

**AGORA GROUP**

**2016**

**Non-Financial  
Statement**

31 March 2017



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# AGORA GROUP

## 2016 NON-FINANCIAL STATEMENT

### I. GENERAL INFORMATION

- ▶ This non-financial statement is issued in compliance with Directive 2013/34/UE of the European Parliament and Council of 22 October 2014, amending Directive 2013/34/EU as regards the disclosure of non-financial and diversity information by certain large undertakings and groups, Accounting Act of 15 Dec. 2016, amending Accounting Act of 29 Sep. 1994, Journal of Laws of 1994 No 121, item 591, and the Decree of the Minister of Finance of 25 May 2016 concerning the publication of current and periodic information by issuers of securities and the conditions of acceptance as equal information required by the law of other state, which is not a member state (Journal of Laws of 2016, item 860).
- ▶ [G4-28] [G4-30] This statement was made for the period 1 Jan. 2016 – 31 Dec. 2016, unless indicated otherwise.
- ▶ The statement applies indicators based on the international standards in Global Reporting Initiative, (GRI G-4 and Sector Supplement – Media) for sustainability reporting and, in accounting aspects based on MSSF standard. Also, the definitions and rules concerning non-financial information were based on the following documents, norms and standards: The United Nations Global Compact Principles, ISO 26000 Social Responsibility and Polish Non-Financial Reporting Standard. GRI-G4 indicators are marked with symbols [G4-], with the GRI-G4 index provided at the end of the document.
- ▶ [G4-33] [G4-48] Non-financial statement is a separate part of a company's annual statements approved by the Management Board. The document is not audited externally. Representatives of the Management Board and the managers of relevant businesses of Agora Group were involved with internal verification process.
- ▶ [G4-6] [G4-8] Since it operates predominantly on the territory of Poland, Agora Group does not provide geographic details in the report on its segments.

Agora Group's corporate website address is: <http://www.agora.pl/>, and its recruitment address is: <http://kariera.agora.pl>.

### [G4-3] [G4-7] [G4-13] INFORMATION ABOUT THE ENTITIES OF AGORA GROUP

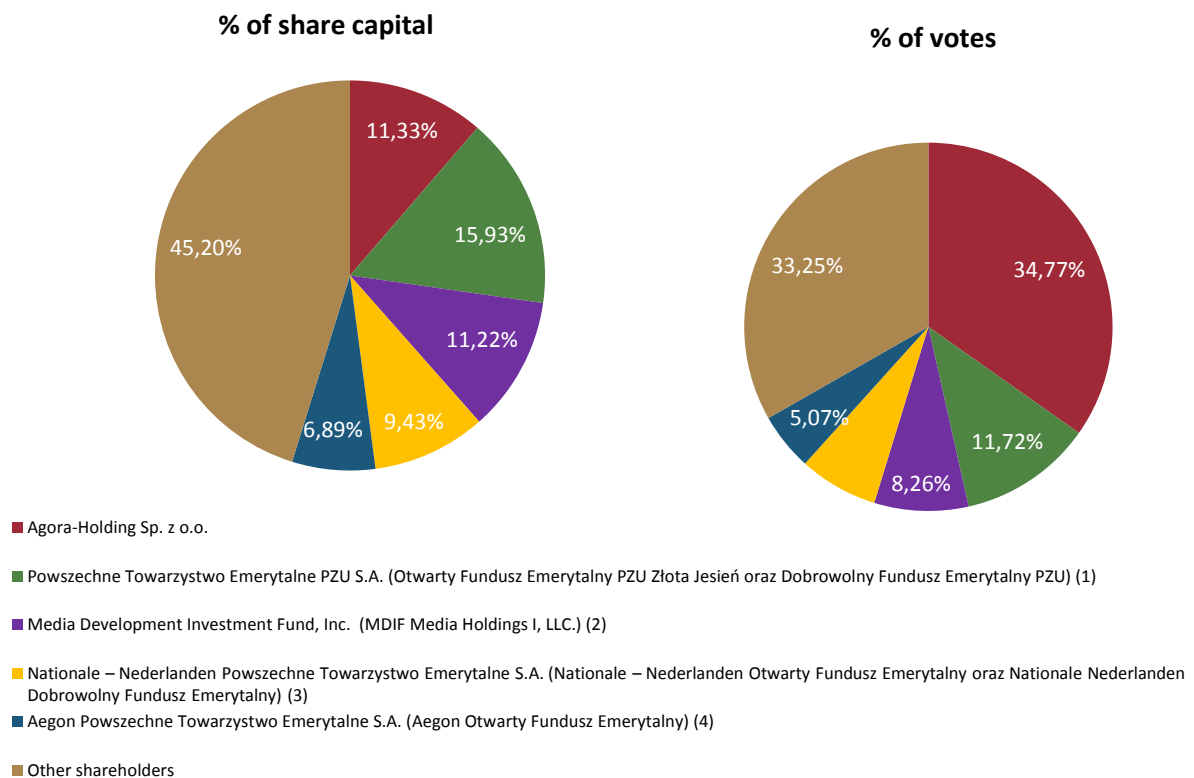
- ▶ Agora Group is one of Poland's leading media organizations. Since 1989, when it was founded as a press publisher, it has been gradually growing and strengthening its position on the Polish media market. Today, it has a network of cinemas, publishes daily newspaper titles, monthly magazines, books and records. It also conducts outdoor advertising, numerous internet, radio and television operations.
- ▶ As of the end of December 2016, Agora Group had 2,979 employees.
- ▶ Agora SA is a share company listed on Warsaw Stock Exchange, in indices: WIG, sWIG80, WIG-MEDIA on the main market, in continuous trading in the Media sector. The company debuted on WSE on 20 April 1999.
- ▶ Due to its broad range of operations, Agora Group includes Agora SA and 19 subsidiaries. Moreover, as of 31 December 2016, Agora Group held shares in jointly controlled entities and associates: Green Content Sp. z o.o., Stopklatka SA, as well as Online Technologies HR Sp. z o.o., Instytut Badań Outdooru IBO Sp. z o.o. and Hash.fm Sp. z o.o.
- ▶ [G4-17] This non-financial statement is part of 2016 consolidated financial statements of Agora Group, include Agora SA and 19 subsidiaries operating in the following segments:
  - Internet: Trader.com (Polska) Sp. z o.o., Warszawa; Yieldbird Sp. z o.o. (former AdTaily Sp. z o.o.), Warszawa; Sport4People Sp. z o.o., Kraków (in liquidation in 2016, removed from the commercial

register on 16 Feb.2017); Sir Local Sp. z o.o., Warszawa; GoldenLine Sp. z o.o., Warszawa; Optimizers Sp. z o.o., Warszawa.

- Printing services: Agora Poligrafia Sp. z o.o., Tychy;
- Film production and distribution: Helios SA, Łódź; Next Film Sp. z o.o., Łódź;
- Radio broadcasting: Grupa Radiowa Agory Sp. z o.o. (GRA), Warszawa; IM 40 Sp. z o.o., Warszawa; Inforadio Sp. z o.o., Warszawa; Doradztwo Mediowe Sp. z o.o., Warszawa; Projekt Inwestycyjny Sp. z o.o., Warszawa (merged with Grupa Radiowa Agory Sp. z o.o.);
- Outdoor advertising: AMS SA, Warszawa; Adpol Sp. z o.o., Warszawa;
- Other operations: Agora TC Sp. z o.o., Warszawa; Joy Media Sp. z o.o., Warszawa; PTA Sp. z o.o., Warszawa; TV Zone Sp. z o.o., Warszawa.

#### [G4-7] [G4-9] [G4-13] OWNERSHIP STRUCTURE

Shareholders who hold minimum five percent of total shares, either directly or through subsidiaries, in General Meeting of Shareholders, as of 17 Feb. 2017



Data based on official statements (as of 9 June 2016):

(1) Number of shares as reported by the shareholder – as of 27 Dec 2012; shares in votes and capital calculated by Agora SA after registered reduction in the company's share capital.

(2) According to a formal statement of 6 June 2016

(3) According to a formal statement of 9 June 2016

(4) According to a formal statement of 7 Dec. 2015

[G4-4] [G4-8] [G4-9] II. BUSINESS MODEL OF AGORA GROUP

## Agora Group in 2016 in numbers

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**#1** **Gazeta Wyborcza - digital transformation leader**

**21 press titles**

**20 regional issues**

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**#1** **Helios - Poland's largest cinema network by number of screens**

**41 cinemas**

**229 screens**

**47 K seats**

**4 films - co-producer**

**8 films - distributor**

**86 books, music records and films on DVD released**

**2 internet shops**

---

**#1** **Gazeta.pl - the most mobile portal in Poland**

**nearly 150 webservices\***

**19 mobile applications\***

\* Entire Agora Group

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**#1** **AMS - leader in OOH advertising**

**26 K advertising panels**

---

**1**

Record-breaking audience of Radio TOK FM and highest daily range of Grupa Radiowa Agory radio stations

**4**

**Radio brands**

**#1**

Success of Stopklatka and METRO - the best in MUX-8

**2**

**television channels**

**3**

**printing plants**

- ▶ **Agora Group** has been present on the Polish media market for over 27 years, operating in the media sector, running complementary businesses bound together by the Agora brand as well as shared values: truth, tolerance, respect of fundamental human rights and helping people in need.
- ▶ Agora SA was founded in 1989 and it has been listed on Warsaw Stock Exchange since 1999.
- ▶ The company's key businesses are: Helios SA – Poland's largest network of cinemas and the owner of NEXT FILM – a film distribution brand, and AMS SA – a leader in outdoor advertising on the Polish market.
- ▶ Agora SA is the publisher of *Gazeta Wyborcza* – Poland's largest opinion daily and the country's leader in the digital transformation of the press. In their press portfolio Agora also holds a number of specialized magazines and periodicals such as *Avanti*, *Logo* and *Cztery Kąty*. Agora also owns three printing houses that print selected titles of Agora as well as books by other publishers. Agora's publications include books, records and films on DVD. Agora also engages in cinema production and is a co-producer of such popular titles as *Bogowie* or *Sztuka kochania. Historia Michaliny Wisłockiej*.
- ▶ Agora Group owns three music radio stations: Radio Złote Przeboje, Radio Pogoda and Rock Radio and holds shares in Radio TOK FM, a national radio with a formula unique on the Polish market.
- ▶ Agora is an important player on the internet market, with internet webservices, popularity leaders in their categories. Some of the dozens of Agora's internet brands are: *Gazeta.pl*, *Sport.pl* and *Tokfm.pl*, available online or via mobile applications.
- ▶ Agora is also present on the Polish television market with METRO, a channel produced with Discovery Polska Sp. z o.o., and Stopklatka TV, launched with Kino Polska TV SA

The primary objective of Agora Group is growth in the media sector within the frame of its mission: deliver to our customers credible information and quality entertainment, and to our partners - effective ways to reach their clients.

## OPERATIONS OF AGORA GROUP

Agora Group conducts business operations in seven segments:



## FILM AND BOOKS

Agora Group is the owner Helios brand, the most modern and fastest growing network of cinemas in Poland, engages in cinema production and distribution (via NEXT FILM), is the proprietor of one of Poland's largest book publishers (Agora Publishing House) and one of Poland's largest platforms selling ebooks and audiobooks (Publio).



cinema in Wołomin.

In terms of number of cinema theatres, Helios is Poland's largest cinema network. As at the end of 2016, Agora had 41 cinemas with 229 screens and ca. 47 thousand seats.

In 2016 Helios network expanded its network by four theatres: in Poznań, Przemyśl, Gdańsk and Tomaszów Mazowiecki, and in February 2017 by a

42 Helios cinemas are currently operating in 36 cities around Poland:

1. Bełchatów	16. Kędzierzyn-Koźle	31. Rzeszów (Galeria Rzeszów)
2. Białystok (Galeria Alfa)	17. Kielce	32. Rzeszów (ul. Powstańców Warszawy)
3. Białystok (Galeria Biała)	18. Konin	33. Siedlce
4. Białystok (Galeria Jurowiecka)	19. Legnica	34. Sosnowiec
5. Bielsko-Biała	20. Lubin	35. Starachowice
6. Bydgoszcz	21. Łódź	36. Szczecin (CHR Kupiec)
7. Dąbrowa Górnicza	22. Nowy Sącz	37. Szczecin (Outlet Park)
8. Gdańsk (Alfa Centrum)	23. Olsztyn	38. Tczew
9. Gdańsk (Galeria Metropolia)	24. Opole	39. Tomaszów Mazowiecki
10. Gdynia	25. Piła	40. Wołomin
11. Gniezno	26. Piotrków Trybunalski	41. Wrocław (Aleja Bielany)
12. Gorzów Wielkopolski	27. Płock	42. Wrocław (Magnolia Park)
13. Grudziądz	28. Poznań	
14. Jelenia Góra	29. Przemyśl	
15. Kalisz	30. Radom	

(as of 31 March 2017)

Online stores that also sell their own titles: Publio, Kulturalnysklep.pl

Mobile apps: Helios and Publio.



In 2016 Agora SA was involved in the production of the following cinema titles:



in 2016

distribution  
of 6 Polish titles

distribution  
of 2 foreign titles

787 thousand  
viewers in Poland  
(as of 31 Dec. 2016)

Wydawnictwo  
Agora  
in 2016

0.9 million  
books sold

60 new book  
titles

19 music  
records

7 film releases

## PRINT MEDIA

- Operations of Agora in the press sector revolve largely around *Gazeta Wyborcza* daily with its weekly supplements, special magazine issues and 12 periodicals. It also operates Agencja Gazeta - a photographic agency.
- Agora is a leader in digital press transformation in Poland. *Gazeta Wyborcza*, Poland's most popular opinion leading daily, was the first to introduce metered paywall. As of the end of 2016 the daily had a little under 100 thousand active paying subscribers.
- Digital transformation is also manifested in the new model of internet presence of Agora's periodicals. Using their titles' popularity, Agora succeeded in implementing effective e-commerce models in their largest webservices Avanti24 and Ladnydom.pl.



- *Mój Biznes. Ludzie – Praca – Innowacje*
- *Duży Format*
- *Ale Historia*
- *Wyborcza TV*
- *Co Jest Grane 24*
- *Tylko Zdrowie*
- *Wysokie Obcasy*
- *Magazyn Świąteczny*
- **Monthly:** *Wysokie Obcasy Extra*
- **Quarterly:** *Książki. Magazyn do czytania*
- **Special editions:** *Psychologia dla rodziców* (Special edition of *Wysokie Obcasy*), special editions: *Na Pamięć*, *Astronomia – Praktyczny przewodnik na wakacje*, *Ale Historia Extra: (Historical tour guide)*, *Ale Polska* and *Prawdziwe zbrodnie*.

Websites: Wyborcza.pl, Wyborcza.biz, Wysokieobcasy.pl.  
Mobile applications: Gazeta Wyborcza, Clou, Książki. Magazyn do czytania, Wysokie Obcasy Extra.

## Periodicals

- *Avanti*
- *Dziecko*
- *Cztery Kąty*
- *Dom & Wnętrze*
- *Ładny dom*
- *Kuchnia*
- *Logo*
- *Magnolia*
- *Świat Motocykli*
- *Niezbędnik ogrodnika*

Websites: Avanti24.pl, Ladnydom.pl, Logo24.pl, Swiatmotocykli.pl, Bryla.pl.  
Mobile applications: Logo24, Ładny Dom, Świat Motocykli.



19 regional issues of *Gazeta Wyborcza* and its main office in Warsaw

Local versions of *Gazeta Wyborcza* appear in 20 of Poland's main cities. *Gazeta* has local issues in: Białystok, Bydgoszcz, Częstochowa, Katowice, Kielce, Kraków, Lublin, Łódź, Olsztyn, Opole, Płock, Poznań, Radom, Rzeszów, Szczecin, Toruń, Wrocław, and Gorzów Wielkopolski-Zielona Góra. *Gazeta Stołeczna* is published in Warsaw.

Until mid-October 2016 Agora published a free daily *Metrocafe.pl* in 18 cities (Warsaw, Kraków, Wrocław, Poznań, Tricity, Katowice, Łódź, Lublin, Szczecin, Bydgoszcz, Toruń, Białystok, Częstochowa, Kielce, Opole, Rzeszów, Zielona Góra and Olsztyn).

Between January and December 2016 Agora published *Pogoda na Życie* monthly, its presence on the market provided marketing support to the launch of Agora's new radio station – *Radio Pogoda*.

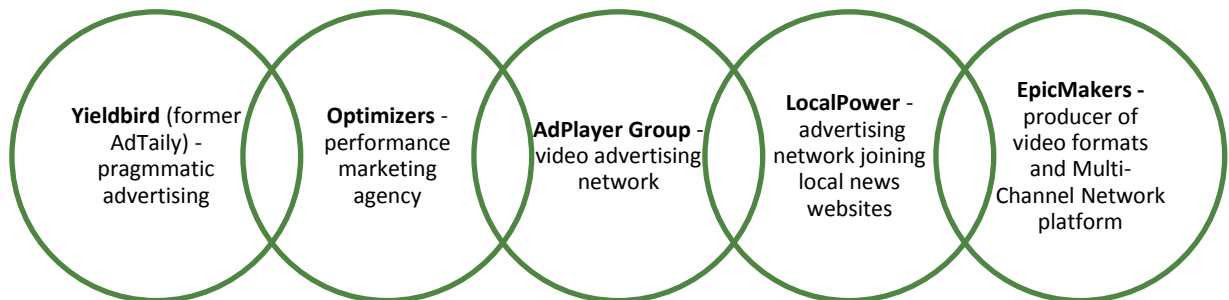


**INTERNET**

Agora also offers internet and multimedia products and services, including several dozens of webservices in Gazeta.pl group, visited monthly by millions of users. Roughly 16.6 million users visited Gazeta.pl webservices in 2016 each month (RU, according to data by Gemius PBI).

<b>News</b> <ul style="list-style-type: none"> <li>• Wiadomosci.Gazeta.pl</li> <li>• Next.Gazeta.pl</li> </ul>	<b>Sports</b> <ul style="list-style-type: none"> <li>• Sport.pl</li> <li>• MyFitness.pl</li> <li>• PolskaBiega.pl</li> <li>• Junior.Sport.pl</li> </ul>	<b>Lifestyle:</b> <ul style="list-style-type: none"> <li>• Kobieta.Gazeta.pl</li> <li>• Zdrowie.Gazeta.pl</li> <li>• Podroze.Gazeta.pl</li> <li>• eDziecko.pl</li> <li>• Ugotuj.to</li> <li>• Moto.pl</li> </ul>	<b>Entertainment</b> <ul style="list-style-type: none"> <li>• Plotek.pl</li> <li>• Deser.pl</li> <li>• Niezwyklye.pl</li> </ul>
<b>Video</b> <ul style="list-style-type: none"> <li>• WideoNews</li> <li>• Haps</li> <li>• Myk!</li> </ul>	<b>Social media</b> <ul style="list-style-type: none"> <li>• Forum.Gazeta.pl</li> <li>• Blox.pl</li> </ul>	<b>Recruitment and advertising</b> <ul style="list-style-type: none"> <li>• GoldenLine.pl</li> <li>• GazetaPraca.pl</li> <li>• Autotrader.pl</li> <li>• Domiporta.pl</li> </ul>	<b>Mobile applications</b> <ul style="list-style-type: none"> <li>• Gazeta.pl LIVE</li> <li>• Sport.pl LIVE</li> <li>• Plotek.pl</li> <li>• Moja Ciąża, Moje Dziecko (including e.Dziecko.pl)</li> <li>• Quiz&amp;Go</li> </ul>

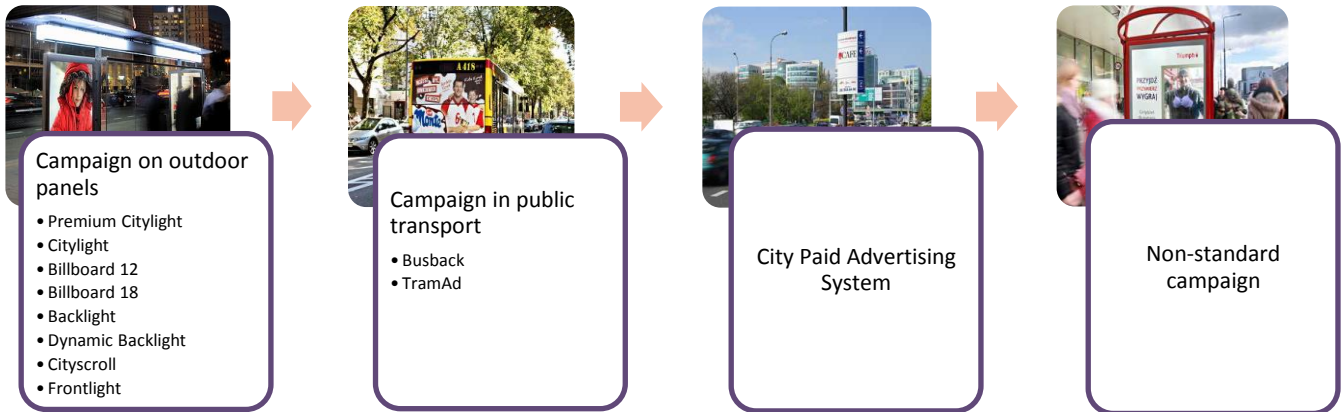
Agora has advertising networks that specialize in different areas of internet advertising:



## OUTDOOR ADVERTISING

AMS businesses (AMS SA and Adpol Sp. z o.o.) provide marketing services in all key segments of the outdoor advertising market.

