CVs of our candidates undergo an objective verification and selected people are invited to an employment interview after which they receive constructive feedback.

Our employees are offered:
- attractive salary
- fair and motivating bonus system
- good atmosphere
- real influence on shaping own career path

[GRI 405-2] We care about ensuring equal opportunities in development and employment for women and men. We monitor and introduce adjustments to our approach towards pay equality in the Group on an ongoing basis. Below we present a basic indicator for pay equality:

Ratio of average base salary for women to average base salary for men	**87.5%**

Detailed data on salary are included in the chapter Appendices

By adjusting our offer to the dynamic environment of the labour market and striving to maintain high conditions of work in the currently operating teams, in 2019, we continued all initiatives from the EVP (Employees Value Proposition) area, we also offered raise to our employees as well as extended the base of available training so that we could better respond to the needs of our employees in connection with the changing market and the competences

of people we employ. The activities we took enabled us to maintain a relatively low level of employee turnover in Poland - from 23.2% in 2017 and 22.8% in 2018 and 25% in 2019, which is an achievement considering the level of unemployment.

The Orbis Group once again received the prestigious title of the best employer in Poland. Based on the results of engagement surveys, Kincentric (previously known as AON) acknowledged Orbis as one of the best employers in Poland. The "Kincentric Best Employer Poland 2019" award proves our engagement in talent development and our constant strive towards creating work environment which fosters the development of employees. The Kincentric Best Employers Programme awards leading employers worldwide using the most objective measure - the opinions of employees. Genuineness, trust, openness, focus on talents and effective leadership are the key to success.

The Orbis Group relocated to a new office which was arranged with the participation of our employees.
When selecting the new location and the new office, it was important to us to ensure that the new office space positively impacts not only the implementation of professional goals but also the relations among employees. We created a modern and comfortable work space that is based on activity and cooperation.

- There are tables with electric height adjustment at the office, which allows for changing position during work and a relief for the spine that is tired with a long sitting position.
- There are large and fully equipped kitchens, chill-out rooms and the so-called coffee points located at both floors.

The office designers took care of ergonomic furnishings of the whole office - the workplace is furnished not only with good-quality chairs and armchairs but also with modern desks with electric height adjustment.

A lot of attention was paid to the acoustics and acoustic ceiling panels were installed in between desks.

Informal contract among employees, time to relax while drinking coffee together and establishing closer relations is crucial at the new office.

[GRI 401-2] We provide employees of the Orbis Group in Poland* with, among other things:

- extended medical care Medicover
- wide training and e-learning offer
- motivational package
- MultiSport card
- PZU group insurance
- Bienvenue discount card for all hotel services in the chain
- recreation allowance (in Polish "*wczasy pod gruszą*")

- free lunch
- social fund
- bonuses in half-year periods
- special awards
- opportunity to participate in interesting CSR projects and contests

*The benefits outlined above apply to people employed under an employment contract.

Employee Capital Plans

[GRI 201-3] As an employer employing over 250 people, according to the Act, Orbis S.A since 1 July 2019 has established Employee Capital Plans (in Polish: *Pracownicze Plany Kapitałowe,* PPK). The funds of the PPK of Orbis S.A's employees will be managed by TFI PZU. Orbis S.A made the choice of the financial institution for managing PPK in consultation with the company's labour unions. 25% of employees participate in PPK.

[GRI 203-1] The table below presents the expenditure on infrastructure and services within the organisation:

INFRASTRUCTURE INVESTMENTS OF THE GROUP IN PLN MLN	
DEVELOPMENT PROJECTS	67.0
OTHER INVESTMENTS	126.7
TOTAL	193.7

Safe workplace

[GRI 403-1] [GRI 403-3] Ensuring a safe and comfortable workplace to our employees is our priority. We care about adherence to fundamental safety principles, both in our hotels and in the office as well as at our business partners and at suppliers. In the Orbis Group, the matters related to ensuring safety in the workplace are managed by monitoring the compliance with the legal requirements covering occupational health and safety (OH&S) as well as through our commitments laid out in the Ethics and CSR Charter.
Occupational health and safety matters are material in the Orbis Group, therefore, apart from meeting the legal and formal requirements, the company promotes precautionary activities related to accidents and injuries in the workplace.

[GRI 403-8] The Orbis Group, its employees as well as people providing services on its behalf who are not covered by direct contracts are obliged to strictly abide by occupational health and safety regulations and principles as well as fire protection regulations.

In the Orbis Group we conduct regular training for employees: initial, periodic, OH&S training after changing positions and training for people designated to provide first aid.

Managers are the main subjects who ensure OH&S. It is their responsibility to minimise the risk, identify potential hazards and implement ad hoc measures.

We carry our risk assessments in order to anticipate and reduce short- and long-term hazards related to individual positions or departments. As far as possible, we prevent physical hazards and organise appropriate training. The framework of our OH&S management system is composed of the following activities:

- identification and assessment of short- and long-term hazards related to individual departments or workplaces;
- organisation of training and implementation of tools which allow for a reduction of the number of accidents, limiting the risk of occupational diseases and improving prevention (training on health and well-being protection; e.g.: prevention of HIV/AIDS, chronical diseases, nutrition, psychosocial risks, first aid, and so on);
- anticipation and consideration of how changes in work conditions impact human health and well-being;
- anticipation of psychosocial risks and implementation of relevant management methods;
- occupational exposure procedure (injuries, cuts, contact with a biological factor, etc.).

The Orbis Group monitors the risk and manages it through implementing measures that limit the likelihood of its materialisation. Applied measures include:

- Onboarding process for new employees covering toolbox talks.
- OH&S training.
- OH&S Management Systems and Procedures.

Our employees are trained in the OH&S area in accordance with the applicable regulations that stem from the legal environment.