AMS holds over 36 percent share in total revenues from out-of-home advertising market, monitored by the Polish Commercial Chamber of Outdoor Advertising, and is a leader in the premium segment.



## Radio

Agora Group has local stations and supra-regional TOK FM radio (Grupa Radiowa Agory Sp. z o.o.), as well as Radio w Agora SA, including:

- 23 local stations broadcasting under the umbrella brand Radio Złote Przeboje,
- 4 local Rock Radio stations (7 local stations broadcast since 1 March 2016; in 2015 and in January and February 2016 under the brand Rock Radio),
- 7 local Radio Pogoda stations under (3 stations since 12 June 2015, 4 stations since 31 July 2015, 7 stations since 1 March 2016),
- national station Radio TOK FM broadcasting on 22 urban areas (in 22 July 2016 Radio TOK FM began broadcasting in Bydgoszcz and Rzeszów).

In 2016 (in October-December) Agora radio stations reached its highest daily range in history – 8 percent.



**Mobile applications:** Radio TOK FM, TUBA.FM., Radio Złote Przeboje, Mikrofon TOK FM (since 2017)

## TELEVISION

Agora Group entered the television market in 2014, by launching a film channel Stopklatka TV with Kino Polska TV SA. In 2016 Stopklatka SA reached positive profitability and Stopklatka TV recorded average annual share in the viewership market at 1.06 percent in the commercial group. In 2015 Agora secured a concession for a channel broadcasting a lifestyle documentary and advice content in MUX-8. The channel was launched on 2 December 2016. On 9 December 2016 Agora signed an agreement with one of leading TV brands – Discovery Polska Sp. z o.o. for the production of content for Stopklatka.



## PRINTING SERVICES

Printing services are provided by three offset printing plants located in Warsaw, Tychy and Piła, equipped with printing presses for printing newspapers, magazines and ephemera.

## III. NON-FINANCIAL KEY PERFORMANCE INDICATORS RELEVANT TO THE PARTICULAR BUSINESS AGORA GROUP

### [G4-9] [G4-DMA-EC] BUSINESS STRATEGY OF AGORA GROUP

The main mid-term objectives and business strategy adopted by Agora Group are:

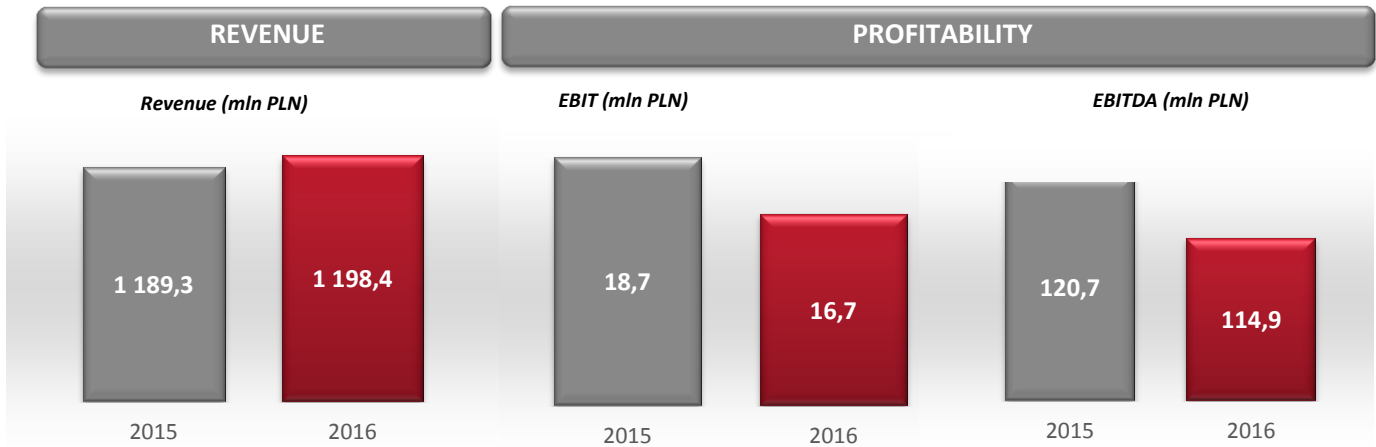
revenue increase

profitability improvement

These goals are to be achieved through:

- effective digital transformation of print media operations,
- building a position on the television market,
- improving profitability of core businesses,
- cost optimization of the group's shared functions and infrastructure.

Agora Group has been successfully driving revenue increase on the dynamically changing media market. Changing style of media consumption has significantly affected the behaviour of advertisers and the shape of Poland's advertising market. In spite of these factors and the changing legal and business environment, in 2016 the revenues of Agora Group increased to PLN 1,198.4 million, and EBIT at PLN 16.7 million was on satisfactory level.



**[G4-EC1] DIRECT ECONOMIC VALUE GENERATED BY AGORA GROUP IN 2016**

[PLN]	2016
<b>Direct economic value generated</b>	<b>1,198,432,364</b>
Revenues	1,198,432,364
<b>Economic value Distributed</b>	<b>1,251,261,357</b>
Operating costs	859,150,873
Payroll and benefits	330,143,477
Payments to investors	36,601,000
Payments to the state	24,629,907
Community investments	736,100
<b>Economic value retained</b>	<b>-52,828,993</b>

Source: 2016 consolidated financial statements, made in accordance with IFRS

- ▶ Revenues are net income from sales.
- ▶ Operating costs are operating costs on core operations minus payroll and benefits, taxes and fees.
- ▶ Payroll and benefits are current payroll and benefits plus reserve for collective lay-offs in 4Q 2016, amounting to PLN 6.9 million.
- ▶ Payments to investors include dividends paid in 2016.
- ▶ Payments to the state are income tax and other taxes and fees.
- ▶ Community investments are only donations made, including the free publication of announcements of NGOs and community projects. Other projects and community activities are included in costs.

**SUCCESSSES OF AGORA GROUP IN 2016**



Source: Gemius Traffic.

4Q2016 data, Source: Radio Track, MillwardBrown SMG/KRC.

**Digital transformation of print media**

- number of paid subscriptions of Gazeta Wyborcza reached nearly 100 thousand in Dec. 2016.
- increased sales of advertising in printed media

**Record revenue from the sales of cinema tickets and record-breaking financial result of Helios S.A.**

**The highest revenue and EBIT in the history of AMS**

**Dynamic growth of revenue in the internet segment**

**Very good start of METRO TV channel Stopklatka TV reaching positive profitability**

### [G4-13] ACHIEVEMENT OF STRATEGIC GOALS

Agora Group’s key strategic goals are expressed through a number of indicators relevant to specific market segments and the stage of development of each business in question. With respect to the digital transformation of print media operations, the strategic goal was determined as the number of active paid subscriptions. In the television segment, the key goal was to build the position of Agora through developing a portfolio of television channels. Financial and technical reach goals were determined for Stopklatka TV, launched in 2014. In the remaining segments of the Group’s operations the objectives were expressed as EBIT or EBIT result.

#### 1. Digital transformation of print media operations

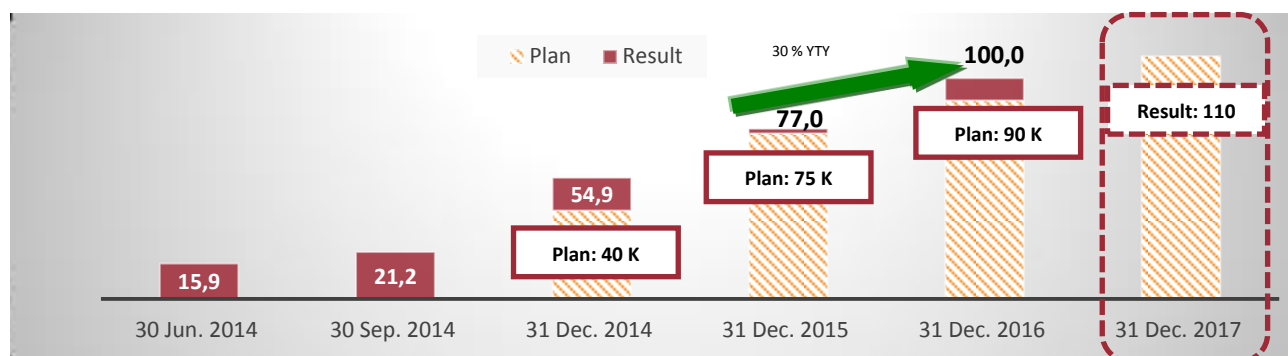
Digital transformation of Agora’s print media has been carried on multiple plains. The key milestone was the launch of a metered paywall by *Gazeta Wyborcza*. On 4 Feb. 2014, *Gazeta Wyborcza*, as the first title in Poland, introduced paid limited access to its digital content.



As of the end of 2016 the number of active paid subscriptions of *Gazeta Wyborcza* reached nearly 100 thousand, surpassing the target for the period. Results reached in this segment are regularly higher than initial targets.

Moreover, the structure of digital subscriptions sales shows as much as 88 percent to be long-term packages.

#### Gazeta Wyborcza pioneer in digital transformation in the press market



Source: Digital subscriptions: publisher’s data, active paid subscriptions – as at 30 Jun 2014, 30 Sep. 2014, 31 Dec. 2014 and 31 Dec. 2015

To speed up the digital transformation of *Gazeta Wyborcza*, its publishing formula was modified to better address the new needs and behaviours of its readers and consumers. *Gazeta* developed and launched a new web service on 17 Oct. 2016. *Wyborcza.pl* met with very positive response from its users and market environment.

A different approach towards accelerating the digital transformation was adopted in the magazines segment. By systematically developing new advertising formats and e-commerce models in the company’s web services, Agora generated higher revenue from the sale of advertising, in spite of the overall shrinking spending on advertising on the print media market. Custom publishing projects are also developed in the magazines segment.



Currently, Agora is entering the next crucial stage in the transformation of its print media business. In this stage, the key objectives are to maximize monetization of the current user base as well as to look at a broader picture of the revenues from the digital part of the business. To achieve that, Agora plans to increase its average revenue from digital subscriptions and internet advertising, both in the services of *Gazeta Wyborcza* and the magazines published by Agora.

**Financial success of Sopklatka TV and success of METRO channel – best in MUX-8.**

*2. Building position on the television market*

Agora Group is currently a co-owner and owner of two television channels: Stopklatka TV and METRO. The former was launched in 2014 with Kino Polska TV SA. In spite of strong market competition, in 2016 Stopklatka TV maintained its second rank among film channels and its share in the 16-49 demographics grew more than the segment average (11.6 vs. 9.1 percent). In 2016 the channel reached a record 1.06 percent average annual market share in the commercial group and 1 percent share in total viewership. Growing viewing figures of Stopklatka TV brought the business positive profitability within less than three years from the channel's launch.

The second television channel in the portfolio of Agora is METRO, which was launched by Agora alone on 2 Dec. 2016 in MUX-8 (eighth digital terrestrial television multiplex). METRO offers lifestyle, documentary and advice content. Since its launch, the channel has achieved very good viewing figures and performs better than other channels in MUX-8. On 9 Dec. 2016, Agora secured a strategic partner Discovery Polska Sp. z o.o., for the development of METRO channel. Currently, Agora and Discovery Polska Sp. z o.o. are working on the division of tasks and business guidelines for the channel.

All 16-49	Average share (%)	Average viewing time (min)
<b>Dec. 2016</b>		
Metro	0.16	0:19:45
Nowa TV	0.14	0:16:56
Zoom TV	0.09	0:14:32
WP	0.06	0:13:47

Source: Agora; based on viewing data provided by Nielsen Audience Measurement

### 3. Improve profitability of businesses portfolio

**AMS – leader in OOH. The best result in the company’s history.**

Objective

increase EBIT margin

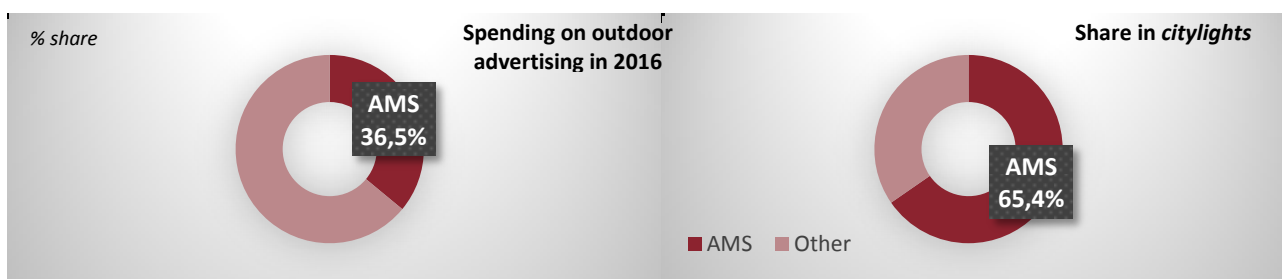
**OUTDOOR ADVERTISING** – both in 2015 and in 2016 achieved EBIT margin surpassed the targets. Total 2016 EBIT reached PLN 24.9 million and it was the highest result in the history of AMS.

AMS is Poland’s leader in OOH segment. Financially, 2016 was a record year for AMS, and the brand was growing faster than market average. The growth resulted from a consistently implemented strategy of investing in street furniture and reducing the share of traditional media in the portfolio. AMS has been actively contributing to urban landscapes, investing in up to date media that blend with urban infrastructure and serve the needs of city dwellers.

14.8% - EBIT margin in 2016  
PLN 24.9 million - EBIT in 2016

8.0-10.0% - EBIT margin target for 2017

Source: Consolidated Financial Statements for 2016, in accordance with IFRS



Source: share in spending on outdoor advertising and the number of displays: IGRZ.

**Record audience figures Radio TOK FM and highest daily range of Grupa Radiowa Agory stations**

Objective

increase EBIT margin

**RADIO** – Agora Radio Group consists of three music stations and a broadcaster with a news&talk profile, unique on the Polish market. In radio operations, the key goal of Agora Group is to improve EBIT margin.

Through expanding the scale of its operations, e.g. broader technical reach, Agora Group’s Radio business has worked consistently towards meeting the targets set to achieve by 2017 and reached them already in 2015.

11.3% - EBIT margin in 2016

12.0-15.0% - EBIT margin target for 2017

Source: Consolidated Financial Statements for 2016, in accordance with IFRS

Agora’s radio stations also strive to gain high presence in the internet, by operating the Tokfm.pl news portal as well as other webservices and applications.

Moreover, Grupa Radiowa Agory is an active player on the market of advertising brokerage, selling advertising services of other broadcasters, and the exclusive broker of advertising in Helios cinemas.

The number of listeners of Agora Group’s radio stations has been growing consistently. In 2016 Agora’s stations achieved the highest technical reach in the group’s history. In 4Q2016, Radio TOK FM reported a record-high growth in audience figures and landed a 2.4 percent audience share.

% share in total audience	1-4Q2016	YTY change (pp)
Agora Group music stations (Rock Radio, Radio Złote Przeboje and Radio Pogoda)	4.0%	0.2pp
Radio TOK FM	2.0%	0.6pp

Source: according to audience share, Radio Track, MillwardBrown SMG/KRC, broadcast cities; January-December: sample in 2015: 83, 940; in 2016: 83,751.

### Record-breaking turnout in Helios cinemas – the best financial result in the history of Helios SA

Objective

increase EBIT margin

**CINEMA AND FILM** – Plans of Agora Group include the expansion of Helios network by more cinemas. The group's long-term ambition is for Helios to become a market leader both in terms of the number of cinemas as well as the volume of sold tickets.

By consistently pursuing its growth strategy and benefitting from increasing cinema attendance in Poland, Helios SA achieved the highest financial result to date. The number of cinema-goers served by Helios cinemas reached over 10.8 million and grew by 15.4 percent in comparison to 2015 result.

7.4% - EBIT margin in 2016

9.0% - EBIT target for 2019

Source: Consolidated Financial Statements for 2016, in accordance with IFRS

In 2016 Helios opened four new cinemas (in Gdańsk, Poznań, Przemyśl and Tomaszów Mazowiecki) bringing the number of cinemas in the network to 41. By the end of 2016 Helios became Poland's largest cinema network, with the highest number of modern facilities.

Agora Group is also involved in film production and distribution (through its subsidiary NEXT FILM). By the end of 2016 NEXT FILM introduced Polish viewers to 23 films and Agora co-produced 13 thereof.

### Gazeta.pl – leader in engaging Facebook users and mobile functionality in Poland

Objective

Increase EBIT

**INTERNET** – The key goal in this segment is consistent improvement of its performance, to be achieved through a dynamic growth of revenue from the sales of advertising and the revenues of GoldenLine and dynamic growth of Yieldbird – Poland's leader in the programmatic advertising, present in 30 countries worldwide.

Operations in this segment aim at capturing a leader position in internet advertising segments with the highest potential, segments that can significantly expand the scale of Agora's business and fuel its profitability.

PLN 23.0 million - EBIT in 2016

PLN 34.0 million - EBIT target for 2018

Source: Consolidated Financial Statements for 2016, in accordance with IFRS

Agora's Internet segment has been expanded by new webservices with special offering for advertisers as well as new video formats tailored to work seamlessly with the social media. Following the adopted strategy, Gazeta.pl webservices are particularly successful in engaging readers and are Poland's number one medium player on Facebook.

New version of popular applications were developed, including Sport.pl LIVE and Gazeta.pl LIVE, thus further strengthening Agora's position of Poland's mobility leader (over a half of Gazeta's users access our portals from mobile devices).

### Three modern printing plants

▶ **PRINTING SERVICES** – The goal of Agora Group is to maintain positive profitability in this business. Print of *Gazeta Wyborcza* (and until October 2016 *Metrocafe.pl*) represents less than a half of the volume of its services. Over a half of the volume of Agora's printing services is done for external clients.

PLN 8.1 million - EBIDTA in 2016

Positive profitability EBIT - goal

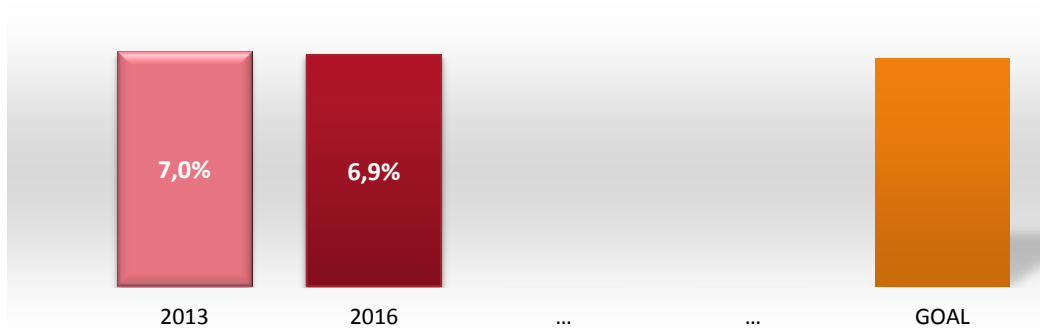
Source: Consolidated Financial Statements for 2016, in accordance with IFRS



#### 4. Cost optimisation of shared support infrastructure and functions

Agora Group aims to consistently reduce the cost of shared functions and infrastructure.

##### SHARE OF SHARED SERVICES IN THE REVENUE OF AGORA'S (EXCLUDING CINEMA BUSINESS) (PRO FORMA)



Source: analysis by Agora, Consolidated Financial Statements for 2016, in accordance with IFRS

Agora is on the right path to reaching its goal of reducing shared costs.

While most of the strategic goals of Agora Group should be achieved by the end of 2018, their progress is monitored and the effects are presented in the Management Board's annual reports. Representatives of Agora also discuss the company's performance in terms of strategic goals with various stakeholder groups, including employees, shareholders, investors and representatives of the press sector.

## Awards

In 2016, the employees of Agora Group received multiple awards and tokens of recognition, in contests and individual and team rankings, on a domestic and international market. The awards include:

### Awards for journalists and photoreporters:

- Grand Press 2016
- Grand Press Photo 2016
- *Kryształowe Pióro* (Crystal Quill Award)
- MediaTory 2016
- BZ WBK Press Foto
- Medical Journalist of the Year 2016
- European Press Prize
- Teresa Torńska Award of *Newsweek*
- Andrzej Woyciechowski Award
- Biagia Agnes Award
- José Ortega y Gasset Award
- Award of the Polish Film Institute
- *Pióro Odpowiedzialności* (Responsibility Quill Award)

### Awards for the teams, projects and companies of Agora Group:

- Grant Front 2016
- Inma Global Media Awards
- Szpalty Roku 2016
- CEE Retail Awards
- Data Journalism Awards
- Employer Branding Stars 2016
- Gdynia Film Festival (films distributed and coproduced by Agora)
- ICTA 2016 – in the category New Build Screen of The Year (Helios cinema in Łódź)
- Award for the Best Commercial Building Design in 1st President of Warsaw Architectural Award w 2016 (Agora headquarters, Czerna 8/10 in Warsaw)

### Advertising Offices Ranking of *Media&Marketing Polska* magazine:

- Tandem Media – leader in the ranking of cinema advertising offices
- AMS – leader among outdoor advertising offices
- Advertising sales team of *Gazeta.pl* – distinction (highest rates) in the category internet advertising
- Advertising sales team of *Gazeta Wyborcza* – second place among advertising offices of daily newspapers.



MEDIATOR



POLSKI INSTYTUT SZTUKI FILMOWEJ



Ranking of advertising sales teams

2016



### [G4-M1] Digital News Initiative

In 2016 the following projects of Agora received funding under Google's Digital News Initiative:

- *Mikrofon TOK FM* is an innovative project of Grupa Radiowa Agory. Launched on 20 Feb. 2017, it is an online platform and application allowing listeners to send their views in audio and contribute to the broadcast of Radio TOK FM in real time.
- Innovative project of *Gazeta Wyborcza* and BIQdata.pl, aims to help Poles understand how big and small policies impact their everyday lives, including their household budgets, education and healthcare.
- Project of *Wysokie Obcasy* under a working title *Women Choose The News* – platform developed only by women, with women journalists from all EU states contributing.

## IV. KEY IMPACTS, RISKS AND OPPORTUNITIES OF AGORA GROUP

Agora Group regularly monitors the risks involved in its current operations. The Management Board and key managers are involved in risk analysis processes, while the Supervisory Board evaluates internal controls, risk management systems and audit function.

[G4-20] Key impact areas were identified through the analysis of the operations of Agora Group and the selection applies to a high degree to all its entities (with the exception of the area: impact related to the specifics of media operations and the media's social role aspect, that is strongly present in the press and internet operations of Agora SA and entities operating in the internet segment) and its environment.

### [G4-2] [G4-19] KEY IMPACT AREAS. OPPORTUNITIES AND RISKS.

#### Key impact areas. Risks and opportunities

##### Economic

##### Aspects

- economic performance
- market presence
- indirect economic impacts

Economic success is the company's business goal, to be achieved through: **revenue increase and profitability improvement**. The company intends to reach these goals by executing four tasks: digital transformation of print media operations, building Agora's position on the television market, improving the profitability of its other businesses and cost optimisation of the Group's shared functions and infrastructure.

The company identified the following risks to the achievement of economic goals:

- macroeconomic risk – dependent on the economic situation at large,
- seasonality of advertising and cinema spending,
- changes in the advertising market structure and the position of individual media in readership, TV and radio audience market,
- changing global media consumption trends,
- risk of changing preferences of consumers and advertisers,
- risk of changing regulations pertaining to the usage of public spaces (so called Landscaping Act), risk of growing costs of outdoor advertising (fees, taxes),
- slower growth of new retail chains, competition from other technologies as a barrier to the growth of cinema operations,
- risk involved in conducting concession-based operations (television, radio),
- financial risk (currency exchange, interest rates),
- risk of abrupt changes in relevant legislation.

The company has a diversified portfolio of complementary businesses, it is present in all segments of the media market (dailies, magazines, internet, cinema, outdoor, radio, television). Agora Group actively monitors and analyses market trends. Changes introduced in each business are intended to drive the company's position on the markets of readership, viewership and audience, which translates into the Group's increasing revenues. Agora Group invests in technical solutions, develops new formats and advertising services and introduces new video formats and innovative outdoor advertising products (*citylight* and *premium citylight*). It has also been consistently expanding its cinema operations. Helios is Poland's largest cinema network, with the largest number of cinemas in the country. The company makes every effort to approach the management of the risks listed above with utmost responsibility. Dedicated teams analyse the market situation and monitor changes in market, legal and macroeconomic environment and regularly update the company's Management Board on the developments.

## Environmental impact

### Aspects

- materials
- energy
- water, effluents and waste
- compliance

Due to the character of its operations, predominantly services, environmental aspects are not perceived by Agora Group as priority risk areas. Nevertheless, the company is aware of the risks associated with its operations, predominantly of its printing facilities (focus on limiting environmental impacts in the relevant locations), cinema operations, outdoor advertising and building administration.

Risks specific to the environmental area are:

- risks related to changing legislation,
- risk of new environmental requirements and standards (applied also to suppliers), including monitoring environmental impact.

Agora SA has introduced Integrated Management System in its printing plants. IMS is based on ISO 9001:2008 quality management standard, ISO 14001:2004 environmental management standard and OHSAS 18001:2007 occupational health and safety management standard. With the policy of consistently pursuing improvement, the company reduced the use of materials in its printing plants while the environmental solutions introduced in Helios cinemas, the company's offices and outdoor advertising panels allow for effective monitoring and management of energy and water consumption.

## Social impact

### Labour practices and decent work

### Aspects

- employment
- labour / management relations
- training and education
- diversity and equal opportunity
- equal remuneration for women and men

Employees are Agora Group's most important resource and a key growth factor. Their qualifications and experience are crucial to the achievement of the company's goals.

Key risks specific to this area are:

- risk of losing key employees and loss of competence,
- employee turnover risk (cost of recruiting new employees),
- risk of unequal treatment of employees (remuneration, training and promotion opportunities, etc.),
- risk of collective grievances and labour - management conflicts.

Among the measures taken to ensure that the company offers an attractive workplace for current and future employees through are employer branding activities. The company has implemented a system of employee assessment and training policy.

In 2016 Agora introduced a remuneration policy for Agora Group's key managers. On 8 March 2017 the company signed the Diversity Charter. Agora is committed to maintaining good relations with its employees and solving problems as they come. Both the Council of Employees as well as the trade union have the competence of advisory bodies and are regularly consulted by the Management Board. The company introduced solutions (policies, procedures, codes) that regulate areas relevant to the risks of undesired behaviours such as discrimination or mobbing.

## Human rights

### Aspects

- non-discrimination
- freedom of association and collective bargaining

Agora Group also has internal solutions in place: policies, rules and codes, that regulate issues related to the protection of human rights and monitors their application on a regular basis.

Key risks specific to this area are:

- risk of unwanted behaviours (discrimination, mobbing),
- risk of reduced or no freedom of association and collective bargaining, violation of human rights among Agora's suppliers.

Agora Group has an anti-discrimination and anti-mobbing policy and a protocol for reporting on incidents of undesired behaviours, that protects individuals who report on such incidents. In relation to the implemented internal solutions, Agora Group plans to deliver human rights training schemes to their employees and issue relevant communications to their business partners and suppliers.

## Anti-corruption

### Aspects

- preventing corruption
- public policy
- anti-competitive behaviour
- compliance

Poland ranks 29 on *Transparency International Corruption Perception Index 2016*. The country's low position indicates that corruption in businesses operating on the Polish market is serious issue and requires special attention.

Key risks specific to this area are:

- risk of corruption and abuse (also among suppliers and business partners),
- risks involved in relations with business partners and suppliers.

Agora Group has procedures and regulations in place to minimize the above risks. Additionally, the company is working on organizing and codifying them into an internal code of ethics and a system of training sessions. The media of Agora Group observe the principles of independence and transparency. Hence, the entities of Agora Group do not provide direct financial support to political parties, politicians or similar organizations.

## Product responsibility

### Aspects

- marketing communications
- customer privacy
- compliance

Key areas of product responsibility relevant to Agora Group are marketing communications, complaint procedures and protecting customer privacy and personal information.

Key risks specific to this area refer to:

- breaches of law or voluntary internal regulations relevant to the above aspects, such as data leaks or unauthorised use of data or content. Risks involved in such situations are financial (fines, penalties) and reputational.

Internal regulations and voluntary codes of conduct address the issue of product responsibility. Agora's responsible approach to this aspect is further confirmed by implemented safety and personal data protection policies and the procedures and regulation such as Code of Best Practices in Customer Service.

### Local communities

#### Aspects

- marketing communication
- customer privacy
- compliance

Supporting local communities in all locations where the company conducts its operations and involvement in social, cultural, sports and charity projects are the key activities in the social impact area.

Due to the number of initiatives in the area, the company faces the following risks:

- lack of transparency in the distribution of funding,
- failure to do due diligence in choosing social partners,
- risk of conflicts of interests,
- risk of insufficient returns on invested resources.

Agora Group has codified its social and sponsoring policy. The document outlines the directions and principles of the company’s activities in the area of social responsibility. Development, delivery and evaluation of Agora’s social projects must meet the criteria of involving stakeholders and forming cross-sectorial partnerships.

### Media sector – specific impact

#### Aspects

- role of media in the society

Mass media play a crucial role in informing and driving opinions in the contemporary world. Social and economic change is accompanied by transformations in the mass media and dynamic development of social media.

Challenges to contemporary media:

- manipulation of communication ('post-truth'),
- information source reliability,
- independence,
- transparency,
- reliability.

Sector-specific risks:

- lack of transparency,
- loss of public trust.

Agora Group sets great store by the principle of journalist integrity and reliability of information content. The company has an internal code - Agora’s Charter, as well as other internal and external regulations to ensure these principles are upheld.

### [G4-2] AGORA GROUP’S SUSTAINABILITY GOALS FOR 2017

- In relation to its socio-economic context, Agora Group identified the following sustainability goals for 2017

<p style="text-align: center;"><b>Economy</b></p> <ul style="list-style-type: none"> <li>• analyse market trends and monitoring of Agora Group's economic performance against adopted strategic goals.</li> </ul>	<p style="text-align: center;"><b>Environment</b></p> <ul style="list-style-type: none"> <li>• continue environmental activities, environmental audit in the Company's HQ.</li> </ul>	<p style="text-align: center;"><b>Employees</b></p> <ul style="list-style-type: none"> <li>• increase employees' awareness and knowledge of anti-discrimination and anti-mobbing issues.</li> <li>• sign Diversity Charter</li> </ul>
<p style="text-align: center;"><b>Ethics</b></p> <ul style="list-style-type: none"> <li>• structure the Company's anti-corruption procedures and policies into a formal Code of Ethics and monitoring mechanisms.</li> </ul>	<p style="text-align: center;"><b>Services and products</b></p> <ul style="list-style-type: none"> <li>• monitor aspects of marketing communication, compliance and the protection of customers' personal data.</li> </ul>	<p style="text-align: center;"><b>Society</b></p> <ul style="list-style-type: none"> <li>• increase the effectiveness of social activities.</li> <li>• expand involvement in social projects initiated by Agora Group by more of the Company's media and brands.</li> </ul>

### [G4-45] [G4-46] [G4-47] RISK MANAGEMENT

Agora Group's Supervisory Board and Management Board analyse the market situation and risk factors on a daily basis. New projects are scrutinized and evaluated. The Group maintains high liquidity and low level of debt, which reduces the financial risk. The group adapts its operations to any changes in relevant regulations.

### [G4-45] [G4-46] [G4-47] INTERNAL CONTROLS AND RISK MANAGEMENT SYSTEMS

Agora Group has internal control and risk management systems currently in place. The main elements of the internal control system are components of the Group's business processes:

- procedures and by-laws regarding, inter alia: delegation of the rights and decision authorization, evaluation of the business projects, registration and processing of business transactions,
- reporting and transaction control of the processes and results of Agora Group's operations in each business sector,
- controls in the IT systems supporting execution of the business processes and monitoring activities of the system itself.

The executive personnel carries their respective tasks the internal control system and continuous supervision over its effectiveness as part of managing the Group's businesses. Moreover, the group has Internal Audit department, supervised by the President of the Management Board. Internal Audit Department formally identifies risks in the area of internal control and security and recommends to the Management Board measures to reduce the risks when applicable.

Supervisory Board holds regular meetings with the International Audit Department, to discuss the contents of reports on selected operations and decide on specific measures. In 2016 representatives of Supervisory Board met five times with the Internal Audit Department. The Supervisory Board works with Internal Auditor to develop a plan and detailed schedule of activities for the coming year. According to the Supervisory Board, Internal Auditor receives enough information to fully diagnose key areas of risk to the company as well as recommend measures to best address these risks.

Internal Audit Department also supports the governing bodies in monitoring systems effectiveness through regular assessment of selected areas of the company's operations in order to eliminate potential risks.

#### **Agora Group's risk management system comprises:**

- internal controls system,
- permanent, multistage supervision of the Management Board and executive personnel over particular business activities,
- evaluation of the risk factors for the execution of the particular business goals arising from the strategy accepted by Management Board is undertaken, on the daily basis,
- changes in the procedures for addressing identified risks.

Rather than a Compliance Department, Agora has a dedicated corporate matters team, reporting directly to Agora Group's General Counsel.

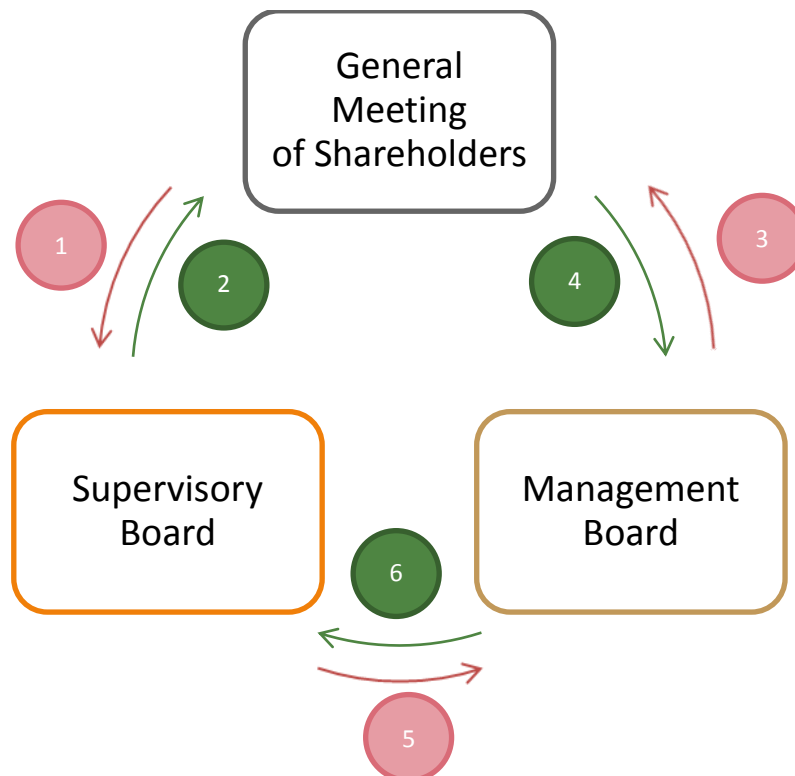
## V. RESPONSIBLE BUSINESS IN AGORA GROUP

Agora Group has adopted a comprehensive approach to responsible business, understood as all activities that translate into the company's positive impact on its environment and eliminate non-financial risks to its operations. The company's responsible business principles are expressed in the policies, by-laws and codes as well as organizational culture, principles and values shared within the group.

### CORPORATE GOVERNANCE

Corporate governance is among crucial aspects regulating the operations of Agora Group. The company's governing bodies are: Supervisory Board, Management Board and General Meeting of Shareholders. Competence scopes and codes regulating the operations of the governing bodies are detailed in the organization's Statutes (Statutes available on the website [agora.pl](http://agora.pl) ([link](#)) and in the Supervisory Board and Management Board by-laws.

#### [G4-34] GOVERNANCE STRUCTURE



1. General Meeting of Shareholders elects members of Supervisory Board. Approves performance of Supervisory Board
2. Supervisory Board is evaluated by GMS annually and is authorised to convene GMS.
3. Management Board is evaluated by GMS annually and is authorised to convene GMS.
4. GMS grants approval of the Management Board's performance and elects its members.
5. Supervisory Board supervises Management Board.
6. Every quarter Management Board submits to Supervisory Board a detailed report on the situation of the company and Group.

#### [G4-34] [G4-38] GENERAL MEETING OF SHAREHOLDERS

General Meeting of Shareholders of Agora SA is convened and operates in accordance with the procedure and the rules provided for in the Commercial Companies Code. It approves the company's financial



statements, decides about profit distribution or covering the loss, approves the performance of the members of the company's governing bodies. The operations of the General Meeting of Shareholders are regulated by §§ 13 - 17 of the company's Statute and By-laws of the General Meeting of Shareholders. The company announces the dates of the general meetings of shareholders in accordance with the relevant law, i.e. by the means of the regulatory filing and on the group's corporate website.

#### [G4-34] [G4-38] SUPERVISORY BOARD

The Supervisory Board of Agora Group consists of five to six members. The Board's exclusive competences include setting the compensation of the Management Board, selection of the company's auditor and approval of related party transactions. All transactions with affiliates must receive consent of the independent members of the Supervisory Board. The Supervisory Board of Agora meets at least once a quarter. The Supervisory Board elects two committees: Audit Committee and Human Resources and Remuneration Commission. Among the responsibilities of the Supervisory Board are publishing annual concise evaluation of the situation of Agora's and Reports of the Supervisory Board of Agora SA on its activities. The documents are available on the organization's corporate website ([link](#)).

As of the day of publication of this statement Supervisory Board of Agora Group had six members:



**Andrzej Szlęzak**  
Chairman of the  
Supervisory Board



**Wanda Rapaczynski**  
Member of the  
Supervisory Board



**Anna Kryńska-  
Godlewska**  
Member of the  
Supervisory Board



**Tomasz Sielicki**  
Member of the  
Supervisory Board



**Dariusz Formela**  
Member of the  
Supervisory Board



**Andrzej Dobosz**  
Member of the  
Supervisory Board

- ▶ [G4-39] The function of Chairman of the Supervisory Board is separated from the post of Managing Director, in the case of Agora SA – President of Management Board.