Each newly hired employee goes through obligatory induction training that covers occupational health and safety, fire prevention regulations as well as an induction toolbox talk. Employees engaged in gastronomy, housekeeping and technical services undergo obligatory HACCP training.

The induction toolbox talk applies to, apart from newly hired employees, employees who are relocated to a different position and employees who are employed in their existing position but with changed technical and organisational conditions.

Training - occupational risk - is organised for all types of positions each time a position is changed and at the day of the induction OH&S training. Training is also required if an employee does not change their position but changes their place of work (hotel) because work conditions at each of our hotel facilities may differ and so may the requirements related to workplace safety.

OH&S risks

[GRI 403-1] [GRI 403-7] Material OH&S risks to which our employees are exposed in their workplace are presented below:

In our assessment of risks we consider accident and health risks, which can be divided into the following working environment factors:

- biological (microorganisms, produced substances, microorganisms)
- psychophysical (physical stress, mental stress)
- physical (noise, vibrations, radiation, industrial dust, dangerous factors that may lead to injuries (moving machines, movable parts, moving products and materials, sharp and protruding parts and edges))
- chemical - depending on possible effects and types of reactions (e.g. toxic, allergic, irritating, cancerogenic) and depending on the type of absorption (e.g. through skin, respiratory tract, digestive tract).

Risk assessment is conducted on the basis of the Polish norm PN-18002 according to a 5-level scale:

- very low - acceptable
- low - acceptable
- medium - acceptable
- high - not acceptable
- very high - not acceptable

All of the risk remain in the acceptable range, at the very low or low level. An update is done after changes in hazards related to a position, research and assessments, after occurrence of accidents.

Additional information about OH&S training and Compliance

[GRI 403-1] [GRI 403-5] We take care to ensure OHS training of employees in accordance with the legal requirements and our internal model of sustainable operations. In the Orbis Group, no specific risk factors that require specialist OHS training were identified. Employees, as one of the key stakeholder groups, can on an ongoing basis submit their suggestions through the established communication channels.

[GRI 403-2] Breaches and incidents related to Occupational Health and Safety can be submitted through the applied whistleblowing system described in the chapter **About the Group**, subchapter Compliance programme.

In the Orbis Group, we apply an incident procedure. The aim of the procedure is to indicate steps to be taken when reporting and documenting work accidents taking place in the Group. The resolutions included in the procedures refer to employees of our hotel facilities and the management office as well as people who are not our employees.

[GRI 403-4] [GRI 403-6] In the Orbis Group, there is a constantly operating OHS committee which is composed of representatives of the employer, employees and, if needed, independent experts as well as a network of social labour inspectors who help us to create safe workplace.

[GRI 403-9] [GRI 403-10] Detailed quantitative data related to the OHS area are included in the chapter **Appendices** at the end of this report.

[GRI 403-4] We conduct analyses and consultations with Labour Unions and the social labour inspector.
In the Orbis Group, there is a constantly operating OHS committee which is composed of representatives of the employer, employees and, if needed, independent experts as well as a network of social labour inspectors who help us to create safe workplace.

ANTI-DISCRIMINATION POLICY AND SUPPORTING DIVERSITY

Thanks to the specificity of the hotel industry, we have an opportunity to host customers from different countries, cultures, customers with different beliefs and often also special needs. We respect their diversity and that is why we strive to make them feel good and comfortable in every respect. We prevent any possible cases of discrimination in the access to our services by adjusting buildings, devices and installations as well as our practices and procedures to the needs of particular groups, among other things.
[GRI 406-1] We consider diversity of our employees to be a value. They can count on an identical access to training as well as unified rules regarding pay, promotion or geographic mobility. We are also mindful about the rights and needs of our employees who are parents. In 2012, the Orbis Group signed the Diversity Charter of the Responsible Business Forum.[4] In everyday operations, in our contact with stakeholders or in creating values in the Orbis Group we respect the provisions of the Charter:

Taking into consideration the respect for a diverse multicultural society and placing special emphasis on the policies promoting equal rights, irrespective of ***gender, age, disability, health, race, nationality, ethnic origin, religion, creed, irreligiousness, political views, union membership, psychosexual orientation, sexual identity, family status, lifestyle, employment form, scope and basis, other types of cooperation or other traits which may give rise to discrimination****, our organization undertakes to implement diversity management and equal rights policies and to promote and disseminate them among all of its stakeholders.*[5]

Apart from the external guidelines, we also have a Diversity Policy in a form of a standalone document.

[4] http://odpowiedzialnybiznes.pl/karta-roznorodnosci/ [03.02.2020]
[5] http://odpowiedzialnybiznes.pl/karta-roznorodnosci/dokument/ [03.02.2020]

Our training programmes and e-learning materials, which are available for all of our employees on the intranet, cover the topic of diversity and anti-discrimination. We require our suppliers, subcontractors and service providers to apply the established principles for countering discrimination which are described in the Orbis Group's Procurement Policy.
[GRI 406-1] A description of reporting irregularities in the Orbis Group is presented in the chapter on **Compliance Programme.**
[GRI 102-17] [GRI 406-1] In 2019, in the Orbis Group, no complains about discrimination were reported.

RiiSE network

After transformation in 2018, the WAA network was changed into RiiSE - a new network open to both women and men employed within the Accor structures. Its actions are based particularly on sharing knowledge through a mentoring programme, combating all forms of discrimination and exclusion as well as through promoting female talents to more responsible roles.
Apart from mentoring and promoting diversity, RiiSE aims to eradicate stereotypes, sexism, and sexual abuse - through awareness raising communication campaigns, conferences and workshops.
In 2019, RiiSE implemented an internal communication campaign for the Orbis region whose goal was to break stereotypes related to the professional career of women and men. Moreover, as part of the network, both hotels and offices of the company in the region held meetings and training sessions, of which the two largest took place in Budapest and Bucharest.

EMPLOYEES DEVELOPMENT

[GRI 404-2] Supporting our employees so that they could reach better and better results and broaden their competences formulates on of the foundations of our approach to managing human capital. We have prepared a rich offer of programmes and training for our employees. Selected programmes and their descriptions are presented below:

ORBIS JUNIOR FAST TRACK
programmes preparing talented employees to take on the roles of head departments (in 2019, 19 people participated in such programmes).

ORBIS MANAGEMENT DEVELOPMENT PROGRAMME
a programme for managing career paths in the Orbis Group.

ACCOR BERNACHES AWARDS
an internal programme of the Accor Group which awards personnel and managers whose work, engagement and attitude embody the company's values.

INTERNATIONAL HOSPITALITY MANAGEMENT PROGRAMME

post-graduate studies in hotel industry management for directors of hotels who want to gain experience in the international arena. IHMP is carried out in cooperation with Accor and ESSEC Business School (in 2019, one person completed it).

Our employees' success

The Mercure Warszawa Grand Hotel General Manager received the title of Hotelier of the Year 2019 in the *Hotelarz* magazine competition, in the category Hotelier up to the age of 35.

The Novotel Gdańsk Centrum Hotel with an award of Aleksandra Dulkiewicz, President of Gdańsk, "Socially Responsible Company" - Novotel Gdańsk Centrum received an incredibly valuable distinction of being a Socially Responsible Company - an award for everyday selfless help, exceptional empathy and activities for local communities.

Employee reviews

[GRI 404-3] Employees of the Orbis Group undergo a process of periodic performance review which ends in determining the employee's professional potential and, with regards to his or her competences as well as the results of work, leads to planning further development measures in accordance to the model 70-20-10.

Statistics on employee training

[GRI 404-1] Statistics on training conducted in 2019 are presented below:

Number of average hours of training per employee by gender and employee category* for the parent company Orbis S.A.

	Women	Men	Average by the employee category
Staff	1.12	1.11	1.11
Middle manager	4.20	3.04	3.62
Manager	6.24	4.07	5.15
Average by gender	3.85	2.74	

Number of training hours by countries of operations	
Poland	52,550
Czech Republic	3,763
Slovakia	1,015
Lithuania	735
Romania	108

Hungary	14,091
Total	72,262

*Explanation of employee categories:

- Staff - non-managerial positions
- Middle manager - positions: manager, deputy manager, coordinator, project manager
- Manager - position: director

Society

In the Orbis Group we are aware of the impact we have and may have on our social environment. Considering the nature of our business operations and our position in the market, we have resources that allow for, among other things, raising awareness of the parties around us regarding the issues related to, for example, human rights or climate change. We engage our stakeholders - guests, local communities and nongovernmental organisations, into our social activities. Details on how we communicate with the identified material stakeholder groups are presented in the chapter **About the Group.** The Ethics and CSR Charter constitutes our policy in the social area. More information about the Ethics and CSR Charter is included in the sub-chapter on **Culture, ethics and human rights in the Orbis Group** in the chapter **About the Group**.

COUNTERING CHILDREN AND TEENAGER ABUSE

[GRI 408-1] We counter sexual abuse of children and teenagers. Our policy is based on the Code of Conduct developed by the initiative End Child Prostitution, Child Pornography & Trafficking of Children for Sexual Purposes (ECPAT) - an international network of nongovernmental organisations that aim to eliminate the issue of child prostitution, child pornography and children trafficking for sexual purposes. We remain the only hotel group in Central and Eastern Europe which not only signed the Code but, in the first place, has implemented procedures which protect the youngest ones. By setting a good example, we strive to encourage other hoteliers to take action so that our approach becomes a standard in the industry.

BY BECOMING A SIGNATORY TO THE CODE WE HAVE COMMITTED OURSELVES TO:

- Formulating an internal policy on countering sexual abuse of children
- Periodically training our hotel personnel in the scope of said policy
- Including in supplier contracts a clause informing about the activities undertaken against sex tourism
- Informing tourists via catalogues, brochures, leaflets, spots or websites about the issue of sexual abuse of children and the business engagement in activities aimed at preventing it

- Informing key people in the local environment about policy implemented by the company and to cooperating with local police units, taxi drivers, pub and restaurant owners, etc.
- Annual reporting

100% of our hotels take part in the programme of children protection.

COUNTERING FOOD WASTE

According to the statistics, each year about 1/3 of the produced food is wasted, which results in 1.3 billion tonnes. Food waste has enormous and multidimensional effects. Food waste equals water waste, and water protection has been included in the UN 2030 Sustainable Development Goals Agenda. The phenomenon also has its financial dimension - annual losses in food waste of highly developed and developing countries are estimated at USD 680 and 310 billion, respectively.[6]
Facing the increasing climate crisis, food waste has become one of the material areas that require determined measures - emissions related to food waste represent about 11% of the total emissions of greenhouse gases.[7]

In 2019, as part of our efforts to limit food waste, we started a cooperation with Too Good to Go (TGTG), an international application created to eradicate food waste. Thanks to the Too Good To Go application, users have an opportunity to save from throwing away full-value products or meals by buying them at very attractive prices. Such a small step and a change in the way we think may have an enormous effect on the planet. In November 2018, a pilot programme was launched at the Novotel Warsaw Centrum Hotel and in total 430 meals were saved. For 2020 we plan to expand the cooperation to include other Orbis hotels.
We address the above-mentioned problem not only by perfecting the methods of adjusting procurement to our demands. An ideal example of this is the attitude of Novotel Warsaw Centrum Hotel, which in 2016, as the first hotel in Poland, implemented a programme designed to limit food waste. The hotel's chef started to change the habits of employees and customers. He started with workshops dedicated to kitchen personnel, during which he showed how to cook without wasting food. Afterwards, a process of registering all food waste and the origin of such waste was introduced by using the Winnow system, which serves the purpose of comprehensive food waste monitoring, composed of a set of digital scales and a tablet that is connected to the cloud-based application. Thanks to the Winnow system it was possible to determine that one half of the waste was generated at the restaurant room, i.e. it was generated by guests (unfinished meals, leftovers comprising bones or egg shells), and the other half was generated in the kitchen (peels, cut off parts of vegetables and meat, egg shells, bones, etc.).