#### [G4-40] *Nomination and selection of Members of the Supervisory Board*

- ▶ Members of the Supervisory Board are elected for the common three-year term of office. The current term of office of the Supervisory Board runs from 2016 through to 2019.
- ▶ Members of the Supervisory Board are nominated by the General Meeting of Shareholders.
- ▶ Candidates can exclusively be nominated by shareholders who hold preferred series A shares or shareholders who documented their entitlement to no less than 5 percent of the votes at the last shareholder meeting before the nomination of candidates, and who at the time of the nomination hold not less than five percent of the share capital of the company.
- ▶ Candidates are nominated in writing not later than seven days prior to the general meeting of shareholders. Each nomination should include a personal profile of the candidate as well as the grounds for the nomination, including an overview of such candidate's professional qualifications and experience.
- ▶ A written consent of the candidate should be appended to each nomination.

#### [G4-41] *Avoiding and managing conflicts of interests*

The Supervisory Board makes every effort to avoid conflicts of interests among its members during their time in office. Both in the process of selecting members and throughout their term in office, Supervisory Board Members are obliged to inform the remaining members about, and abstain from discussions and

voting on matters that might lead to a conflict of interests. Such situations are regulated in the Resolution of the Supervisory Board of 14 May 2003 on the responsibilities of the Supervisory Board and performing the mandate of member of the Supervisory Board.

*[G4-40] [G4-41] Independence principle*

At least half of the members of the Supervisory Board must satisfy the following requirements:

- is not an affiliate of the company (except for being a member of the company's Supervisory Board) nor is an affiliate of an entity controlling or controlled by Agora Group,
- is not related to, or of kin to a second degree, to an employee of an entity included in the Agora Group.

Under the company's Statute, at least half of Supervisory Board Members must satisfy the independence condition. Currently four out of six Members of the Supervisory Board of Agora SA satisfy this condition. One of the Supervisory Board members (Wanda Rapaczynski) holds one share (with nominal value at PLN 10,427.84) in Agora-Holding Sp. z o.o., entitled to 33.5 percent of the total number of votes at the General Meeting of Shareholders of Agora SA. The stake held by the member of the Supervisory Board constitutes 16.67 percent of the share capital of Agora-Holding Sp. z o.o. and entitles her to 16.67 percent of total votes at the meeting of shareholders of Agora-Holding Sp. z o.o. Another member of the Supervisory Board (Anna Kryńska-Godlewska) is the Investment Manager and Board Member of the Media Development Investment Fund in New York, which holds 11.22 percent of the share capital of Agora SA, which entitles the fund to 8.26 percent of the votes at the General Meeting of Shareholders.

*[G4-45] [G4-46] [G4-47] Reviewing the organization's situation and the effectiveness of its risk management processes*

The Supervisory Board performs annual assessment of the situation of the company and presents it at the annual general meeting of shareholders. The annual assessment includes the evaluation of internal controls, risk management, compliance and internal audit in Agora Group and the evaluation of the company's social responsibility and sponsoring policies adopted by Agora Group.

*[G4-45] [G4-46] [G4-47] Role of Supervisory Board in risk management*

The Supervisory Board elects Audit Committee from amongst its members. The competences of the Audit Committee include monitoring the following:

- financial reporting of the company and Agora Group and auditing activities,
- internal controls, audit and risk management systems,
- independence of external auditors.

**[G4-34] [G4-38] MANAGEMENT BOARD**

The Management Board of Agora SA may comprise three to six members. The Management Board operates according to the rules set out in the company's Statute and its By-laws. Members of the Management Board meet regularly once a week. All the decisions of the Management Board are taken collectively. However, each member of the Management Board personally manages relevant areas of the Group's operations. Remuneration of members of the Management Board comprises fixed salary and annual incentive bonus granted by the Supervisory Board and related to the group's results.

- ▶ The Management Board is elected for a five-year term. Current term of office is 2013-2018. In 2016 Management Board of Agora Group consisted of: Bartosz Hojka (President of Board), Tomasz Jagiełło, Grzegorz Kossakowski and Robert Musiał.



Bartosz Hojka  
President of MB



Tomasz Jagiełło  
Member of MB



Grzegorz Kossakowski  
Member of MB



Robert Musiał  
Member of MB  
(until 28 Feb. 2017)

On 17 Feb. 2017 Robert Musiał stepped down from the office of Management Board Member. In his place, MB elected kooptacji Agnieszka Sadowska who assumed her duties as MB Member on 1 March 2017.



Agnieszka Sadowska  
Member of MB  
(from 1 March 2017)

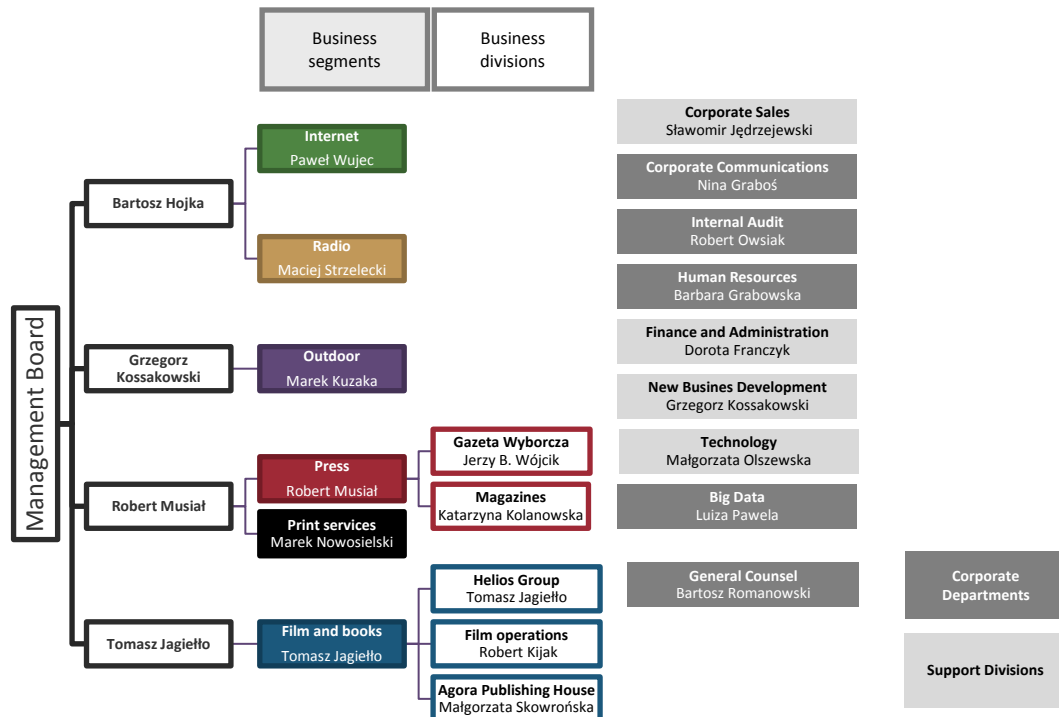
#### *[G4-40] Nomination and selection of Members of the Management Board*

- ▶ The Management Board is elected by the General Meeting of the Shareholders. The Management Board may elect by co-option not more than two additional members; the co-option of additional members is effected by a resolution of the Management Board.
- ▶ The majority of members of the Management Board should be Polish citizens residing in Poland.
- ▶ Members of the Management Board are appointed for a period of joint term and may be re-elected.
- ▶ Candidates for the Management Board can be nominated exclusively by shareholders holding preferred series A shares, and following the expiry of the preferred status of all such shares, by the Supervisory Board, with the provisions regarding nomination of members to the Supervisory Board also applying to nominating members to the Management Board.
- ▶ Members of the Management Board may elect the president or persons performing other functions among themselves.

#### *[G4-40] [G4-41] Non-competition policy*

Members of the Management Board are bound by a non-competition clause. In particular they cannot engage in any competitive business or participate in such business as its participant, a shareholder or member of its governing bodies. The clause remains binding in the case of the termination of the employment of the Management Board member who is entitled to a compensation determined by the Supervisory Board.

**[G4-34] ORGANIZATIONAL STRUCTURE OF AGORA'S IN 2016**



**[G4-DMA-LA] [G4-DMA-HR] [G4-LA12] DIVERSITY AND REMUNERATION POLICIES APPLIED TO THE SUPERVISORY BOARD AND MANAGEMENT BOARD**

**Diversity and experience among the members of the Supervisory and Management Boards**

Diversity policy was introduced in Agora Group in 2016. The main idea behind it is to create a workplace free from discrimination, one that attracts and employs the best experts, and cares for its team's development. In this manner, the company wants to support the implementation of its strategy to the best of its abilities and to offer the highest-quality products and services to its consumers. As a token of its commitment to the above causes, on 8 March 2017 Agora signed the Polish Diversity Charter.

**Gender structure in the governing bodies of Agora SA**

As of end of year	Men		Women	
	2016	2015	2016	2015
<b>Management Board</b>	<b>4</b>	4	<b>0</b>	0
<b>Supervisory Board</b>	<b>4</b>	5	<b>2</b>	1

Agnieszka Sadowska joined the Management Board of Agora SA in March 2017

**[G4-43] [G4-44] Evaluation of expertise and experience of the members of Supervisory Board and Management Board**

Processes for evaluation of the expertise and experience in economic, environmental and social topics among the members of the Supervisory and Management Boards:

- Individuals / bodies that nominate members of the Supervisory Board and Management Board do so for the good of the company and its interests. Hence, they base their choice of candidates on their relevant expertise and experience in economic, environmental and social matters as well as the diversity factor;

- ▶ The six members of the Supervisory Board provide for ample versatility and diversity in terms of professional experience, education, age and gender, etc.;
- ▶ Members of the Management Board who were in office in 2016 have complementary experiences and skills for the management of business operations in various segments. They also represent various educational backgrounds, with degrees from: Silesian, Łódź and Edinburgh Universities, Poznań Academy of Business (currently Poznań University of Economics and Business), Manchester Business School, North-western University, Kellogg School of Management, Warsaw Technical University and Warsaw School of Economics.

#### **[G4-51] [G4-52] REMUNERATION POLICIES FOR MEMBERS OF THE SUPERVISORY BOARD AND MANAGEMENT BOARD**

Detailed remuneration rules applying to the Supervisory and Management Boards are compliant with the laws in force and internal regulations applicable within the company including, in particular the provisions of the Articles of Association, Regulations of the General Meeting and Regulations of the Management Board. Since 2015 Agora Group has also had Remuneration Policy for Agora's Key Managers.

Remuneration Policy for Agora's Key Managers is based on the following rules:

- ▶ When determining and verifying the remuneration for members of the Management Board, the Supervisory Board should take into account experience and effort required to correctly perform the function of a member of the Management Board, the scope of obligations and the responsibility associated with acting as a member of the Management Board as well as the level of remuneration for similar positions offered by other organizations in the market;
- ▶ In order to improve the quality and efficiency of work of the Management Board members, their remuneration is determined by taking into account the incentive factor; thus it comprises fixed and variable components;
- ▶ Detailed principles of remuneration for members of the Management Board are specified in resolutions adopted by the Supervisory Board;
- ▶ The amount of remuneration for members of the Management Board is verified by the Personnel and Remuneration Committee operating by the Supervisory Board.

Remuneration for the members of the Supervisory Board of Agora SA is specified in the resolution adopted by the General Meeting of Shareholders of 22 June 2005.

## APPROACH TO MANAGEMENT – CORPORATE GOVERNANCE

### **Our shareholders:**

*For our shareholders we wish to build lasting value. Our main principle in investor relations is transparency, we are committed to providing equal access to information about the company to all shareholders and investors. In our contacts with shareholders we observe the principal rules of international corporate governance.*

[G4-56] Values of Agora Group

- ▶ Quoted on Warsaw Stock Exchange since 1999, Agora SA understands the importance of the corporate governance rules and their role in enhancing the transparency of public companies. It is therefore committed to observing them in day-to-day operations. The company's efforts to become fully transparent are manifest in its adherence to the Code of Best Practice since 2002. The company regularly publishes best practices reports (Code of Best Practice for WSE Listed Companies In 2016). In 2016 Agora was listed in WIG, sWIG80 and WIG-MEDIA indices.
- ▶ For the sake of maintaining communication between the company and its stakeholders, in particular investors and analysts, Agora develops communication tools and provides them with ready access to information via newsletters, mobile website, Twitter account (@Agora\_SA), mailing of industry-specific reports. Agora also provides investors with the possibility of face-to-face contact with the employees of investor relations department and representatives of the company's Management Board. At least four meetings for investors and journalists are held each year, with the presentations of the company's performance. To provide equal access to information, Agora streams the reporting sessions online. In order to provide investors and analysts with comprehensive data to assess the company's situation, Agora provides them with proprietary market and industry reports. Channels of communication with the market also include collecting investor feedback by Investor Day events, videoconferences and road shows.
- ▶ The company keeps in touch with representatives of the market and, following each key event, collects feedback from investors and analysts, analyses and implements new solutions and instruments to further facilitate communication with the market.
- ▶ The company provides swift response to questions posed by individual investors. Investor relations are an element of building the company's value on the capital market. Liquidity and investors' interest in the company's shares are a direct result of Agora's diligence in ensuring model investor relations. The company also continuously monitors traditional and social media and answers questions from the media, investors or analysts.
- ▶ With the solutions listed above, Agora is perceived as a transparent company and there is an evident increase in the activity of its shareholders, investors and analysts, who have easy access to current and historical information about the company. Communications instruments applied by the company provide for speedy exchange of information and ensure equal access to information to all stakeholders.
- ▶ Agora shall continue these activities in the coming years, developing communication tools to address the needs expressed by its stakeholders and to adapt to market trends, thus striving to increase communications standards on the Polish capital market.

Investor relations section on the corporate website of Agora SA [link](#)

*Good practices – corporate governance – Agora Investor Day*

Front page of *Gazeta Wyborcza* commemorating Agora Investor Day

On 17 March 2016, the main office of Agora Group hosted Agora Investor Day. Attendees included representatives of the capital markets whose work involves analysing the results of Agora Group. The main idea behind the event was to show the company's non-financial face. Analysts invited to attend Investor Day had the opportunity to see Agora's staff at work, watch the daily activities of teams in the company's various media divisions and brands. They could visit locations in the company's building in Czerska 8/10 usually out of limits to visitors and see the most interesting, innovative projects currently developed by Agora Group. The tour included Agora's photo and television studios, radio and internet newsroom, and the studio of Radio TOK FM. During the part of Agora Investor Day dedicated to

Agora's projects, the visitors learned a number of details about the BIQdata project and data journalism, the cutting-edge activities of Yieldbird (former AdTaily), innovative AMS bus shelters and Agora's operations on the television and film markets.

#### [G4-S07] [G4-S08] INFORMATION ABOUT LEGAL ACTIONS AND SANCTIONS

As of 31 December 2016 Agora Group was not subject to court proceedings or any other legal proceedings in over debts or liabilities of total value at least 10 percent of the company's equity.

As of 31 December 2016 Agora Group was not subject to any legal actions for anti-competitive behaviour, anti-trust, monopoly practices or their outcomes.

## LABOUR PRACTICES AND HUMAN RIGHTS

In 2016 Agora Group employed 2979 people (as at end of year). Employees form one of the key stakeholder groups. They represent important capital of Agora and their competences and experience are an important factor in the execution of the company's strategy. Agora Group's approach to labour practices is multi-faceted. The company has internal solutions, policies and codes, to prevent situations when the law, accepted norms and rules are violated, and it strives, as an employer, to build a welcoming and open place of work that offers employees opportunities for development.

***For our employees, we want Agora to be:***

*a place where they can realize their professional ambitions, where the employees are paid well, and the best ones - very well - an attractive employer.*

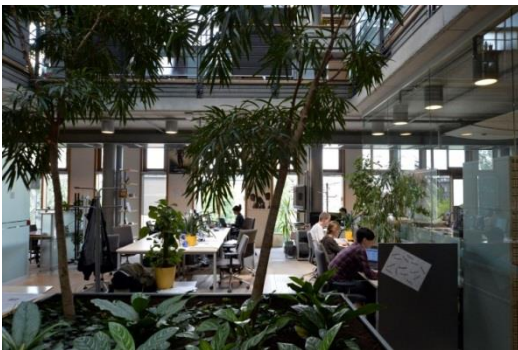
[G4-56] Values of Agora Group

### [G4-DMA-LA] Policies and codes

Agora has internal, structured solutions in the form of documents:

- ▶ Employee Code
- ▶ Remuneration Policy for Agora's Employees
- ▶ Remuneration Policy for Agora's Key Managers
- ▶ Training Policy
- ▶ Anti-discrimination and Anti-mobbing Policy
- ▶ Diversity Policy

The documents regulate all issues related to aspects such as: employment, remuneration, prevention of discrimination and mobbing. They also explain the principle of workplace diversity and define values of key importance to Agora Group.



### [G4-DMA-LA] Workplace

#### [G4-10] Employment at Agora Group

As of end of December 2016 Agora had 2979 contract employees and the number was lower by 25 jobs than in December 2015. The difference was due to the reduced number of employees in Press and Print segments. The dominant type of full-time employment is permanent/indefinite term contract.

### Employment structure in Agora SA by type of contract, employment model, and gender

	Type of contract				Type of employment	
	Substitute	Trial	Fixed term	Permanent	Full-time	Part-time
<b>Women</b>	1.5%	1.5%	7.4%	89.7%	96.3%	3.7%
<b>Men</b>	0.7%	0.9%	5.1%	93.3%	98.3%	1.7%
<b>Total</b>	<b>1.1%</b>	<b>1.2%</b>	<b>6.2%</b>	<b>91.5%</b>	<b>97.3%</b>	<b>2.7%</b>

Source: HR, Company's calculation.



*Employee remuneration and assessment*

In 2016 Agora Group's payroll and payroll related expenses grew by 1.9 percent to PLN 323.2 million.

In 2016 average annual salary at Agora Group grew by 1.1 percent.

Multiple incentive and motivation systems are in place at Agora Group (monetary motivation plants, sales departments' motivation systems, motivation plans for Management Board members, etc.).

In 2016 Agora adopted a **Remuneration Policy for Agora Group's Key Managers**, with an aim to create attractive employment terms, in order to attract and retain qualified employees of crucial importance to the realisation of the company's strategy and its long-term development.



Agora also has an annual performance and career development reviews system that includes all employees, on permanent or fixed-term contract. People employed on a first trial contract or those who have worked for Agora for less than three months are not included. One template is applied to all employees. A simple, brief form, applicable to all positions within the organization, it enables comparisons and use in career planning.

*Agora Group as a prospective employer*

Agora Group launched a special recruitment website for potential employees. [kariera.agora.pl](http://kariera.agora.pl) offers the most important information about the company, interesting facts and the possibility to apply to specific post directly on the website. In 2016 Agora's IT recruitment site KarieraIT.agora.pl was awarded the main prize in Employer Branding Stars contest, in the category Best Career Site in Poland.

*[G4-DMA-LA] [G4-DMA-HR] Employee-employer relations*

Agora Group has two active bodies representing employees: Employee Council and NSZZ *Solidarność* trade union. The Employee Council operates under the Act on informing and consulting employees and an agreement with the Management Board. Council members are elected through popular vote for a four-year term of office. The Employee Council represents the interests of Agora's employees and is a link between them and the Management Board, operating as an advisory and consulting body. Information about the Council is posted on the company's intranet.

*Solidarność* trade union in Agora SA and Inforadio Sp. z o.o. has been active at Agora SA, Inforadio Sp. z o.o., Agora Poligrafia Sp. z o.o., AMS SA, Trader.com (Polska) Sp. z o.o. and Grupa Radiowa Agora's Sp. z o.o. since 12 December 2011. Under the Polish law, management boards of companies with employees represented by active trade unions are obliged to conduct consultations or agree on the matters listed in the regulations, with their trade union.

[G4-11] No collective bargaining agreements are in force at Agora Group.