Our approach to managing the issue of countering food waste is based on the following model:

[6] http://www.fao.org/home/en/ [10.02.2020]
[7] https://www.worldwildlife.org/stories/fight-climate-change-by-preventing-food-waste [10.02.2020]

- REFUSE (DO NOT BUY) - we eliminate products that generate particularly large amounts of waste from our purchasing orders, e.g. a lot of small and hard to process packaging
- REDUCE - we adjust the size of portions served at the buffet so that the client can first taste the meal and then decide whether or not they want to take another one
- REUSE - we reduce some of the products to compose our meals, e.g. used coffee grounds for coffee cakes or carrot pulp left after squeezing juice for cake
- RECYCLE - we buy food in large packaging and then put it into small containers which can be reused and the original packaging is recycled; for example, yoghurt is poured from a large container into smaller jars, which reduces the amount of plastic waste
- ROT - we set gardens equipped with composting units at our hotels

New Accor Healthy and Sustainable Food Charter

We also are restauranteurs, therefore we are aware that today's food model is not sustainable and requires comprehensive changes. That is why we have committed ourselves to implementing the Healthy and Sustainable Food Chart in order to reach the following 9 targets by the end of 2020 at each hotel operating under a selected Accor brand:
1) decreasing food waste by 30% on average,
2) preferring local suppliers and seasonal products,
3) increasing the selection of Bio products and support ecological agriculture,
4) preferring suppliers who take care about well-being of animals,
5) excluding threatened species of fish and promote responsible fishery,
6) eliminating disposable plastic products,
7) eliminating controversial food additives and lowering the amount of fat and sugar,
8) serving tea and coffee coming from sustainable plantations,
9) meeting diversified nutritional needs. The New Healthy and Sustainable Charter was implemented at the beginning of 2019 and covered all hotels under the Accor brand in the Easter Europe region.

COMBATING SOCIAL EXCLUSION

[GRI 413-1] The topic of improving the conditions of groups excluded from the labour market as well as in a more general social dimension is one of the challenges that companies face in contemporary times. As part of the Ethics and CSR Charter we have applied, a framework of our approach towards cooperation with local communities has been defined. We care about ensuring that people from local communities are given equal opportunities for employment at our hotels. By ongoing monitoring of changes visible in the society structure we are able to adjust our approach to newly emerging challenges, such as activating older people on the labour market or increasing number of employees from outside of Poland on the Polish labour market.

As a Group we operate on an international and diversified market. We adjust the solutions that are the result of the implementation of our values to the conditions existing in individual locations.

Activities in Poland

At the initiative of our employees in Poland, we actively support local communities, among other activities: the Mercure Gdańsk Posejdon hotel cooperated with the Special School in Gdańsk by accepting youth for apprenticeship; the ibis budget Wrocław Stadion hotel participated in collecting money for the Wrocław Hospice for Children - as part of the initiative "ubraniadooddania.pl" (clothes for donation) for each collected and donated kilogram of clothes, extra money was donated; the Novotel Szczecin hotel and the ibis budget Szczecin actively participated in the initiative "Meeting over soup" - by regularly cooking soup for the homeless; the Novotel Katowice Centrum hotel donated bed sheets that were withdrawn from use to the Palliative Care Association "Nadzieja" of the City Hospital in Będzin and to the Charity Association Centrum-Arka from Będzin; the Mercure Wrocław Centrum Hotel is a regular partner of the Matuzalki foundation; the Novotel Gdańsk hotel supports the operations of the "Motława" Senior Club; the Mercure Warszawa Grand hotel donated furniture, bed sheets, among other things, to the foundations: Monar and Habitat Humanity; the Sofitel Grand Sopot hotel supports the Sopotkowo Animal Shelter; the Novotel Warszawa Centrum hotel cooperates with the School for blind children in Laski; the Mercure Kraków Stare Miasto hotel took part in a collection of food supplies and blankets, animal beds and bowls for the Psie Pole animal shelter located near Kraków, the Sofitel Wrocław Old Town hotel cooperated with the Wrocław Hospice for Children, the ibis and Mercure Gdańsk Stare Miasto were Partners of the Polish-French Grand Charity Gala for the Hospice Bursztynowa Przystań in Gdynia; the Sofitel Warsaw Victoria for the 7th year in a row supported the annual charity ball "Gwiazdy Dobroczynności" (Charity Stars), employees of the Management Board Office for the 4th time in a row organised the "Letter to Santa" initiative, supporting children from the day care centre "Mały Książe" in Warsaw.

Activities in Hungary

The Orbis Group actively supports the Hungarian Red Cross. Each year, employees participate in charity marathons Vivicitta and Spar Marathon and donate funds and necessary aid to the Suhanj! foundation which deals with rehabilitation of people with disabilities through sports.

Sponsoring and charity activities of the Orbis Hotel Group are carried out in the countries where the company operates, are implemented in accordance with the established priorities of the company's corporate and marketing communication and are supported by the Ethics and CSR Charter.

[GRI 413-2] Within the area of the Orbis Group operations, there were no identified events that could have potential negative impacts on the functioning of local communities.

OTHER SOCIAL MATTERS

[GRI 201-4] [GRI 415-1] The Orbis Group does not engage in sponsoring of political activities. In 2019, the Orbis Group did not receive financial assistance from state authorities.
[GRI 419-1] In the reporting period, there were no fines imposed on and no proceedings against the Oribis Group related to the socioeconomic area.