*Internal communications*

Intranet, dedicated mailing, social media groups are only some internal communication channels at Agora Group. Each new employee takes part in a special *Welcome to Agora* programme that provides them with key information about the company: its history, projects, values, organisational culture and commonly used tools. The employees can also learn about the rules, standards and facilities at their disposal. Other forms of internal communications that have become a tradition are the annual Agora Ball, Christmas party and

sports competitions: skiing races, football competition and Agora Open tennis tournament and Agora Cup sailing race. Moreover, publication of the Group's semi-annual financial reports is the occasion for the Management Board to meet with the employees to discuss key developments and their importance. Videos from these gatherings are also streamed through the company's intranet, which makes them available also to the employees based in locations other than the company's main office in Warsaw. Each meeting is an opportunity to the employees to ask questions to the Management Board, find out about the company's financial and market situation and plans for the future



#### [G4-LA2] Work-life balance

It is crucial for Agora Group to ensure that their employees can maintain a healthy work-life balance. To that end, the company introduced a benefit programme promoting healthy lifestyle and offering its employees a wide choice of pastimes, including sports and cultural activities.

#### [G4-LA3] Return to work and retention rate after parental leave at Agora SA in 2016, by gender

	Women	Men	Total
Number of employees entitled to parental leave	64	35	99
Number of employees who took parental leave	95	28	123
<b>RETURNED TO WORK AFTER PARENTAL LEAVE</b>	<b>64%</b>	<b>89%</b>	<b>70%</b>
<b>REMAINED IN EMPLOYMENT AFTER PARENTAL LEAVE</b>	<b>73%</b>	<b>90%</b>	<b>81%</b>

Source: Calculations of Agora's HR Dept.



In agreement with their supervisors, the employees may choose work remotely and in flexible hours. Among the facilities housed by Agora Group's main office at Czerska 8/10 in Warsaw, are a canteen serving breakfasts, lunches and dinners, Gazeta Cafe, swimming pool, fitness facilities and a sauna. There is also a bicycle and car park.

The company also offers assistance to families with children. Parents receive a parental benefit from the company on the birth of their child.

The company also contributes to the education of their employees' children by covering the cost of school starter kits or subsidizing so-called green schools. Employees of the company can also apply for a refund of the cost of their children's summer camp or of day-care or hiring a babysitter.

*[G4-LA2] Employee benefit programmes*

In 2016 in order to meet the growing expectations of the employees with respect to non-cash incentives, Agora Group launched MyBenefit platform. The employees regularly receive credits that they can exchange for various services. The number of points received by an employee depends on their material situation. Under this programme, the employees have access to a broad range of services: discounts on holidays in Poland or abroad, cinema, concert, theatre tickets, admission to cultural, sports and other events, as well as access to sport and recreational services, services and summer camps for their children, visits in DaySPA or special offers in shops. The offer also contains a MultiSport Card.

Over 80 percent of the employees of Agora Group have used MyBenefit system to buy services at least once in 2016.

In 2016 the company also started a running fund for refunds of entry fees to running competitions, mostly marathons, half marathons or other non-standard long-distance runs (15 km, 30 km) and long ski runs. The idea behind the fund is to support the largest possible group of runners – employees of Agora Group. Each employee is entitled to a specified amount per year. This initiative is also intended to support the *Polska Biega* (Poland Runs) national campaign conducted by Agora's Sport.pl portal.

20 employees applied for refunds from the running fund in 2016.

Agora's employees are also entitled to reduced-price tickets for themselves and their plus-ones in all Helios cinemas around Poland.

*[G4-DMA-LA] Training and employee development at Agora Group*

Fully appreciating the importance of the human factor in an organization and conscious of the fact that training provides employees with knowledge and skills necessary for effective change and process improvement, Agora Group has implemented an employee training policy. The policy specifies the principles of developing and executing training projects, thus allowing for maximizing benefits from the use of these instruments towards the achievement of business goals, employee development and maintaining synergy between training projects conducted in across the organization.

*Good practice – Agora Group – Reader-Friendly Employer*

Agora Group was among the first to join *CzytajPL* campaign and was awarded a title of *Pracodawca przyjazny czytającym* (Reader-Friendly Employer).

pracodawca  
przyjazny  
czytającym

Agora actively promotes readership in the society at large as well as among its employees who are offered: discounts on e-books, audiobooks and press titles in Publio.pl internet bookstore, discount on all merchandise in Kulturalnysklep.pl online bookstore, special prices on books and collections of Agora Publishing House in Gazeta Cafe, reduced price of the digital subscription of *Gazeta Wyborcza*.

Employees of Agora Group made nearly 1400 downloads of the e-books offered to them free of charge under the campaign organized especially for them in December 2016.

**[G4-DMA-HR] Human Rights**

Tolerance and respect for human rights are among the principal values upheld by Agora Group (along with truth and helping people in need). The company is committed to respecting the rights of their employees, customers and business partners. Freedom to assemble (besides the Council of Employees there is an active trade union at Agora Group) and equal treatment of employees (described below) are among the key rules observed at Agora Group.

*[G4-DMA-LA] [G4-DMA-HR] Diversity at Agora Group*

Diversity and openness are values integral to Agora Group's business operations as well as employment policy. At the root of the company's diversity policy lies Agora's Charter that was created together with *Gazeta Wyborcza* and the company.

Employees of Agora Group come from different backgrounds and cultures, exhibit various skills and talents, represent diverse thinking styles and viewpoints and have different life and professional experience. The goal of the Agora Group is to create an organisational culture that guarantees mutual support of all employees in their daily responsibilities. Activities promoting diversity within the organisation help the company create a diverse yet efficient team.

The key capital of Agora Group that determines the organization's economic success is its strong team. Its diversity is one of the key factors fostering creativity, innovation and inventiveness. It is through effectively implemented diversity policies that Agora Group can better gain better understanding of its customers, readers, listeners or consumers of its other services, which allows the organization to meet their needs more successfully.

*[G4-DMA-LA] [G4-DMA-HR] [G4-10] [G4-LA12] Managing diversity*

The diversity management policy at Agora Group is based on overcoming barriers such as age, gender and health status and rooted in the belief that the professional potential of its employees is based on their competences.

Agora has nearly equal numbers of male and female employees and managers (women constituted 46.40 percent and men 53.60 percent). To counter stereotypes associated with age, Agora Group works for establishing dialogue across generations, to facilitate the flow of knowledge. There is a fair share of individuals aged 50+ among the employees (over 14 percent) while the under 30 group is slightly larger (over 15 percent). At over 70 percent, employees between 30 and 50 are the largest group.

**Age structure in Agora SA by region**

Region	Women	Men	Region	Women	Men
dolnośląskie	58.0%	42.0%	podkarpackie	61.3%	38.7%
kujawsko - pomorskie	50.5%	49.5%	podlaskie	63.0%	37.0%
lubelskie	47.6%	52.4%	pomorskie	51.2%	48.8%
lubuskie	50.0%	50.0%	śląskie	51.5%	48.5%
łódzkie	49.4%	50.6%	świętokrzyskie	48.1%	51.9%
małopolskie	51.7%	48.3%	warmińsko - mazurskie	36.0%	64.0%
mazowieckie	54.1%	45.9%	wielkopolskie	25.1%	74.9%
opolskie	43.8%	56.2%	zachodniopomorskie	57.1%	42.9%

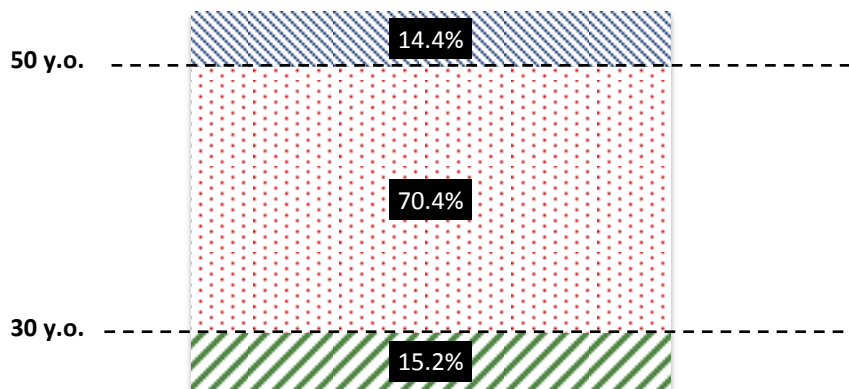
Source: Calculations of Agora's HR Dept. as of 31 Dec. 2016.

**Gender structure in management positions against total employees**

	Women	Men
<b>Total employees</b>		
<b>Agora Group</b>	50.80%	49.20%
<b>Agora SA</b>	51.70%	48.30%
<b>Managers</b>		
<b>Agora Group</b>	46.40%	53.60%
<b>Agora SA</b>	50.10%	49.90%

Source: Calculations of Agora’s HR Dept. as of 31 Dec. 2016.

**Age structure in Agora Group**

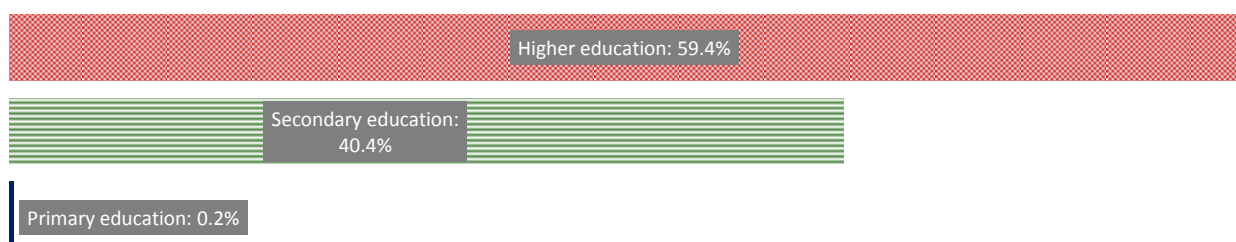


Source: calculations of HR Dept. As of 31 Dec. 2016.

The company is also committed to professional activation of the disabled and employs individuals with varying degrees of disability.

**Share of people with disabilities among the employees of Agora Group as at 31 Dec. 2016 – 3.4 percent**

**Education structure among the employees of Agora Group**



Source: calculations of HR Dept. As of 31 Dec. 2016.

Monitoring diversity indicators is a direct result of the implementation of Agora Group’s policy.

*[G4-DMA-HR] Preventing workplace discrimination and harassment*

Agora Group is committed to preventing discrimination on grounds of age, gender, background, education, political or religious beliefs. Agora was among Poland’s first companies that developed their own policy for preventing workplace discrimination and harassment. Its first version entered into force as early as in 2003. The policy defines workplace as space free from discrimination and mobbing, obliges the company to vigilantly monitor behaviours that might be identified as inappropriate or undesired, and to react accordingly. The policy describes equal treatment as a key principle in employment relations and specifies

forbidden behaviours: direct and indirect discrimination, harassment, mobbing. It also outlines a protocol for handling incidents when discrimination or mobbing is suspected, including reporting on incidents. Unwanted behaviours should be reported to the Head of Human Resources. Every incident of this type is approached individually, with utmost discretion and care to provide protection to the employee reporting the problem.

[G4-LA16] [G4-HR3] In 2016 no incidents related to workplace discrimination or mobbing were reported.

The result of Agora Group consistently pursuing its diversity principles, the company gained the reputation of an employer attracting and recruiting the best talent and fostering the development of their team members. In this manner, the company intends to support the realisation of its strategy and offer the highest quality services to their consumers.

An important part of diversity policy implementation is creating the right atmosphere at work that makes employees feel respected and appreciated and gives them the sense that they are able to develop and fully realise their professional potential.

The company also stands out against other companies as an open employer, which is expressed by wide recognition and awards such as Nagroda Tęczowej Pszczoly (Rainbow Bee Award).

On 8 March 2017 Agora joined the group of Diversity Charter Signatories in Poland.

[Diversity policy at Agora Group – link](#)

### Restructuring of employment in Agora SA in 2016

Dropping spending on press advertising and negative forecasts for future growth of the market caused the Management Board of Agora SA to make a difficult decision to restructure the company. The process involved headcount reduction and closing down *Metrocafe.pl*. In October 2016 the company initiated consultations with the Employee Council and trade unions concerning planned group lay-offs. Pursuant to an agreement signed by the three parties, group lay-offs took place between October and the end of 2016. The number of employees to be laid off was to remain within 190. In compliance with the law, the company passed relevant information to the local Employment Office. 176 employees were given notice or signed contracts changing their employment terms. Discharged employees received more support than required by the law, including such support measures as help in looking for employment and changing careers. Reserve for the cost of group lay-offs amounted to PLN 6.9 million.

**[G4-DMA] [G4-56] [G4-M3] ETHICS IN AGORA GROUP. PRODUCT RESPONSIBILITY**

Agora Group has clearly defined values and principles regarding their stakeholder groups: media consumers/ recipients, clients, employees and shareholders.

The principal values upheld by Agora are:



Agora strives to promote its values in the group's media, as well as by actively upholding them in their day-to-day operations. The company is committed to managing the capital group in a transparent and predictable manner, in all spheres of its operations.

**[G4-15] [G4-16] Agora Group adopted the following internal codes of conduct:**

- ▶ [Code of Good Practice for Press Publishers](#)
- ▶ [Code of Ethics in Advertising](#)
- ▶ [Media Ethics Charter](#)
- ▶ [Code of Best Practice for WSE Listed Companies in 2016](#)
- ▶ [Diversity Charter \(since 8 March. 2017\)](#)

Voluntary regulations are particularly important in Agora's core business, its media operations and responsibility in the advertising segment. Agora makes every effort for the above principles to be upheld to the stakeholders' satisfaction. The company also observes the regulations stipulated in Code of Best Practice for WSA Listed Companies, discussed in detail in the corporate governance section of this report. Internal codes of ethics observed at Agora Group:

- ▶ Agora's Charter
- ▶ Code of Journalistic Ethics
- ▶ Code of Journalist
- ▶ Best Practices in Customer Service Code

To supplement the industry code of values, Agora has its own internal codes that focus mostly on journalism as a profession (Code of Journalistic Ethics and Code of Journalist) They are internal commandments for journalists and editors working in Agora's media. Meanwhile the Customer Service Department has a code of their own, a set of rules regulating interactions with customers. Agora's Charter is a document elaborating on the core values of the company in a form of a code of ethics.

**For our readers:**

*We want to preserve independence, because independent press is an indispensable element of public life and communication between the government and the governed. We want Gazeta Wyborcza to speak to its readers in a language of simple human decency. It is our desire for a reader who wants to escape the wave of hatred, to find a refuge in Gazeta and its language. We want Gazeta Wyborcza to be the newspaper of democratic and reasonable Poland, Poland curious about the world, entrepreneurial, tolerant and open.*

**For our clients:**

*Our goal is to provide excellent quality services for our client's satisfaction. We are committed to building positive and lasting relations with clients. The overriding rule in our interactions with clients is fair conduct in accordance with the highest ethical standards.*

[G4-56] Values of Agora Group

**[G4-DMA-PR][G4-PR2] [G4-PR4] [G4-PR6] [G4-PR7] [G4-M4] RESPONSIBILITY FOR PRODUCTS AND SERVICES**

Agora Group has a portfolio of very diverse products and services. The businesses of Agora Group publish press, develop and manage internet portals, webservices and mobile applications, conduct radio, cinema and television operations, produce and distribute films, deliver advertising and printing services, etc. The company is committed to a responsible approach to products and services it offers. Internal and external regulations (codes, good practices, by-laws) observed by the company ensure high quality of services and products that reach clients and customers.

In 2016 there were no reports of incidents of no compliance with external or voluntary internal codes with regards products' and services' impact on health and safety at every phase of their life. Agora Group does not sell banned or disputed products.

Online and mobile access to the broadcasts the stations of Agora Radio Group as well as to the content published by Agora's newspapers and magazines, allows for increasing the accessibility of the content produced by the company by various groups of recipients.

Good practices in marketing communication disseminated by the company, including advertising, promotion and sponsorship, are determined by the codes adopted and observed by Agora: Code of Good Practice for Press Publishers, Code of Ethics in Advertising, Media Ethics Charter as well as Agora's Charter, Code of Journalistic Ethics, Code of Journalist and Best Practices in Customer Service Code.

In 2016 no incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship, were reported.

*Ranking of Advertising Teams*

High quality of service provided by the company is also confirmed by repeated successes of Agora's advertising sales teams in the ranking of *Media&Marketing Polska*. Agora's teams included in the 2016 report on advertising sales teams were: Tandem Media, sales teams of *Gazeta.pl* and AMS. Also the teams of *Gazeta Wyborcza* and Agora's magazines garnered positive opinions.

Tandem Media debuted as a leader in the ranking in the cinema advertising category. Its growing popularity is linked directly to the robust growth of Helios network. Tandem Media has been the exclusive broker of advertising spaces in Helios cinemas since January 2015. According to the ranking report, the respondents stressed that they felt secure dealing with Tandem Media and their sales representatives provided instant and exhaustive answers to any queries and were open to price negotiation. Tandem Media was also rated high as a broker of radio advertising on key dimensions: trust, flexibility and quick service, which placed them in the middle of the ranking in the radio category.

Advertising office of *Gazeta.pl* was at the top of the general ranking of internet advertising and was singled out by the authors of the report for offering interesting services, including attractive video formats such as Haps and WideoNews. Clients trust the sales team of *Gazeta.pl* and appreciate their creativity.

The team of AMS again was presented as a leader in the OOH category. According to the clients, AMS is close to a perfect partner – swift and efficient, offers excellent deals and has interesting ideas.

The advertising sales team of *Gazeta Wyborcza* was the runner-up in the general ranking of press advertising offices – dailies category. Clients appreciated it for attractive formats and efficiency in crisis situations. Also the team responsible for the sales of Agora's magazines was favourably rated by the representants of media houses, for interesting concepts and solutions and openness to negotiation.

The 2016 survey was conducted in the form of Computer Assisted Telephone Interviews (CATI), between 6 and 18 October, by Kantar Millward Brown. The media sales teams are assessed by a panel of media house experts.



*[G4-M4] Good practice – Kultura dostępna (Accessible Culture) in Helios cinemas*

*Kultura Dostępna* is a systemic solution introduced by the Ministry of Culture and National Heritage in 2015. Its overriding goal is to lower competence and financial barriers, faced particularly by people suffering or threatened with social exclusion. The programme supports initiatives that reduce barriers to participation in culture and raise awareness of the necessity of participating therein. One of the principles of *Kultura Dostępna* is cooperation between different institutions and sectors.

*Kultura dostępna w kinach (Accessible Culture in Cinemas)* is a project of the National Centre for Culture that joined forces with the country-wide Helios network to encourage Poles to watch domestic movie productions in cinemas. With Helios cinemas spread around the entire Poland, particularly those present in small and medium-sized cities, and with affordable ticket prices, the project promotes Polish films and has already recruited a group of regular recipients. Helios is the only cinema network in Poland involved in *Kultura Dostępna* project.

Fifth edition of the programme took place in 2016. Every Thursday, at 6 pm viewers could watch critically acclaimed and award-winning Polish films at an affordable price (PLN 10). A number of domestic titles popular with critics and cinemagoers were selected to be screened in the programme.

Other partners in the programme are: Iluzjon cinema and distributors: NEXT FILM, Kino Świat, Solopan, Vue Movie, Forum Film Poland, Against Gravity and Cyfrowe Repozytorium Filmowe (Digital Film Repository).

**[GR-DMA-PR] [G4-PR8] [G4-PR9] [G4-M4] Customer Privacy**

Agora SA is committed to protecting customer privacy and customer data. To that end, the company adopted a number of regulations: Personal Data Protection Policy, Security Strategy, Security Policy, and Information Security Policy. The goal of Personal Data Protection Policy and related procedures and guidelines is to provide a regulatory framework to ensure that the processing of personal data for Agora Group's operations is fully compliant with legal regulations. Information Security Policy and its by-laws provide regulations for ensuring the security of collection, processing and transfer of information within Agora SA and compliance with relevant data protection laws.

Relevant regulations for Agora's web portals and mobile applications are: Rules of Using Webservices of Agora SA, Privacy Policy and Privacy Policy in Mobile Applications and other internal codes and regulations.

To ensure compliance with the policies listed above, the company appointed Data Protection Inspectors and Data Protection Committee.

- ▶ In 2016 no justified complaints regarding breaches of customer privacy and losses of customer data were recorders at Agora SA.
- ▶ In 2016 Agora SA was not obliged to pay any significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.