We love reading

At the initiative of our employees, in 2019, the Orbis Group took part in an initiative called "Zaczytani" (We love reading).
The initiative promotes reading and social education through conducting a Big Book Collection and opening libraries at wards, medical and social units, in places where a book gains an incredible power. Under the Big Collection initiative, the Orbis Group's hotels collected and donated 10.5 thousand of books in total.

Support for WOŚP

In 2019, the Orbis Group's Hotels supported the Great Orchestra of Christmas Charity (WOŚP), all volunteers were offered free treats at our hotels during the 27th finale of WOŚP.

Natural environment

[GRI 307-1] The Orbis Group's business activity in the hotel industry impacts the environment in a different areas. The most important of them include:

- emissions of greenhouse gases
- energy use
- water use
- effluents discharge
- waste management
- biodiversity

The Orbis Group's policy covering impact on the natural environment is determined by the "Planet 21" programme. The currently applicable policy is planned for the years 2016-2020 and it is a continuation of the policy that applied in the years 2011-2015.

The two fundamental targets determined under the "Planet 21" programme are:

- To decrease food waste by 30% in the period of 2016-2020.
- All newly constructed and renovated buildings in the years 2016-2021 will have a low carbon footprint.

In 2019, there were no cases of breaching environmental protection regulations in the Orbis Group and there were no sanctions imposed on neither Orbis S.A nor companies in the Orbis Group for breaching environmental protection regulations.

CLIMATE CHANGE

[GRI 201-2] Climate change causes phenomena that impact processes taking place in both the natural as well as social and economic environment. It constitutes a material challenge for the tourism and hotel industries. The Orbis Management Board analyses mutual climate change impacts on the Group as well as the Group's operating processes on the dynamics on climate change. Such analyses are conducted in cooperation with Accor and the measures that result from them are implemented in a way that is coordinated with the climate policy of our partner. The Orbis Supervisory Board is also included in the process of assessing the analyses' results.

As a result of the conducted analyses, we identified the following climate change risks which cover possible directions of climate change impacts on Orbis:

Category	Risk	Effects for Orbis	Time horizon	Financial implications
Availability of energy sources	Change of energy producing sources Depletion of rare natural resources reserve supplies	Increase of operational costs	Short-term	High
Sudden weather phenomena	Increase of frequency and/or intensity of sudden weather phenomena	Partial or complete damage of assets and	Short-term	High

	(draughts, floods, storms, hailstorms, hurricanes)	disruption in operating activity Decreased attractivities of selected touristic destinations Guest and employees safety risks Increase of insurance costs		
Changes in legal regulations	Increase of requirements related to energy efficiency of buildings Introduction of new taxes and fees	Increase of costs of new hotels, increase of operational costs for the existing hotels Sanctions for non-compliance with legal regulations	Mid-term	High
Increase of transportation costs	Decrease in number of guests	Decrease in number of hotel guests Substituting visits with other forms of contact (tele-contact, virtual reality)	Long-term	High
Water shortage	Decrease in water supplies, water shortage, water conflicts	Periodic water shortage, increase of costs, new regulations related to using water supplies	Short-term	Middle
Difficulties in food production	Decrease in agricultural crops (efficiency), increase in price fluctuation, species extinction	Increase of food costs, decrease of quality	Long-term	Middle
Biodiversity damage	Extinction of wild plant and animal species	Decreased attractivities of selected touristic destinations	Long-term	Low
Health / epidemic diseases	Increase of temperature, spread of new diseases Facilitated spread, quicker adaptation and mutation of viruses	Decreased attractivities of selected touristic destinations Guests and employees safety risks	Long-term	Low

The impact Orbis has on climate change is, in turn, mainly related to one area - emissions of greenhouse gases as a result of energy consumption at hotels. The Orbis Group monitors its emissions of greenhouse gases annually, and the calculations cover scopes 1 and 2, namely direct and indirect emissions related to the purchased electricity and heat energy. In 2019, the emissions reached 78.2 tonnes of CO_2 and were 2.6% lower comparing to the previous year. Detailed information about this topic is presented in the chapter *Greenhouse Gases Emissions*.

Low-emission buildings are one of the six main objectives of the sustainable development programme Planet 21. This objective defines Orbis strategy in the area of combating climate change. Its implementation contributes to lowering electricity and heat consumption at hotels,

and, as a result, to lower emissions of greenhouse gases related to the Group's operational activity. Detailed information about reducing the use of energy is included in the chapter *Fuels and energy*.

In 2019, Orbis partner, Accor, was in the process of revising its climate strategy due to a transaction of asset separation to AccorInvest company that took place in 2018. Depending on the decisions that may be taken by the investor in 2020, the climate strategy of Orbis Group may also be modified.

FUELS AND ENERGY

Hotels are building that consume energy 24 hours a day throughout the year. Therefore, achieving high energy efficiency of buildings and limiting energy consumption is so crucial for minimising the Orbis Group's environmental footprint. Lower energy consumption and the use of energy from renewable energy sources translate also into limiting the emissions of greenhouse gases.

[GRI 302-1] Use of energy from renewable and non-renewable energy sources

Mwh	Orbis S.A.			Orbis Group		
	2018	2019	Change y/y	2018	2019	Change y/y
Electricity	50,933.0	50,428.7	-1.0%	79,088.4	77,501.2	-2.0%
Heat energy, including:	58,051.1	54,175.0	-6.7%	89,367.4	84,061.2	-5.9%
Heat energy from the municipal heating network	48,996.2	45,790.9	-6.5%	77,176.6	49,091.8	-36.4%
Methane-rich natural gas	9,054.9	8,384.2	-7.4%	12,190.8	34,969.5	+186.9%
Total electricity and heat energy	108,984.1	104,603.7	-4.0%	168,455.9	161,562.5	-4.1%

Due to statutory conditions in Poland, it is not possible to provide detailed proportion of energy coming from renewable and non-renewable energy sources in 2019. In 2018, the proportion of renewable energy in electricity use reached 38%.