## [G4-M] [G4-M3] ROLE OF MEDIA

The operations of Agora Group's media are firmly rooted in the values and principles stated in the company's codes of conduct, in particular the voluntary internal codes: Agora's Charter and Code of Journalistic Ethics.

Agora Group's media also approach editorial independence as one of crucial values, along with adherence to content creation values – content quality and reliability.

They also strive to help their consumers develop skills of conscious media usage and critical thinking. They are committed to upholding values such as credibility, transparency and reliability.

Agora's journalists and other employees join social campaigns and initiate activities, campaigns and projects that activate local communities and address important social problems.

To that end, in 2016 Agora Group was involved in: a series of meetings and debates *Wyborcza na żywo* (Wyborcza Live), campaign *Łączy nas Polska* (Poland Brings Us Together), *#BOHATEROWIE* (Heroes) – developed by Gazeta.pl with Polish Paralympic Committee, *Po stronie klienta* (On Customer's Side) campaign and a competition *Polska Firma Przyszłości* (Polish Business of the Future). Journalists writing for Agora Group's media are vocal about important current problems, publishing special reports on issues such as the refugee crisis. They have also taken measures to help refugees, e.g. a webservice *Pomagamy.pl/Syria* launched with Polish Humanitarian Organization.

### *Good practice – Wyborcza na żywo (Wyborcza Live)*

*Gazeta Wyborcza* is committed to keeping a close relationship with their readers. Sections of *Gazeta Wyborcza* hold meetings and debates for their readers. Some of the events organized in the past were *Debaty na ważne tematy* (Debates on Important Issues), *Film, muzyka, teatr w Gazeta Café* (Film, Music, Theatre in Gazeta Café), *Wysokie Obcasy Club*. Currently *Gazeta* organizes: *Wysokie Obcasy* Film Discussion Club and *Wyborcza na żywo* (Wyborcza Live). The events are an opportunity for the journalists of *Gazeta Wyborcza* to discuss the most topical and important issues with experts in various fields including economy, politics, science and culture.

*Gazeta Wyborcza* accompanies its readers during important national and local events, by preparing special issues or thematic supplements. The daily assists its readers in exploring their regions, by publishing local walking guides and organizing local excursions. Events for children, youth and students of University of the Third Age are organized in *Gazeta's* Warsaw office, where the visitors can witness how the newspaper is created.

Close relations with readers also involve dialogue, exchange of opinions and ideas and the two sides inspiring each other. *Gazeta Wyborcza* publishes letters from readers and its journalists readily engage in discussions in their blogs. On its local websites, *Gazeta Wyborcza* often engages in topics put forward by the readers and publishes the photos they send in.

### *Wyborcza na żywo (Wyborcza Live)*

*Wyborcza na żywo* sessions were launched by *Gazeta Wyborcza* in 2016 to address the readers' need to meet and discuss current political, social and economic situation in Poland. The choice of topics to cover at *Wyborcza na żywo* sessions is based on the values outlined in Agora's Charter, such as protecting democracy, civic freedoms, tolerance, respect to the other side of the discussion and respecting facts (rationalism).



*Wyborcza na żywo* is a series of meetings with journalists, authors and individuals featured in *Gazeta Wyborcza's* series of *Rzeczpospolita Demokratów* (Commonwealth of Democrats). Among the guests are also members of local self-government, civic activists, artists or athletes. The list of past guests includes: Lech Wałęsa, Agnieszka Holland, Henryk Wujec, Karol Modzelewski, Prof. Jerzy Bralczyk, Prof. Jan Miodek, Prof. Andrzej Markowski, Prof. Andrzej Rzepliński, Prof. Aleksander Hall, Marek Kamiński, Robert Biedroń, Alicja Długołęcka, Ziemowit Szczerek, Filip Springer, Jacek Hugo-Bader, Adam Wajrak and Editor in Chief of *Gazeta Wyborcza*, Adam Michnik. During the meetings participants discuss political, economic, cultural and sports events and local issues.

*Wyborcza na żywo* events organized in 2016 by regional teams of *Gazeta Wyborcza* across the country were held in major cities (such as Warsaw, Gdańsk, Kraków, Wrocław, Poznań), as well as smaller ones (such as Kalisz, Płock, Radom, Rybnik). Nearly 160 events were organized in 33 locations, attracting ca. 20 thousand attendees in total.

The events are advertised on the webservices of relevant cities and on *Wyborcza.pl*, as well as in the social media.

[wyborcza.pl/nazywo](http://wyborcza.pl/nazywo)

158 meetings were held in 2016, in 33 cities with ca. 20 thousand participants.

#### *Good practice – Łączy nas Polska (Poland Brings Us Together) campaign*

*Łączy nas Polska* campaign is a series of videos, launched, not incidentally, Poland's Independence Day. On 10 November 2016 a film teasing the campaign was published and the first episode was released on 11 November 2016. The idea behind the campaign was to show how little it takes to overcome barriers and fight social exclusion through promoting tolerance. The campaign was developed to counteract the wave of discrimination and intolerance that has recently swept over Poland.



The experiment consisted of putting in one room pairs of people of polar opposite views. The people had never met before the event and all they did was watch each other in silence. The only piece of information they had about the other person was a general label such as *feminist*, *catholic* or *homosexual*. The camera observed their reactions. Then experiment participants discussed and shared their experiences. Are four minutes enough to break through the barriers strongly entrenched in Poland? The result of this experiment could be seen on *Gazeta.pl* for six consecutive weeks until 22 December 2016.

The episodes featured talking people with marked visible differences – race, skin colour, religion, political views, sexuality – but with one thing in common – Poland. The closing episode answered the question ‘What Poland would we like to live in?’

The six videos were viewed over 45 thousand times only in *Gazeta.pl* YouTube channel.

#### *Good practice – #BOHATEROWIE (Heroes) – Campaign with Polish Paralympic Committee*

#BOHATEROWIE was a hashtag used by the Polish Paralympic Committee and *Gazeta.pl* to encourage internet users to support athletes participating in the 15<sup>th</sup> Paralympics in Rio de Janeiro in 2016.

Users of Gazeta.pl could view a unique photographic session developed by the team of Gazet.pl and the Polish Paralympic Committee. Gallery of photos titled *Bohaterowie Igrzysk* (Paralympic Heroes) consisted of the portraits of Polish paralympians accompanied by their unusual success stories. The athletes were photographed by Jakub Szymczuk, Polish photoreporter and photographer, author of a popular blog *Mikroblog Fotoreportera*, winner of Grand Press Photo 2014 for Photo of the Year and Photo of the Decade, for a picture story of Black Thursday in Kiev's Maidan and the winner of Ryszard Kapuściński Award of Polish Press Agency. The photo session held on Warsaw RKS Skra stadium featured athletes representing Poland in the 15<sup>th</sup> Summer Paralympics in Rio de Janeiro: Justyna Kozdryk (weight lifting), Jakub Tokarz and Kamila Kubas (kayaking), Monika Gibas (sailing), Adrian Castro (wheelchair fencing), Wojciech Makowski (swimming), Alicja Fiodorow (sprint) and Marcel Jarostawski (Polish Paralympic Mission)

Paralympic Heroes gallery is available on gazeta.pl – [link](#)



#BOHATEROWIE

### Good practice – Po stronie klienta (On Customer's Side)

Agora Group's media strive to support their users in facing challenges of the contemporary world. In 2014 journalists of *Gazeta Wyborcza* launched *Po stronie klienta* (On Customer's Side) campaign. The campaign covers topics such as unethical sales over the phone, van selling and selling during product presentation meetings, personal data and identity protection, theft of sensitive data and internet fraud, identity fraud and unethical sales of financial products for seniors.

In 2016 *Gazeta Wyborcza* delivered the fourth *Po stronie klienta* campaign. This time the main theme of the campaign was drawing public attention to customer service quality provided by banks, telecoms and energy

companies, and in any other relevant contexts. Journalists of *Gazeta Wyborcza* adopted a goal to denounce unethical or illegal sales practices and developed a set of guidelines to fight them.

Articles were published on the Campaign's website: [wyborcza.biz/postronieklienta](http://wyborcza.biz/postronieklienta) describing manipulatory marketing practices and providing advice how to avoid being led on a 'consumer leash'. *Gazeta's* journalists also wrote about the training sales professionals go through to learn to manipulate our behaviours and disclosed some tricks used by sellers, discussed good and bad loyalty schemes and marketing technologies. They also examined contracts and checked which companies offered their clients the most transparent and clear documents.

Consumers were offered access to experts they could contact about advice via a help-line and could report on problems and suspicious behaviours to a special dedicated e-mail address.

14 articles, 2 quizzes, 4 articles in the national daily were produced under the project.

### *Good practice – Polska Firma Przyszłości (Polish Business of the Future)*

Poland has over four million registered businesses, small, medium as well as large corporations. Polish businesses perform exceptionally well in the global competitive environment. They offer competitive prices as well as good quality and vision for business development. Polish managers and business owners successfully improve Poland's position on global markets and Polish companies, not so long ago mere striplings, embark on the phase of business expansion.

Over three months (March to June 2016) *Gazeta Wyborcza* and bank BGŻ BNP Paribas delivered a campaign *Polska Firma Przyszłości* (Polish Business of the Future). Journalists developed texts about Polish businesses, their strengths and weaknesses, stories about people – leaders of micro, small and medium business. They looked for answers to questions crucial to Poland, about the development perspectives of our economy, whether Polish businesses have the potential to become Poland's showcases abroad. Although Polish businesses are present on foreign markets, excellent Polish products are often sold under foreign labels.

The campaign included a ranking *Polska Firma Przyszłości* in which the jury selected Product Leader and Service Leader in Micro and SME categories, on both national and regional level. Additionally, at the closing gala held on 23 June 2016, the jury announced the winners of *Outstanding Business Personality* and *Socially Responsible Business*.

All regional branches of *Gazeta Wyborcza* were involved in the project. The businesses were introduced in the national *Gazeta Wyborcza* and its local editions. Moreover, a special supplement presenting winners of the competition was published on 29 June 2016. [Wyborcza.biz/polskafirmaprzyszlosci](http://Wyborcza.biz/polskafirmaprzyszlosci)

### *Good practice – Supporting refugees*

Journalists of Agora Group have repeatedly spoken about the difficult situation in Syria, presented reports from the countries that host refugees, analyses, economic and social reports. *Gazeta Wyborcza* supports appeals for humanitarian aid for Aleppo by developing materials and hints how to join the humanitarian effort ([link](#)).

Raging since 2011, the conflict in Syria has caused 13.5 million Syrians to urgently need humanitarian aid. Over 10.5 million Syrians were forced to flee their homes, some seeking refuge abroad, seven million are displaced within their country. Polish Humanitarian Organization (PAH) supports them through their campaign *SOS Syria. Razem pomagamy lepiej* (SOS Syria. Together We Can Help More). The purpose of the campaign is to increase the public understanding of the refugees' circumstances and offer concrete material aid.

Joining forces with PAH, the team of *Gazeta.pl* launched a webservice to serve the needs of the campaign *SOS Syria. Razem pomagamy lepiej* ([podarnik.gazeta.pl/sossyria](http://podarnik.gazeta.pl/sossyria)). The website offers each visitor with a choice of six aid packs they would be financing with their donation and makes it possible to transfer funds online directly to the account of PAH. Funds are collected for: food packs, clean drinking water, school

supplies, cosmetics and toiletries, renovation of a school toilet and first aid kits with basic items necessary to administering first help.

Collected money is deposited in the account of PAH. Since 2013, when the organization started helping the residents of Syrian provinces Idlib and Hama and Aleppo, their aid has reached 640 thousand people.

PAH delivers the following projects in Syria: water / sanitary – supplying water, rebuilding water pump stations, water supply tracts and school toilets, food – supplying food and cooperating with local bakeries, and distribution of blankets, mattresses, tents and medications.

#### **[G4-DMA-SO] [G4-SO5] ANTI-CORRUPTION AND BRIBERY MATTERS**

Any form of corruption or bribery are strictly forbidden at Agora Group. Agora has employee codes, internal regulations and codes specifying in detail what constitutes this type of activity. There are also supplementary policies and by-laws that support upholding the anti-corruption principle.

In 2016 no incidents of any form of corruption or bribery corruption were reported at Agora Group. There are no public legal cases regarding corruption brought against any of Agora's entities.

#### **[G4-DMA-SO] PUBLIC POLICY**

The media of Agora Group observe the principles of independence and transparency. Hence, the entities of Agora Group do not provide direct financial support to political parties, politicians or similar organizations.

[G4-SO6] [G4-M] Agora Group did not receive any funding from political parties, politicians or similar organizations.

[G4-SO6] In July 2016 one of the issues of *Gazeta Wyborcza* included a supplement with a declaration of joining KOD – Committee for the Defence of Democracy, to be filled and signed by potential supporters. Its print and distribution with the daily was a form of unpaid support. The cost of the supplement was estimated for the purposes of this document at approximately PLN 25 thousand.

## [G4-DMA-SO] SOCIAL IMPACT

Agora Group has been present on the Polish media market for over 27 years, operating in the media sector, conducting complementary businesses that share the Agora brand as well as values. To ensure development and economic success of the group, Agora makes the best use of its potential to pursue its strategy and takes active part in the life of local communities to which it belongs.

### [G4-DMA-SO] [G4-SO1] SOCIAL AND SPONSORING ACTIVITIES POLICY AT AGORA GROUP

Among the crucial elements which contribute to Agora's development are its social activities (charity, educational, civic) as well as sponsoring activities. Agora Group's media and undertakings - including *Gazeta Wyborcza* daily, magazines and web portals, radio stations, Helios cinemas and AMS - deliver a number of pro-social projects, hold patronage over numerous initiatives and participate in campaigns organised by other entities. In response to the growing number of projects addressing the needs of communities in different regions of Poland and conducted by separate businesses of Agora Group, a policy regulating social and sponsoring activities of the Group was drafted in 2016. The document is available to the public on Agora's corporate website and in the intranet. It outlines the areas of the Group's social activities and organizes the issues that are in the main focus of Agora's media and brands.

These are:

- ▶ education, individual and social development,
- ▶ shaping civic attitudes and protecting human rights,
- ▶ promoting inclusive culture,
- ▶ promoting health and healthy lifestyle,
- ▶ commitment to the protection of natural environment,
- ▶ caring for others expressed in charity and aid campaigns.

These themes are rooted in the values and principles of Agora Group. Most social projects implemented by Agora Group's media and other undertakings are the group's original projects. Some of are carried out with third-party entities by way of mutual exchange of services, patronage or partnerships.

By adopting the unified policy, Agora Group systematized all aspects of its social, charity, civil and, most importantly, sponsoring activities. The introduction of a structured policy of social and sponsoring activities results in engaging in numerous undertakings that bring notable, tangible effects as well as cultural or educational contribution.

[Social and Sponsoring Activities Policy at Agora Group – link](#)

**[G4-DMA-SO] [G4-SO1] LOCAL COMMUNITIES**

Social and sponsoring projects of Agora Group are an expression of the company's commitment to the idea of corporate social responsibility. Agora accepts responsibility not only for the impact of their decisions and actions on the society and natural environment, sustainable growth, including the wellbeing and health of the society, and responds to the expectations of its stakeholders. Social activities of Agora Group are compliant with the relevant laws and international norms of conduct and are aligned with the organization's operations, and practiced in its relations with stakeholders.

Good practices of Agora Group in the areas of social impact and local communities development have strengthened its relationship with local communities, thanks to expanded outreach, allowed it to address vital social issues, contributed to the company's reputation and its positive perception by stakeholders (clients, local communities, social organizations). Policy of Social and Sponsoring Activities implemented by Agora also resulted in tangible benefits: strengthened position of a leader among media brands in terms of involvement in current social issues, and engagement and satisfaction of employees about the organization's social activities.

This manner of execution of the social and sponsoring policy serves the company's interests and the interests of all its stakeholders, including the shareholders.

Agora Group is an initiator and co-organizer of numerous projects and activities on a national and regional scale, such as: competitions (Ryszard Kapuściński award for a work of literary journalism, Anna Laszuk Award of Radio TOK FM, NIKE Award, AMS Poster Gallery), social campaigns addressing important issues: seniors (*DługoWIECZNI*) environmental issues (Greenpeace's *Adopt a Bee* campaign) and education (*School with Class 2.0*), as well as promotion of culture (*Kino na Temat*) and involvement in charity campaigns (supporting *Grand Orchestra of Christmas Charity*, *Santa's Factory*).

*Good practice – Gazeta Wyborcza as a co-organizer of Ryszard Kapuściński Award contest for the best work of literary journalism*

Ryszard Kapuściński Award for the best work of literary reportage is a form of recognition and promotion the most valuable publications in literary journalism that speak about important contemporary problems, invite reflection, broaden readers' knowledge of different cultures. The award honours Ryszard Kapuściński, the outstanding journalist, reporter, writer and poet. Kapuściński lived in Warsaw for over 60 years and is, along with Stanisław Lem, one of the most widely translated Polish authors. Contest for Ryszard Kapuściński Award for the best literary reportage has been organized since 2010 by *Gazeta Wyborcza* and Capital City of Warsaw and awards authors in the categories of the best work of literary journalism (PLN 50 thousand) and the best translation of a literary reportage (PLN 15 thousand). Special mention winners receive a diploma and an original photograph by R. Kapuściński. Alicja Kapuścińska is the honorary patron of the contest. 2016 edition of Kapuściński Award was accompanied by an educational campaign promoting the writings of R. Kapuściński among the youth of Warsaw secondary schools who were invited to create a work inspired by R. Kapuściński *Busz po polsku* (The Polish Bush). Participants who entered the competition on their own or were nominated by schools, culture and youth centres, submitted documentary projects – literary, photographic, radio recordings The organizers were: Warsaw Cultural Education Centre and Warsaw edition of *Gazeta Wyborcza*, partner: Capital City of Warsaw Office.

Kapuściński Award reaches beyond Poland. In the seven editions held so far there have been five foreign winners (including twice - Svetlana Alexievich, before she won the literary Nobel), also foreign translators are recognized.

Website of Ryszard Kapuściński Award – [link](#) and [link](#)



### Good practice – AMS Poster Gallery

AMS Poster Gallery is Poland's largest competition for a poster dedicated to social issues. Addressed to young graphic designers, the aim of the competition is to stimulate public interest in outdoor advertising, promote the best designs and draw public attention to important social issues. Every year AMS organizes an open contest for a poster on a social theme and the award-winning designs are presented in national campaigns and on citylights. Winners are selected by a committee composed of creative directors of advertising agencies, academic teachers and professional designers. The contest is an open one, with participants recruiting mostly professionally active designers, students and graduates of art academies.



Award and special-mention winning posters by (starting top left): Nikodem Pręgowski (first prize), Dominika Czerniak-Chojnacka, Karolia Lubaszko, Paulina Kozicka, Dominika Czerniak-Chojnacka, Wojciech Mazur (special mentions), Jarosław Kozioł (winner of online vote).

In 2016 the contest was held for the 17<sup>th</sup> time. The theme was *Myszę o Wiśle* (Thinking about Wisła). The task was to design a poster that would help build the brand of Wisła river, by highlighting its historical, cultural and economic potential. Winning posters were featured in an outdoor campaign on public transport shelters countrywide. Along with the winner selected by the jury, the competition also invited the public to an online vote.

A special exhibition was also organized in 2016. *Wystawa 50/50/50*, 50 posters 50 designers for the 50<sup>th</sup> anniversary of the International Poster Biennale in Warsaw. The exhibition of posters by the best international designers was organized by Warsaw Academy of Fine Arts, Association of Polish Graphic Designers and AMS. The posters were displayed on AMS bus and tram shelters in Warsaw and in Prom Kultury cultural centre in Warsaw, Saska Kępa.

Hundreds of designs were submitted in the 17<sup>th</sup> AMS Poster Gallery

### Good practice – Anna Laszuk Award of Radio TOK FM

Anna Laszuk Award of Radio TOK FM was founded in 2011 and it awards individuals and organizations for bold, unconventional, unusual activities that positive awareness raising impact or influence on the Polish reality. The award honours Anna Laszuk, a prematurely deceased journalist of TOK FM with singular

courage in breaking through stereotypes, passion and commitment to fighting for human rights, in particular the rights of women and minorities.