[GRI 302-3] [GRI 302-4] [GRI 302-5] Energy efficiency indicators

		Orbis S.A.			Orbis Group		
	Unit	2018	2019	Change y/y	2018	2019	Change y/y
Energy use per room per year	kWh/room/year	32.26	30.77	-4.6%	33.11	31.60	-4.6%
Energy use per guest night	kWh/guest night	30.18	28.49	-5.6%	29.48	28.13	-4.6%

The reduction in the energy use indicators is a result of the systemic measures that have been implemented for 11 years and the decreasing trend is still maintained. The energy use indicators are planned and measured every year. The difference in the indicators between ORBIS Group an ORBIS SA result from diverse climatic conditions.

Fuel use in vehicles

	2018		2019		Change y/y
	Mg	Mwh	Mg	Mwh	
Unleaded petrol	62.3	766.6	43.5	535.3	-30.2%
Gas oil	42.1	502.9	39.5	471.8	-6.2%
Total fuels for vehicles	104.4	1,269.5	83.0	1,007.1	-20.5%

Fuels are used only for Orbis S.A.'s vehicles, thus the values provided above refer to both Orbis S.A. and Orbis Group.

Energy use reduction

In the Orbis Group we place strong emphasis on the controlled energy use in our hotels. This enables us not only to achieve environmental but also financial benefits. We also strive to use renewable energy sources. In our owned newly constructed hotels, we install photovoltaic systems.

Our main activities that minimise electricity use are as follows:

- employing energy saving LED lighting in rooms and open-access areas as well as in emergency and evacuation lighting systems,
- implementing appropriate procedures, e.g. ordering switching off unnecessary light,
- systems that limit power consumption in the areas of gastronomic production,
- installing submeters that allow for accurate settlement with leaseholders of rooms and areas,
- settlements with modernisation and renovation crews for energy use.

Currently, 12 hotels of the Orbis Group generate some of the energy it uses from renewable energy sources, and 46 hotels buy such energy.

In the first years of the implementation of the current "Planet 21" programme, that is in the years 2016-2017, we conducted energy audits at our hotels. Since 2017, we have been implementing measures that respond to the results of those audits. They include, among other things:

- installing CO_2 generators that allow for optimisation of the temperature of hot water and avoiding thermal overheating,
- completing and replacing thermal insulation of heating and cooling installations,
- optimisation of time and temperature of switching on cooling sources,

- gradually replacing devices that are highly energy intensive (3 chillers) with devices with significantly higher energy efficiency.

GREENHOUSE GAS EMISSIONS

Greenhouse gas emissions in the Orbis Group are measures and reported in an annual cycle, in accordance with the methodology developed by Accor that is based on the standards of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard as well as ISO 14064-1:2018.

[GRI 305-1] [GRI 305-2] [GRI 305-5]

Greenhouse gas emissions in Scopes 1 and 2

Mg CO_2e	Orbis S.A.			Orbis Group		
	2018	2019	Change y/y	2018	2019	Change y/y
Scope 1	657.16	567.05	-13.7%	1,691.94	1,543.26	-8.8%
Scope 2	53,678.47	52,610.00	-2.0%	78,623.86	76,652.34	-2.5%
Total Scope 1+2	54,335.63	53,177.05	-2.1%	80,315.80	78,195.60	-2.6%

Significant majority (98%) of greenhouse gas emissions generated as a result of Orbis Group's operations belong to Scope 2 and come from the generation of purchased electricity and heat energy. Emissions in Scope 1 come from combustion of gas for the needs of heating buildings and from the use of fuel in vehicles generate only 2% of total emissions.

In 2019, greenhouse gas emissions in the Orbis Group were lowered by 2.5%, which was supported by lowering (by 2.0%) electricity use and reducing (by 5.9%) the use of heat energy from district heating.

[GRI 305-4] Emissions intensity indicators

		Orbis S.A.			Orbis Group		
	Unit	2018	2019	Change y/y	2018	2019	Change y/y
Scope 1+2 GHG emissions per room per year	Kg CO_2e /room/year	5,979.5	5,710.6	-4.5%	5,875.8	5,581.8	-5.0%
Scope 1+2 GHG emissions per guest night	Kg CO_2e /guest night	15.3	14.49	-5.3%	14.3	13.6	-4.9%

The differences in the emissions indicators between Orbis S.A and the Orbis Group result from both diverse climatic conditions as well as consistent, planned implementation of environmentally friendly tasks by Orbis S.A for 11 years.

WATER AND EFFLUENTS

[GRI 303-1] Water is one of the basic resources used in hotel and gastronomic operations. It is also a resource with constrained availability, particularly in areas with high drought risks that may intensify together with a progress of climate change. Therefore, in the Orbis Group we undertake activities that aim at limiting water use and reasonable water management.

The most important activities that minimise water consumption include:

- application of flow limiters (tap aerators, normilators) in washbasins, showers and rainshowers),
- maintaining the required efficiency of hot water circulations,
- eliminating open circulations in cooling installations,
- regulating and controlling efficiency of water in toilet flushes,
- using rain water and the so-called grey water in toilets and washbasins,
- installing submeters,
- settlements with modernisation and renovation crews for water use.

[GRI 303-3] [GRI 303-5] Water use

M^3	Orbis S.A.			Orbis Group		
	2018	2019	Change y/y	2018	2019	Change y/y
Water derived from municipal water networks	561,183	578,750	+3.1%	901,332	912,189	+1.2%
Water derived from own water intakes	0	0	0%	0	0	0%
Total water use	561,183	578,750	+3.1%	901,332	912,189	+1.2%

[GRI 303-2] [GRI 303-4] A direct result of water use is effluents discharge. In the Orbis Group we strive to limit the environmental impact of discharged effluents by systematic effluents pre-treatment and using ecological products (cleaning products, plant protection products, etc.) which contain lower amounts of chemical substances. It is also one of the criteria we use when selecting suppliers and service providers (this applies mainly to laundry rooms). We popularise practices for green area maintenance and plant protection which limit the use of chemical substances.

Effluents discharge

M^3	Orbis S.A.			Orbis Group		
	2018	2019	Change y/y	2018	2019	Change y/y
Effluents discharged to municipal networks	561,183	578,750	+3.1%	901,332	912,189	+1.2%
Effluents treated in own treatment plants	0	0	%	0	0	%
Total effluents discharge	561,183	578,750	+3.1%	901,332	912,189	+1.2%

RAW MATERIALS AND WASTE

In the Orbis Group we collect waste selectively. Collection of municipal waste is implemented in the waste management system by municipalities (based on declarations submitted in individual localities and is settled at the same level). For this type of waste no waste transfer notes (in Polish: karty przekazania odpadu, KPO) are issued - municipalities consider it as their own property. Other types of waste are collected based on contracts with authorised operators or based on one-off orders. In 2019, KPOs were issued by operators and waste collectors. Our hotels maintain facility waste records (broken down by codes), after the year is finished, they are transferred to SEKA, a firm which verifies them and prepares reports to Marshal Offices.
We are not involved in waste storage or waste utilisation on our own. The mandatory recovery of packaging is done on our behalf by a licenced organisation (until 31 December 2019 Recycling Odzysk Opakowań in Cracow, since 1 January 2020 TOM-DOLEKO-EKOLA Organizacja Odzysku Opakowań SA in Szczecin). Under this contract, we pay the mandatory educational fees.

Reduction of plastic use

The hotels of the Orbis Group implement an ambitious plan to eliminate disposable plastic from hotel rooms and gastronomy. Plastic cups in hotel bathrooms are replaced with glasses, straws are served only if the guest asks for them and stirrers or containers for takeaways are made from biodegradable materials (e.g. paper, corn flour). We are in the process of ongoing talks with suppliers (e.g. laundry rooms) to implement solutions that will allow for limiting the use of plastic in the other parts of the company's supply chain.

ENVIRONMENTAL EDUCATION

The activities limiting the impact on the natural environment implemented in the Orbis Group are complemented with programmes whose aim is to increase environmental awareness of our employees, guests, partners and local communities.

PLANT FOR THE PLANET programme

"Plant for the Planet" is a programme implemented by Accor and Orbis Group which involves planting trees in cooperation with our hotels' guests. We encourage them to use towels and bedsheets more consciously. Using towels and bedsheets more than once enables us to significantly reduce water use, reduce the amount of discharged effluents and used detergents as well as electric energy that is needed to do every-day laundry. The programme also generates financial savings, and 50% of the savings are donated by the Orbis Group to local activities related to planting new trees. This is done under the "Kosztela" project which is implemented together with the AgriNatura Foundation. As part of the project we have implemented over 17,500 fruit trees of traditional types, such as kosztela (apple tree), in

Poland. The planting supports 160 owners of small farms who make a living by producing ecological food. The project has had a positive impact on 645 people.

Moreover, for the third year in a row, the hotels in Wrocław took part in beating "the Green Record of Poland". Together with the dotlenieni.org organisation, the hotels participated in planting trees and bushes: in 24 hours over 20 thousand trees and bushes were planted.
The Orbis Group also undertakes activities to protect biodiversity on the owned grounds and areas adjacent to our hotels by, among other things, raising awareness of our employees and guests on related matters. We also monitor our supply chain in this respects. 90% of our hotels permanently excluded fish species threatened with extinction from the menus of their restaurants.

Protection of Bees

[GRI 304-2] Over 2 million bees are under the care of the Orbis Group's hotels in Poland and Hungary. The hotels of the Orbis Group are co-owners of about 40 beehives. In Warsaw, the Novotel Warszawa Airport hotel has 7 beehives on its rooftop. On the other hand, the ibis hotel family from Warsaw and Łódź – the ibis Warsaw Old Town, ibis Warsaw Reduta, ibis Warsaw Ostrobramska, ibis Warsaw Centrum, ibis budget Warsaw Reduta, ibis budget Warsaw Centrum, ibis Styles Warsaw Centrum as well as ibis Łódź Centrum - since May 2019, has been a co-owner of 3 beehives in the apiary in the Park Traugutta in Warsaw. Bee hotels are painted and marked in accordance with the three hotel brands from the ibis family. Additionally, the Mercure Grand Hotel Warsaw engaged in the project "a bee stop in the city centre" by planting melliferous plants on its rooftops.
The honey produced by the bees in the hotels is served to the guests of ibis hotels for breakfast. In Tricity, the Novotel Gdańsk Marina, Sofitel Grand Sopot and Mercure Gdynia Centrum hotels entered into a cooperation with a beekeeper, who is a member of Beeup.pl, and adopted another 3 beehives that are a home for about 200,000 bees which are taken good care of by a professional beekeeper. The produced honey is not only served to the guests of the hotels for breakfast but it is also sold at the hotel boutiques. Moreover, seven Wrocław hotels of the Group – the Sofitel Wrocław Old Town, Novotel Wrocław Centrum, Novotel Wrocław City, Mercure Wrocław Centrum, ibis Wrocław Centrum, ibis budget Wrocław Południe and ibis budget Wrocław Stadion, decided to sponsor 7 beehives in an apiary located on the outskirts of Wrocław, where each beehive is a bee hotel assigned to a different hotel. A similar project of bee protection was also initiated in Cracow. In June 2019, at the initiative of the ibis Budapest City West, 19 beehives were built on the outskirts of Budapest. Moreover, new menus in the Winestone and Novo 2 restaurant chains for the season autumn-winter 2019-2020 include vegetarian and vegan dishes so that the expectations of all guests could be met. The involvement of the hotel employees in saving bees or introducing vegetarian and vegan dishes to the restaurant menu are only one of 9 commitments of the Healthy and Sustainable Food Charter of Accor and Orbis.