The winners of 2016 Anna Laszuk Award of Radio TOK FM were Adam Bodnar and Coalition of Non-governmental Organizations, for the campaign *Nasz Rzecznik* (Our Ombudsman) and their ability to work over divisions, promoting a person who has fought for the underprivileged and for bringing about the election of the first Ombudsman who was not nominated by politicians.

Other winners of Radio TOK FM Award were, in 2015 Jerzy Owsiak – for building a positive, optimistic movement, and Dr Marek Bachański and Dorota Gudaniec – for perseverance, patience and continued advocacy for the legalisation of medical marihuana.

Nominations are submitted by the listeners as well as guests of Radio TOK FM and the winners are selected by the station's editorial team. Radio TOK FM Award is not only about recognizing and highlighting important achievements. It is also a very special event with unique elements, one of which is the statuette handed to the winner, made by a different artist each year. Another is a meeting of artists representing different areas of art, joining forces to create something together.

The partners of 2016 award ceremony were: KPMG, Raiffeisen POLBANK and Museum of the History of Polish Jews POLIN.

#### *Good practice – DługoWIECZNI (LongLIVING)*

In 2016 *Gazeta Wyborcza* and Jolanta Kwasniewska's Foundation Communication Without Barriers with Śląskie Voivodeship Marshal Office continued *DługoWIECZNI* campaign. In 2016 the campaign focused on three key themes: seniors volunteering, health prophylactics as healthy behaviours and remaining physically active, and preventing ghettoization. Throughout the campaign articles on senior themes were published on [Wyborcza.pl/długowieczni](http://Wyborcza.pl/długowieczni) and in *Gazeta Wyborcza*. The topics were isolation among Polish seniors, widows, widowers, neglected, seniors shut in their homes and condemned to isolation, and what Polish cities offer to seniors, about seniors-friendly urban solutions, etc.

The Convent of Voivodeship Marshalls in Szczyrk, held in April 2016, included workshops for local officials responsible for the seniors policies and representatives of regional welfare centres. Among the experts were: Dr Robert Błaszczak of the Seniors Medical Centre of University Clinical Hospital in Łódź, volunteering senior Halina Pisarek and Katarzyna Staszak – editor in chief of *Tylko Zdrowie* weekly.

*Senioralia* event held in May 2016 in Chorzów, promoted by *Gazeta Wyborcza* and *DługoWIECZNI*. campaign, included a picnic in Śląski Park as well as a Senior-Citizen Congress.

#### *Good practice – Gazeta.pl promotes Adopt a Bee campaign*

*Adopt a Bee* is a campaign of Greenpeace, that succeeded in encouraging thousands of people around Poland to help wild bees, making Poland a friendlier place for pollinators giving everybody a chance to help wild bees through virtual adoption. *Adopt a Bee* is the largest crowdfunding project in Poland. 2016 was its fourth year, with *Gazeta.pl* engaged as a partner for the second time.

*Gazeta.pl* joined the campaign on 15 September 2016, when they encouraged their employees to take part through virtual bee adoption of bees and conducted live collection of funds. Moreover, the portal's team developed a host of materials about bees, including a document about bees' sexual life, with voiceover by Krystyna Czubówna and a quiz about bees, a gallery of photos entitled *World without Bees* and *WideoNews* about the bee queen. *Gazeta.pl* fans on Facebook could also take part in a live conversation with a representative of Greenpeace who talked about bees and answered questions about them.

The logo of *Gazeta.pl* portal was temporarily altered to celebrate the occasion to one with a bee. The home page of *Gazeta.pl* also showed a counter of 'adopted bees'. Additionally, *Gazeta.pl* helped to recruit supporters of the campaign among artists: Natalia Przybysz, Robert Gawliński, Reni Jusis, globetrotter Marek Kamiński, and journalists.

Bees were up for virtual adoption on [www.adoptujpszczone.pl](http://www.adoptujpszczone.pl) until 11 October 2016. The fourth *Adopt a Bee* campaign aimed at promoting pesticide-free farming and continued ground-breaking research on pollinator called The Grand Census of Pollinators.

Nearly 120 thousand bees were adopted the fourth edition of *Adopt a Bee* (initial target was 100 thousand), and in the campaign conducted with [Gazeta.pl](http://Gazeta.pl) 20 thousand bees were adopted in two days.

#### *Good practice – Szkoła z klasą 2.0 (School with Class 2.0)*

Education is one of crucial drivers of social development and sustainable growth. Schools of today face numerous challenges and responsibilities in preparing children and youth to continue their education, enter the job market and become active citizens. Since 2002 *Szkoła z klasą* programme, conducted by Centre for Citizenship Education and *Gazeta Wyborcza* was joined by 8.5 thousand schools, 100 thousand teachers and over a million children and youth countrywide.

*Szkoła z klasą* was launched in 2002 by *Gazeta Wyborcza* and Centre for Citizenship Education. The campaign was addressed to primary and secondary schools and was designed with the following goals in mind: to introduce a new style of thinking about education, promote the principles of new, effective education, raise the quality of education, stimulate improvement in the educational culture and give new impetus to cooperation between schools and their local environment.

Agora Group has delivered the programme uninterruptedly for 15 years, which renders the project a unique undertaking not only in Poland but also on a European scale. *Szkoła z klasą 2.0* aims at developing a set of guidelines for the application of modern information and communication technologies in education. The programme helps participants develop the skills of independent thinking, responsible use of sources and application of knowledge in practice. *Szkoła z klasą 2.0* has been delivered uninterruptedly since 2010/2011 school year.

In the jubilee 15<sup>th</sup> edition, organizers focus on school as a place where children and young people are groomed for future professional life and where everyday activities bring all participants together as one community in which all members influence various aspects of learning, teaching, communicating and relationships.

*School with Class 2.0* is managed by *Szkoła z Klasą* Foundation, Centre for Citizenship Education and *Gazeta Wyborcza*, and has the support of Polish-American Freedom Foundation and Agora Foundation.

335 schools, 1955 teachers and principles took part in *Szkoła z klasą 2.0* in 2015/2016. 203 schools, 1364 participants, including 194 principles, 199 coordinators and 971 teachers and other school employees applied to join the programme in 2016/2017 school year.

A conference organized on the 15<sup>th</sup> anniversary of the programme attracted over 80 participants. National Festival of Open Education (5-6 June 2016): 117 children and youth, 70 teachers and 37 experts participating on the first day; among the 152 participants of the conference segment, 11 were foreign visitors. *Gazeta Wyborcza* provided press coverage of the event.

#### *Good practice – Kino na Temat (Topical Cinema)*

The nationwide Helios cinema network and *Gazeta Wyborcza* prepared special screenings for secondary school youth. *Kino na Temat* (Topical Cinema) and *Kino na Temat Junior* (Topical Cinema Junior) are educational projects for pre-schoolers and primary school children. The main idea behind them is to encourage children to be more active in social debates. Each screening opens with a brief introduction to the theme of the film and followed by a discussion between the experts and the young viewers.

Organizers wish the sessions to be an opportunity to show young people that in the era of dynamic developments in the internet media and instant and widespread access to information, a good film can be a medium that speaks about up-to-date topics relevant to young people in an interesting manner.

*Kino na Temat* is a series of events on current social themes: social exclusion, youth unemployment,

emigrants' life, tolerance and other topics relevant to young people on the brink of adulthood. Discussions are initiated by films currently in cinemas or provided especially for the programme. The project received financing from the Polish Film Institute and is delivered in partnership with Centre for Citizenship Education.

Among the titles presented in 2016 were *Ostatnia Rodzina*, *Wołyń* and *Żałuję* – a film about mobbing in school.

*Kino na Temat Junior* is an educational project addressed to pre-schoolers and primary school children. It was designed to teach the children how to explore nature, ecology, how to speak about emotions and how to work in a team. The programme includes art and literary competitions. Selected screenings of children films are preceded by quizzes and problems-solving sessions with content aligned with core curriculum of primary schools.

In 2015/2016 school year, over 60 thousand viewers took part in the programme. *Kino na Temat* in 2016 consisted of ca. 1600 screenings for nearly 160 thousand viewers.

#### *Good practice – Agora Group for WOŚP (Grand Orchestra of Christmas Charity)*

For many years businesses of Agora Group have engaged in auctions, collections, communications and promotion of *Wielka Orkiestra Świątecznej Pomocy* (WOŚP – Grand Orchestra of Christmas Charity). This was also the case in 2016, the 24<sup>th</sup> Finale of WOŚP. This time the organization collected funds for the purchase of medical equipment for paediatrics wards and for medical care for seniors. In total, the campaign collected PLN 72 million and WOŚP auctions on [aukcje.wosp.org.pl](http://aukcje.wosp.org.pl) raised PLN 4 million.

In 2016 *Gazeta Wyborcza* encouraged their readers to support the Grand Orchestra of Christmas Charity by contributing to *Gazeta Wyborcza* virtual collection box on [SiePomaga.pl](http://SiePomaga.pl) and or by bidding on the book *Listy do Prezydenta* (Letters to the President) in an auction held on [Allegro.pl](http://Allegro.pl) service.

The virtual collection box of *Gazeta Wyborcza* closed with nearly PLN 150 thousand donated by close to 2.5 thousand individuals. Also the winning bid in the auction was transferred to the account of WOŚP. *Listy do Prezydenta* is a collection of letters the readers of *Gazeta Wyborcza* wrote in August 2015 to President of Poland Andrzej Duda. The collection was published in an elegant volume – released in two copies! One copy was kept by *Gazeta*, the other was to be passed to President Duda who refused to accept it. It was that rejected copy that was auctioned on [Allegro.pl](http://Allegro.pl).

Also Radio TOK FM helps to collect funds for WOŚP thorough auctions. In 2016 the highest bid (PLN 5.5 thousand ) won its author the opportunity to write and read their own news on air. Listeners could hear the broadcast in 19 Poland's largest cities and it was available to listeners around the globe via the internet. On 25 May 2016 the winner received a digital recording of their news report as a keepsake.

The campaigns were advertised in *Gazeta Wyborcza*, both in printed and digital versions, in Radio TOK FM and on its website as well as in the social media.

Through its activities, the media of Agora Group collected over PLN 150 thousand and contributed to the promotion of the 24<sup>th</sup> Finale of Grand Orchestra of Christmas Charity.

#### *Good practice – Fabryka Świętego Mikołaja (Santa's Factory) in Wrocław*

In 2016 *Fabryka Świętego Mikołaja* collected funds for children in need for the 13<sup>th</sup> time. The charity campaign of Wrocław *Gazeta Wyborcza* and Agora Foundation founded Christmas gifts to children from poor backgrounds in Wrocław and the therapy centre of Krzyś Foundation in Wrocław received new therapy equipment. The centre offers therapy to children suffering cerebral palsy and autism.

Each year before Christmas the team of Wrocław *Gazeta Wyborcza* collects funds from sponsors to make presents for a thousand poorest children in Wrocław and Wrocław region. The campaign also supports institutions that serve the inhabitants of Warsaw.

In 2016, with generous funding from Wrocław-based businesses, Santa's Factory collected PLN 208

thousand and school supplies worth PLN 12 thousand in total.

26 companies joined the 13<sup>th</sup> Santa's Factory campaign as sponsors, with two Golden Sponsors: Profit Development SA who has been with the campaign since its launch and in 2016 donated PLN 100 thousand; and Kogeneracja SA Water and Heat Plant in Wrocław – with a 40-thousand contribution.

During the 13<sup>th</sup> Final Gala of Santa's Factory held in New Horizons Cinema, presents were handed to a thousand children from Wrocław and its region, indicated by school councillors.

The second objective of the 2016 campaign was helping Krzyś Foundation Therapy Centre for children and youth that delivers therapy to children with cerebral palsy and autism. With the funding from Santa's Factory campaign, the foundation will be able to expand their therapy range and purchase therapy equipment.

### *Good practices – Agora Group for culture*

Among the social activities of Agora Group are promotion and spreading of culture, e.g. literary awards (Nike Literary Award, Ryszard Kapuściński Award for the best literary reportage), Warsaw cultural award (Wdechy) and Warsaw festivals and events (*Co Jest Grane* Festival, *Co Jest Grane 24* European Music Fairs) and Olsztyn Green Festival 2017. For 13 years *Gazeta Wyborcza – Co Jest Grane 24* weekly has organized *Wdechy* Warsaw cultural award competition. The winners in categories: Person of the Year, Place of the Year and Event of the Year, are selected by the editorial team. There is also the readers prize.



### *Agora Foundation – summary of 2016*

Agora Foundation was established in October 2004. Since 2005 it has had the status of an OPP organization (public benefit organization). In recent years Agora Foundation has focused on organizing and financing campaigns conducted with *Gazeta Wyborcza* and on charity programmes. Its pro-bono activities are financed from the collection of the 1% income tax deduction.

In 2016, like in the previous years, Agora Foundation also subsidized the *Zeszyty Literackie* quarterly and NIKE Literary Award. NIKE is a competition for the best book, and since 1997 the award and NIKE Foundation have been financed by *Gazeta Wyborcza* and Agora Foundation. In 2016 the author of the winning book received NIKE statuette by Gustaw Zemła and a PLN 1000 thousand cheque. The winning book was a selection of stories by Bronka Nowicka *Nakarmić Kamień* (Feeding Stones).

[fundacjaAgora's.pl](http://fundacjaAgora's.pl)

### **Agora Foundation's activities financed from the collection of 1% income tax deduction:**

- ▶ *Szpital Przyjazny Rodzicom* (Hospital Welcoming to Parents) – In 2016 the foundation completed the social campaign launched in 2015. The purpose of the campaign was to improve the conditions that are offered to parents and guardians who accompany their hospitalized children. In 2015 the project was made eligible for the 1% tax collection and a grant programme was announced, addressed to paediatrics hospitals and civic organizations supporting medical facilities providing medical care to children. In 2016 beneficiaries were selected and received funding in the form of donations. The foundation decided to finance 18 grants, PLN 10 thousand each, for selected hospitals.
- ▶ *Help to Ukrainian Students and Free Media in Ukraine and Other Countries of Eastern Europe* – In 2016 Agora Foundation continued championing media democratisation in the countries of Eastern Europe. In February 2016, invited by Belorussian Press Club, representatives of the foundation delivered two-day workshops for independent Belorussian media, about social campaigns of Agora Foundation and *Gazeta Wyborcza* (examples: *Humane Birth* and *Hospital Welcoming to Parents*). Three representatives of Agora Foundation and *Gazeta Wyborcza* were invited to the conference of Ukrainian division of WAN-INFRA on 27-29 October 2016. Agora Foundation was among the patrons of the event. The guests

delivered workshops on: social campaign – engaging readers and webservice users in social activities (example: *Wyborcza na żywo*), monetization of the operation of independent Ukrainian media, data processing and presentation on the example of BiQData Wyborcza.pl.

- ▶ *Po starej znajomości-pomóż swoim rodzicom (Help Your Parents)* – In December 2016 the first steps were made to launch the campaign: a meeting of experts – practitioners and researchers in the field of old age – to establish directions for the project and methodology of social research to map the target group.
- ▶ *Szkoła z klasą (School with Class)* – Agora Foundation is a co-funder of the project conducted by Centre for Citizenship Education.

Agora Foundation also finances scholarship programmes with Batory Foundation, Academy for the Development of Philanthropy in Poland and School of Wajda Foundation. The organization also supports a number of non-profits specialized in helping children with serious illnesses and disabilities, such as Polonia Foundation, *Promyk Nadziei* Bieszczady Association for Disabled Children and Youth and Fundacja Splotu Ramiennego (Brachial Plexus Foundation).

Agora Foundation also provides free media services to public pro-bono campaigns. In 2016 over 30 organizations and initiatives were presented by Agora's media to the public free of charge.

Activities of Agora Foundation are financed from donations from Agora Holding and the collection of 1% income tax deduction.

#### *Academy of Integration Foundation – Work, Education, Sport*

The Foundation was established by AMS SA and is a continuation of the project *AMS for Integration*. Its main focus is issues associated broadly with life, activity and social role of people with disability, with special emphasis on work, education and sport. The originators and employees of the foundation are fencers in wheelchairs, outstanding athletes and multiple medallists of World and European championships, who volunteer for the foundation with other employees of AMS.

The foundation's activities include: events organized in primary and secondary schools (lessons of tolerance, integration, learning about other human beings, empathy, promotion of safe behaviours, promotion of fair play in everyday activities), promotion of sports activities among the employees of AMS as well as children with multiple disabilities, promotion of safe behaviours through publishing original picture stories in Warsaw underground.

*Wygraj życie dzięki marzeniom (Win Your Life Through Dreams)* project is a series of integration, education and sports events. Among the trainers are athletes with disabilities, including paralympians. The project is delivered in schools and other educational establishments countrywide and its estimated target is 13 thousand children and youth across Poland. Each session consists of an interactive presentation with educational videos and games involving sports activities. *Trenuj z mistrzem (Train with Champions)* project consisted of eight rehabilitation and sports camps for children and youth aged 7-19. Any child was welcome to enter the project, regardless of the degree of disability (also severe autism or cerebral palsy were accepted). The projects were delivered in partnership with State Fund for Rehabilitation of Disabled Persons (PFRON) and BZ WBK. In 2016 the foundation launched a pilot project in cooperation with a Danish IT company KMD. *Akademia Młodych KMD (KMD Academy for Youth)* offered 16 youth selected through a competition delivered professional IT projects in five mentoring groups.

2016 – summary of *Wygraj życie dzięki marzeniom* and *Pasja, Integracja, Bezpieczeństwo*:

- ▶ 130 schools
- ▶ 19 000 participants
- ▶ 80 locations
- ▶ 500 teachers
- ▶ 200 meetings
- ▶ 35 000 kilometres covered

Partners: PFRON, BZ WBK, Mercedes Benz.

Summary of *Trenuj z mistrzem* and *Polskie nadzieje olimpijskie*:

- ▶ 9 camps
- ▶ 250 participants
- ▶ 4 locations

Partners: PFRON, Fundacja Polsat, BZ WBK, Mercedes Benz.

Fencing Club project brought positive results in 2016, with its members winning first competitions. Currently the club has 22 child members, including eight with various disabilities and on wheelchairs. The athletes representing Fencing Club entered over 20 various level competitions and 13 times reached one of the top three places.

## ENVIRONMENTAL IMPACT

Printing services, cinema, outdoor advertising and building administration are the segments of Agora Group's businesses with the highest environmental impact.

### [G4-DMA-EN] [G4-EN2] [G4-EN3] [G4-EN6] [G4-EN8] [G4-EN19] [G4-EN28] PRINTING SERVICES – ENVIRONMENTAL IMPACT

Agora Group owns three offset printing plants located in Warsaw, Tychy and Piła, equipped with KBA Colora printing presses for printing newspapers and two presses for printing magazines and ephemera. Agora SA has Integrated Management System in its printing plants. IMS is based on ISO 9001:2008 quality management standard, ISO 14001:2004 environmental management standard and OHSAS 18001:2007 occupational health and safety management standard.

To continue improving results, measures were taken to reduce the consumption of materials and fuels by the plants through: rational consumption of water, reduction in the consumption of electricity and heating, reduction of technological losses, in particular paper loss. Another step was increasing the share of 100 percent recycled paper in production to nearly 60 percent of total input paper.

In all printing plants, ice water system was installed with air coolers that use the temperature of the exterior as a cooling factor, which resulted in significant electricity savings. Moreover, all plants have systems of heat recovery from air compressors, with recovered heat used to heat up water and for central heating. Zone light switches were installed to ensure that only working machines are lit. Traditional fluorescent lights are gradually replaced with LED lighting. Similarly to the zone light switches, air is pressed only into those zones where the machinery is working.

- ▶ [G4-EN28] Through the use of state-of-the-art technological solutions, the volume of paper waste produced was reduced by 44.5 tons between 2015 and 2016.
- ▶ [G4-EN19] As a result of a multi-year programme implemented in the Printing Services business, the volume of reduced CO2 emissions in 2016 reached 10,279 tons.