Do Not Clear My Room programmes

We engage our guests who stay with us for longer than a night in the Do Not Clear My Room programme. We encourage them to opt-out from full cleaning of their room (only waste bins are emptied and used cosmetics are replaced), which reduces water and chemicals use in exchange for additional points in the loyalty programme.

About the statement

[GRI 102-45] [GRI 102-46] [GRI 102-48] [GRI 102-49] [GRI 102-54] This Statement (also referred to as Report) includes a statement of Orbis S.A (parent company of the Group) and the Orbis Group for 2019. The statement has been made in accordance with the Accounting Act (Art. 49b and Art. 55 sec. 2b-2e). The statement has been made in accordance with the GRI reporting standard, applying the Core version requirements. In this report, the application of the guidelines of TCFD (Task Force on Climate-related Financial Disclosures) for reporting environmental matters constitutes a change in reporting as compared to the previous years. No restatements are done in this report with regards to the content of the previous reports.

[GRI 102-50] [GRI 102-52] In accordance with the requirements of the Accounting Act of 29 September 1994, the Non-financial Statement of Orbis S.A and the Orbis Group for 2019 covers non-financial information and consolidated data of the Orbis Group and its parent company Orbis S.A for the period of 1 January to 31 December 2019.
[GRI 102-56] This Report has not been externally verified.
[GRI 102-51] The previous Non-Financial Statement of Orbis S.A and the Orbis Group was published at 21 February 2019.

The names "Orbis" and "Orbis Group" in this report refer to both Orbis S.A. (the parent company of the group) and the Orbis Group (in Polish: Grupa Kapitałowa Orbis S.A.; the parent company with all of its subsidiaries). In cases when the presented data or information is different for the parent company and the group, such data or information is explicitly distinguished by the names "Orbis S.A." and "Orbis Group".

[GRI 102-53] In case of any questions related to the Non-financial report, please contact:

Dorota Nowotny

+48 22 829 39 24

dorota.nowotny@accor.com

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Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	56
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Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse has (ghg) emissions, and the related risks.	60, scope 3 emissions are not presented in this report
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	This report does not present strategic objectives divided according to time horizons

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Appendices

DETAILED DISCLOSURE ON EMPLOYEES

[GRI 401-1] Below we present disclosure on new employee hires and employee turnover:

New hires by age group				
	Orbis Group		Orbis S.A.	
	2018	2019	2018	2019
up to 25 years old	464	507	300	340
25-34 years old	377	377	244	224
34-44 years old	207	177	109	91
44-54 years old	131	91	54	47
55+ years old	39	26	13	15

New hires by gender				
	Orbis Group		Orbis S.A.	
	2018	2019	2018	2019
Women	806	711	457	435
Men	488	467	263	282

Employee departures by gender				
	Orbis Group		Orbis S.A.	
	2018	2018	2018	2019
Women	392	438	118	210
Men	219	254	79	124

Statistics on remuneration

[GRI 202-1] [GRI 405-2] In the presented data on remuneration we included data for Orbis S.A. as best reflecting the status of the whole Group:

Average basis remuneration for employees of Orbis S.A in PLN by gender	
Women	4,535
Men	5,182
Average for both genders	4,773

Average basis remuneration for employees of Orbis S.A in PLN by gender by employee category*				
	Manager	Middle manager	Staff	Average

Women	17,615.11	7,547.89	3,984.38	4,534.77
Men	18,826.01	8,612.58	4,357.80	5,181.84
Total	18,250.83	7,959.08	4,120.08	4,773.21

*Explanation of position categories:

- Staff - non-managerial positions
- Middle manager - positions: manager, deputy manager, coordinator, project manager
- Manager - position: director

Statistics on OHS in the Orbis Group

[GRI 403-9] [GRI 403-10]

Data on accidents covering employees under direct employment agreements with the entity

	Orbis Group		Orbis S.A.	
	2018	**2019**	**2018**	**2019**
Total number of accidents	50	57	36	36
Number of severe accidents	18	13	18	13
Number of fatalities	**None**			
Number of deaths caused by illnesses that resulted from working conditions	**None**			
Number of registered illnesses that resulted from working conditions	**None**			

Data on accidents related to people working for the Orbis Group not under direct employment agreements with the entity are not collected.

Other information on employees of the Orbis Group

[GRI 405-1]

Total number of employees by gender

	Orbis Group		Orbis S.A.	
	2018	**2019**	**2018**	**2019**
Women	2,738	2,469	1,814	1,672

Men	1,583	1,514	1,032	1,053
Total	4,321	3,983	2,846	2,725

Total number of employees by age group

	Orbis Group		Orbis S.A.	
	2018	**2019**	**2018**	**2019**
Up to 25 years old	622	627	387	405
25-34 years old	1,465	1,373	951	888
34-44 years old	1,058	954	644	598
44-54 years old	636	674	429	411
55+ years old	540	516	435	423
Total	4,321	4,144	2,846	2,725

Total number of employees by employee category

	Orbis Group		Orbis S.A.	
	2018	**2019**	**2018**	**2019**
Staff	3,568	2,809	2,297	2,264
Middle manager	640	573	480	416
Manager	113	762	69	45
Total	4,321	4,144	2,846	2,725

Due to the conditions of the Polish legal environment, collection of data regarding other diversity factors is not allowed.

Approval for publication

This statement on non-financial information of Orbis S.A and Orbis Group for 2019 has been approved by the Management Board of Orbis S.A.

……
Gilles Clavie
President of the Management Board

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Ireneusz Węgłowski
Vice-President of the Management Board

……
Dominik Sołtysik
Member of the Management Board

Warsaw, 19 February 2020