### [G4-EN2] Percentage of materials used that are recycled input materials

	Warsaw	Tychy	Piła
Percentage of materials used that are recycled input materials in 2016	58%	59%	58%

[G4-EN2] Ca. 60 percent of the paper used as input material is recycled.



**[G4-EN3] [G4-EN6] [G4-EN8] Electricity, heating and water consumption in Agora Group's printing plants in 2016 and 2015 vs. 2016 reduction**

Category	Electricity consumption [MWh]	Heating consumption [GJ]	Water from municipal system consumption [m3/y]
<b>Consumption 2016</b>	25,711.42	24,315.00	15,875
<b>2015 vs. 2016 reduction</b>	<b>-1.8%</b>	<b>6.7%</b>	<b>-20.7%</b>

Data based on invoices. Conversion factor 1MWh=3.6GJ.

In all printing plants of Agora Group, waste undergoes sorting and separate collection, in accordance with the local waste management systems. Therefore, the company does not monitor the weight of its waste output. Hazardous and non-hazardous waste is passed to relevant external waste disposal contractors who are responsible for their proper disposal.

**[G4-EN23] Hazardous and non-hazardous waste output in Agora Group's printing plants in 2016**

Waste	Hazardous waste [Mg]	Non-hazardous waste [Mg]
	<b>65</b>	<b>6149</b>

Based on the contract with suppliers of waste collection and treatment service providers.

**[G4-DMA-EN] [G4-EN3] [G4-EN6] [G4-EN8] [G4-EN19] CINEMA ACTIVITY – ENVIRONMENTAL IMPACT***Environmental solutions in Helios cinema network*

The following solutions were deployed with the subsidy from the National Fund for Environmental Protection and Water Management in 2013-2016 in selected Helios cinemas:

- ▶ Energy audit,
- ▶ VEMS ventilation and air conditioning management system based on customers volume was installed,
- ▶ Incandescent and fluorescent lighting was replaced with LED lights,
- ▶ LED lamps with PIR detectors were installed in spaces and corridors with low traffic.

[G4-EN6] [G4-EN19] As a result of the above solutions, energy consumption was significantly reduced, according to the report submitted to NFOŚiGW, ecological outcome of the project in 2015 was:

- ▶ reduction of end user energy consumption by 2,126.03 MWh/year,
- ▶ reduction of CO<sub>2</sub> emissions by 1892.17 Mg/year.

- ▶ The company continues gradually installing VEMS system in other cinemas.
- ▶ In 2016 Helios cinema network applied for white certificates.

With 10.8 million tickets sold, in 2016 Helios cinemas attracted the highest volume of cinemagoers to date. The key factor affecting media consumption (including electricity and water) are air temperature and number of visitors, hence the difference in energy and water consumption.

**[G4-EN3] [G4-EN6] Electricity consumption in Helios cinema network\* in 2016 and 2015 vs. 2016 difference**

	Electricity consumption [kWh]	2015 vs. 2016
	15,649,697	4.5%

Data based on invoices from 29 Helios cinemas. The calculation does not include: Helios Łódź Sukcesja, Helios Wrocław Bielany, Helios Białystok Jurowiecka (opened in 2015 – no comparative data); Helios Kalisz, Szczecin Helios CHR Kupiec, Helios Szczecin Outlet, Helios Siedlce, Helios Jelenia Góra (annual billing – no data), Helios Poznań, Helios Przemysł, Helios Gdańsk Metropolia and Helios Tomaszów Mazowiecki (opened in 4Q 2016).

**[G4-EN8] Total water withdrawal in Helios cinema network in 2016 and 2015 vs. 2016 difference**

	Total water withdrawal [m3]	2015 vs. 2016
	43,644	-1.9%

Data based on invoices from 29 Helios cinemas. The calculation does not include: Helios Łódź Sukcesja, Helios Wrocław Bielany, Helios Białystok Jurowiecka (opened in 2015 – no comparative data); Helios Kalisz, Szczecin Helios CHR Kupiec, Helios Szczecin Outlet, Helios Siedlce, Helios Jelenia Góra (annual billing – no data), Helios Poznań, Helios Przemysł, Helios Gdańsk Metropolia and Helios Tomaszów Mazowiecki (opened in 4Q 2016)

**[G4-DMA-EN]** Due to the fact that waste from is collected from cinemas directly by the municipal services, or by the shopping centre in which the cinema is located, no data about the waste weight is collected. Some cinemas have their own waste compactors for reducing waste volume.

Helios cinema network has a collective contract with waste a collection and treatment contractor, the services include collection of used electric and electronic appliances, batteries, large waste items and elements removed from used appliances.

**[G4-DMA-EN] [G4-EN3] [G4-EN6] OUTDOOR ADVERTISING – ENVIRONMENTAL IMPACT**

AMS SA monitors energy consumption by advertising panels and conducts activities to improve the quality of lighting (backlighting) the panels, and thus minimizing the environmental background.

**[G4-EN3] [G4-EN6] Annual output of energy for lighting advertising display boxes and bus/tram shelters:**

2014	2015	2016
6700 MWh	6000 MWh	6057 MWh

Data applies to: lit advertising displays and shelters. Sources: energy suppliers and street lights systems.

In 2015 AMS introduced a new lighting system of their carriers, which significantly reduced the consumption of energy, as compared to 2014.

Meanwhile, electricity consumption figures for 2015 and 2016 are roughly similar. The company took measures to improve the quality and energy efficiency of its media by introducing energy-efficient lighting panes installed in advertising display boxes in Warsaw public transport shelters. In 2016 more such solutions were placed.

AMS SA regularly reduces their energy consumptions, through optimising their portfolio of carriers and reducing the number of 12 m<sup>2</sup> billboards, and consistently installing energy-efficient lamps, etc. Over 30 percent of all AMS carriers are LED based, the highest number of such solutions is used in display boxes installed in bus/tram shelters (40 percent are LED-lit) and in advertising posts (80 percent are LED-lit).

AMS SA also introduced a waste management programme that includes submitting annual reports to local regional government offices.

**[G4-DMA-EN] [G4-EN3] [G4-EN6] [G4-EN8] [G4-EN19] BUILDING ADMINISTRATION – ENVIRONMENTAL IMPACT**

**[G4-5] Headquarters of Agora Group in Warsaw**



The headquarters of the Agora Group is located in Warsaw, at ul. Czerska 8/10. It is a state-of-the-art, highly functional building of a distinctive architectural style. The use of natural materials – oak and cedar wood, indoor gardens and green outdoor terraces, make the building an excellent environment for work as well as social life. The entire South wall is made of glass. The windows set in cedar wooden frames reach from floor to ceiling, which makes for excellent access to

natural light.

The inner hall serves a number of functions: the open to public section closest to ul. Czerska houses the main reception desk and Café Gazeta – a cafe and a books and press stand with readings available to clients, guests and employees of Agora. There is also a canteen for the employees and guests in the central part of the hall and at its far end a fitness club with a swimming pool. The venue also hosts fairs of books, pottery, jewellery, cosmetics, etc. The interior gardens stretch through all floors of the building, reaching the glass roof of the atria. Agora Group's HQ is the first building in Poland that was equipped with a state-of-the-art ventilation and air conditioning system that pumps air in and out of the building through grilles installed in the floor (also all cables are hidden under the floor). This solution allows for a full exposure of the ceiling of architectural concrete, with traces of the boarding system, decorated only with white sails.



In 2016 the building (designed by JEMS Architekci) was awarded the first prize in the category of Commercial Building in the first President of the Capital City of Warsaw Architectural Award in 2016

[G4-DMA-EN] Along its main office in Warsaw, Agora has its offices in 21 cities across Poland, mostly in buildings shared with other organizations. Due to this fact, decisions related to the environmental aspects are in the discretion of the buildings' administrators. It also makes it more difficult to collect data on water consumption, sewage and waste output. However, in 70 percent of the locations selective collection of waste was introduced.

**[G4-EN3] [G4-EN6] Electricity consumption in Agora Group's locations in 2016 and 2015 vs. 2016 difference**

	Electricity consumption [kWh]	2015 vs. 2016 difference
	<b>1192432</b>	<b>-5.2%</b>

Estimates based on invoices and meter readings in 21 locations: Białystok, Bielsko-Biała, Bydgoszcz, Częstochowa, Gdańsk, Gorzów Wlkp., Katowice, Kielce, Kraków, Lublin, Łódź, Olsztyn, Opole, Płock, Poznań, Radom, Rzeszów, Szczecin, Toruń, Wrocław, Warszawa. No data: Zielona Góra (cost of electricity included in rental).

**[G4-EN8] Water withdrawal in Agora Group's locations in 2016 and 2015 vs. 2016 difference**

	Water withdrawal [m3]	2015 vs. 2016 difference
	<b>26315</b>	<b>10.2%</b>

Due to the higher number of canteen users and participants of events held in Czerska 8.10 office, increase in water withdrawal was recorded. Estimates based on invoices and meter readings in 12 locations: Bielsko-Biała, Bydgoszcz, Częstochowa, Gdańsk, Kielce, Kraków, Łódź, Opole, Poznań, Szczecin, Wrocław, Warsaw. No data: Białystok, Gorzów Wlkp., Katowice, Lublin, Olsztyn, Płock, Radom, Rzeszów, Toruń, Zielona Góra (cost of water included in rental).

**[G4-EN23] Total weight of waste in 2016 Special Projects Storage facility in Błonie.**

Waste	Paper and cardboard [Mg]	Plastic containers [Mg]
	<b>90.282</b>	<b>4.75</b>

Based on the contract with waste collection contractor.

*Improving energy efficiency*

In 2014 and 2015 environmental audits were conducted in the Czerska 8/10 office, that confirmed the improvement in energy efficiency achieved through solutions implemented to that end.

[G4-EN6] Modernization of the office air conditioning system by installing components of higher energetic efficiency brought average annual energy savings to 12,136 kWh/year.

[G4-EN6] [G4-EN19] Modernisation of the precision of precision airconditioning system in the server room leading to improvement in air distribution plus the installation of a precision air conditioner with an energy-efficient cooling system brought average annual energy savings by 2,755,690 [kWh/year] and estimated reduction in CO2 emissions down by 2,237.620 [tons/year].

*[G4-DMA-EN] Good practice – selective waste collection in Czerska 8/10*

In September 2015 in Agora Group's main office in Czerska 8/10, introduced waste sorting. New waste disposal container systems for selective waste collection were placed in corridors, to comply with the waste management system regulations adopted by Mokotów district. All waste paper baskets were removed from under the desks and other office spaces. Moreover, besides obligatory sorting of waste into three classes, waste paper is collected separately into special, labelled blue containers. An information campaign was conducted to instruct the employees in the new waste collection system: information was posted on the intranet and the employees received e-mails with announcements,

news and tips. Instructions were also placed on the new containers.

*[G4-DMA-EN] Good practice – Drink tap water*

In 2016 administrators of Czerska 8/10 building decided to cease buying bottled drinking water and conducted a campaign encouraging employees to drink tap water. Through regular testing, Municipal Water and Sewage Company of the Capital City of Warsaw confirmed that Warsaw tap water is clear and safe to drink. Additionally, Agora SA regularly tests drinking water collected in water tanks, to confirm its quality and suitability to drink

- ▶ [G4-EN29] In 2016 Agora Group did not pay any significant fines or non-monetary sanctions for non-compliance with environmental laws and regulations.

**[G4-15] [G4-16] VI. COMMITMENTS TO EXTERNAL INITIATIVES**

Agora's strives to shape the environment in which it operates. Therefore, its entities are active members of organizations representing specialists in industries relevant to its operations. The most prominent being:

- ▶ Domestic:
  - PKPP Lewiatan,
  - Polish Association of Listed Companies,
  - Polish Chamber of Press Publishers (IWP),
  - Związek Kontrolni Dystrybucji Prasy (ZKDP – ABC Poland),
  - PBI – Polish Internet Research
  - Internet Advertising Bureau Polska,
  - IGRZ – Polish Outdoor Advertising Chamber of Commerce,
  - ReproPol Publishers Association,
  - Polish Cinemas Association,
  - Polish Association of New Cinemas,
  - Creative Poland Association,
  - International Advertising Association Poland,
  - Polish Film Institute,
  - Presidents-Volunteers Coalition at the Academy for the Development of Philanthropy in Poland,
  - Diversity Charter (since 8 March 2017).
  
- ▶ Foreign:
  - WAN - IFRA – *World Association of Newspapers and News Publishers*,
  - INMA – International Newsmedia Marketing Association,
  - EPC – European Publishers Council.

**[G4-32] VII. GRI G-4 INDEX**

The GRI Sustainability Reporting Guidelines (the Guidelines) offer Reporting Principles, Standard Disclosures and an Implementation Manual for the preparation of sustainability reports by organizations. The table below lists indicators with their respective page numbers.

For more information about GRI-G4 go to: [globalreporting.org](http://globalreporting.org)

Indicator	Indicator description	Pages
<b>STRATEGY AND ANALYSIS</b>		
G4-2 G4-M	Key impacts, risks and opportunities	<a href="#">19-22</a>
<b>ORGANIZATIONAL PROFILE</b>		
G4-3	Name of the organization	<a href="#">3</a>
G4-4	Primary brands, products, and services.	<a href="#">5-11</a>
G4-5	Location of the organization's headquarters.	<a href="#">59</a>
G4-6	Number of countries where the organization operates and their names	<a href="#">3</a>
G4-7 G4-M	Nature of ownership and legal form of the organization	<a href="#">3-4</a>
G4-8	Markets served	<a href="#">6-11</a>
G4-9	Scale of the organization	<a href="#">5-11</a>
G4-10	Number of employees by region, age, gender and employment contract	<a href="#">32; 36-37</a>
G4-11	Percentage of total employees covered by collective bargaining agreements	<a href="#">33</a>
G4-13	Significant changes in the reporting period	N/A
<b>COMMITMENT TO EXTERNAL INITIATIVES</b>		
G4-15	List of external initiatives to which organization subscribes or which it endorses	<a href="#">39; 61</a>
G4-16	Membership of associations and national or international advocacy organizations	<a href="#">39; 61</a>
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>		
G4-17	List of entities included in the organization's consolidated financial statements	<a href="#">3-4</a>
G4-19	All the material Aspects identified in the process for defining report content	<a href="#">19-22</a>
G4-20	Aspect Boundary within the organisation for each material Aspect	<a href="#">19-22</a>
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements.	N/A
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	N/A
<b>REPORT PROFILE</b>		
G4-28	Reporting period	<a href="#">3</a>
G4-29	Date of most recent previous report	N/A
G4-30	Reporting cycle	<a href="#">3</a>
G4-31	Contact point	<a href="#">65</a>
G4-32	GRI content index	<a href="#">62-65</a>

<b>GOVERNANCE</b>		
<b>GOVERNANCE STRUCTURE AND COMPOSITION</b>		
G4-34 G4-M	Governance structure of the organization	<a href="#">24-29</a>
G4-38	The composition of the highest governance body and its committees	<a href="#">25-28</a>
G4-39	Reporting whether the Chair of the highest governance body is also an executive officer	<a href="#">25</a>
G4-40	The nomination and selection processes for the highest governance body and its committees	<a href="#">25-27</a>
G4-41 G4-M	Processes and activities for the highest governance to ensure conflicts of interest are avoided and managed. Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum:	<a href="#">26-27</a>
<b>HIGHEST GOVERNANCE BODY'S COMPETENCES AND PERFORMANCE EVALUATION</b>		
G4-43	The measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	<a href="#">28-29</a>
G4-44	Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics	<a href="#">28-29</a>
<b>HIGHEST GOVERNANCE BODY'S ROLE IN RISK MANAGEMENT</b>		
G4-45	The highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities	<a href="#">23; 26</a>
G4-46	The highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	<a href="#">23; 26</a>
G4-47	The frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities	<a href="#">23; 26</a>
<b>HIGHEST GOVERNANCE BODY'S ROLE IN SUSTAINABILITY REPORTING</b>		
G4-48	The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered	<a href="#">3</a>
<b>REMUNERATION AND INCENTIVES</b>		
G4-51	Remuneration policies for the highest governance body and senior executives	<a href="#">29</a>
G4-52	The process for determining remuneration	<a href="#">29</a>
<b>ETHICS AND INTEGRITY</b>		
G4-56 G4-M	The organization's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	<a href="#">30; 32; 39</a>
<b>INDICATORS – CATEGORY ECONOMIC</b>		
G4-DMA-EC	Economic performance	<a href="#">11-17</a>
G4-EC1	Direct economic value generated and distributed	<a href="#">12</a>
<b>INDICATORS – CATEGORY ENVIRONMENTAL</b>		
G4-DMA-EN	Materials	<a href="#">56-60</a>
G4-EN2	Percentage of materials used that are recycled input materials	<a href="#">56</a>
G4-DMA-EN	Energy	<a href="#">56-60</a>
G4-EN3	Energy consumption within the organization	<a href="#">57-59</a>

G4-EN6	Reduction of energy consumption	<a href="#">57-60</a>
G4-DMA-EN	Water	<a href="#">56-60</a>
G4-EN8	Total water withdrawal by source	<a href="#">57</a>
G4-EN10	Percentage and total volume of water recycled and reused	<a href="#">57-59</a>
G4-DMA-EN	Emissions	<a href="#">56-60</a>
G4-EN19	Reduction of greenhouse gas (GHG) emissions	<a href="#">56; 57; 60</a>
G4-DMA-EN	Products and services	<a href="#">56-60</a>
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	<a href="#">56</a>
G4-DMA-EN	Compliance	<a href="#">56-60</a>
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	<a href="#">60</a>
<b>INDICATORS – CATEGORY SOCIAL</b>		
G4-DMA-LA	Employment	<a href="#">32-38</a>
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	<a href="#">34-35</a>
G4-LA3	Return to work and retention rates after parental leave, by gender	<a href="#">34</a>
G4-DMA-LA	Labour/management relations	<a href="#">32-38</a>
G4-DMA-LA	Training and education	<a href="#">32-38</a>
G4-DMA-LA	Diversity and equal opportunity	<a href="#">32-38</a>
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	<a href="#">28-29; 36-38</a>
G4-LA16	Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms	<a href="#">37</a>
<b>INDICATORS – CATEGORY HUMAN RIGHTS</b>		
G4-DMA-HR	Non-discrimination	<a href="#">36-38</a>
G4-HR3	Total number of incidents of discrimination and corrective actions taken	<a href="#">37</a>
G4-DMA-HR	Freedom of association and collective bargaining	<a href="#">33</a>
<b>INDICATORS – CATEGORY SOCIETY</b>		
G4-DMA-SO	Local communities	<a href="#">47-55</a>
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	<a href="#">47-48</a>
G4-DMA-SO	Anti-corruption	<a href="#">46</a>
G4-SO5	Confirmed incidents of corruption and actions taken	<a href="#">46</a>
G4-DMA-SO	Public policy	<a href="#">46</a>
G4-SO6	Total value of political contributions by country and recipient/beneficiary	<a href="#">46</a>
G4-DMA-SO	Anti-competitive behaviour	<a href="#">39-40</a>
G4-SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	<a href="#">31</a>



G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	<a href="#">39-40</a>
<b>INDICATORS – CATEGORY PRODUCT RESPONSIBILITY</b>		
G4-DMA-PR	Product responsibility	<a href="#">39-40</a>
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	<a href="#">40</a>
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	<a href="#">40</a>
G4-PR6	Sale of banned or disputed products	<a href="#">40</a>
G4-PR7 G4-M	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	<a href="#">40</a>
G4-DMA-PR	Customer Privacy	<a href="#">41</a>
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	<a href="#">41</a>
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	<a href="#">41</a>

**MEDIA SECTOR SUPPLEMENT**

G4-M1	Significant funding and other support received from non-governmental sources	<a href="#">18</a>
G4-M3	Actions taken to improve adherence to content creation values (independence, quality, plurality, diversity) and results obtained	<a href="#">39-46</a>
G4-M4	Actions taken to improve performance in relation to content dissemination issues (accessibility and protection of vulnerable audiences and informed decision making) and results obtained	<a href="#">40-41</a>

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