



Statement of the Asseco Group

on non-financial information for the year 2018



TABLE OF CONTENTS

TABLE OF CONTENTS	3
INTRODUCTION	4
DESCRIPTION OF THE GROUP AND ITS BUSINESS MODEL	4
Asseco Group	4
The Group's market position	6
Organic growth	6
Growth through acquisitions	6
Federation model	6
EMPLOYEE ISSUES	7
Personnel policy	7
Staff evaluation and development	8
Additional non-wage benefits	8
Risks identified in the area of labor issues	9
SOCIAL ISSUES	9
Risks identified in the area of social issues	10
ENVIRONMENTAL ISSUES	10
Risks identified in the area of environmental issues	11
HUMAN RIGHTS ISSUES	11
Risks identified in the area of human rights issues	11
ANTI-CORRUPTION ISSUES	12
Risks identified in the area of anti-corruption issues	12

INTRODUCTION

Below we are presenting a statement of the Asseco Group (hereinafter referred to as the "Group", the "Asseco Group", "the Asseco Group") on non-financial information regarding the Group from the period between January 1, 2018 and December 31, 2018. The Statement has been prepared on the basis of the Group's own rules, taking into account the provisions of the Accounting Act of September 29, 1994, the European Commission's guidelines on reporting of non-financial information and the National Non-Financial Information Standards (SIN) and the Global Reporting Initiative (GRI) international guidelines.

The selection and description of policies and performance indicators presented in the statement were made on the basis of a materiality criterion, taking into account internal and external factors related to the Group's operations. The main factors taken into account in the materiality assessment were the following:

- the industry in which the Group operates,
- its business profile and market environment,
- the scope of impact on local community and environment,
- stakeholders' expectations.

The data presented in the statement will be reviewed and updated in annual reporting periods and published regularly together with reports for subsequent financial years.

All policy descriptions and indicators in the Report have been prepared taking into account the data from the parent company and the subsidiaries mentioned below.

DESCRIPTION OF THE GROUP AND ITS BUSINESS MODEL

Asseco Group

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

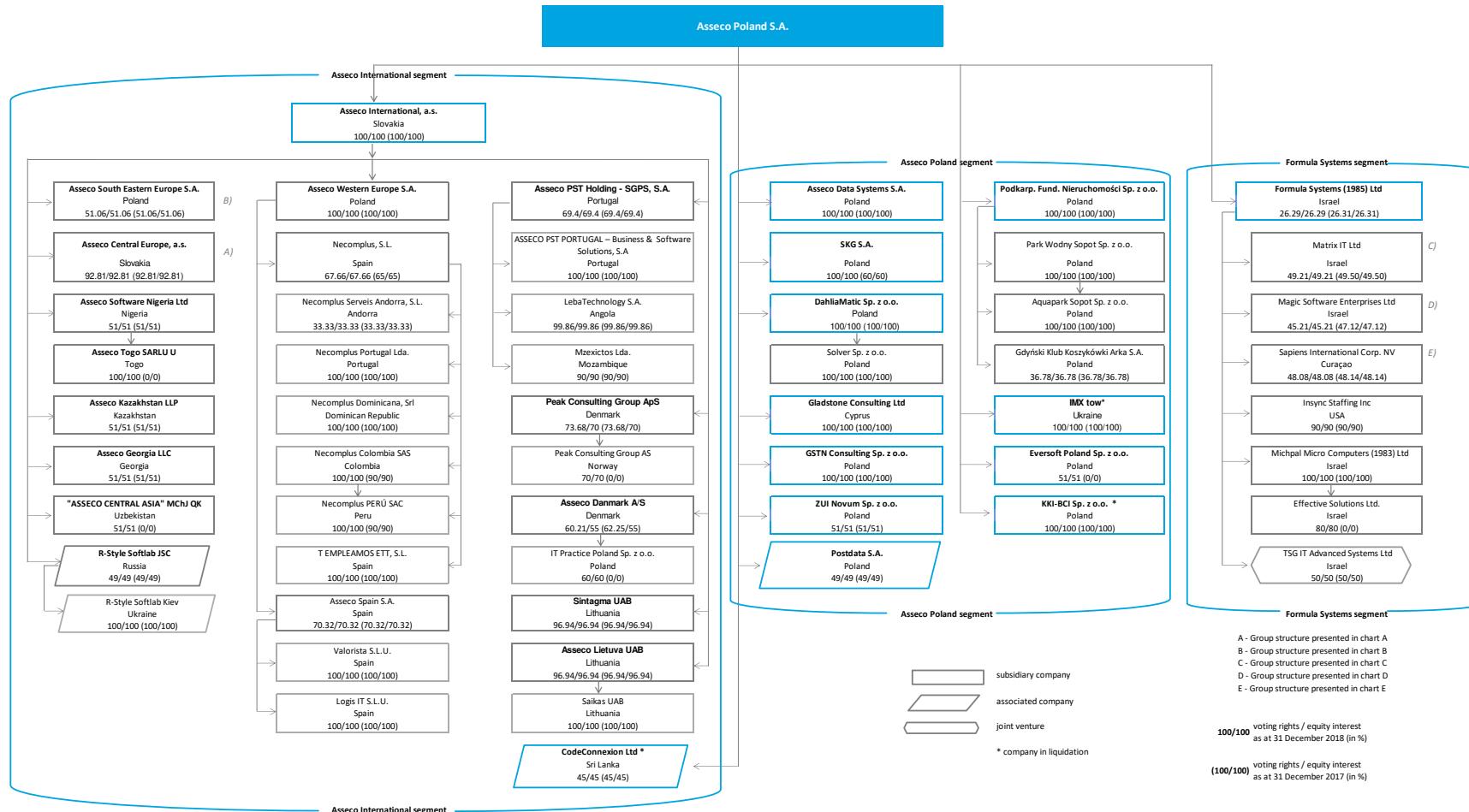
The Asseco Group is a federation of companies operating all over the world, which combine the competence of a software and service company and a producer of technologically advanced software. The Group cooperates with companies and institutions from key sectors of the economy, such as energy, banking, insurance, telecommunications, public administration or health care.

Product and geographical diversification is an important element of the Asseco Group's development strategy. It allows for significant reduction of the impact of negative market factors occurring in specific areas on the Group's operations. Owing to geographical diversification, the risk of negative impact of local factors on the Group's operations is significantly reduced, while the wide range of products makes Asseco resilient to possible collapses in individual market sectors.

The Group distinguishes three main business segments: Asseco Poland, Formula Systems and Asseco International. The Group companies operate in the following markets: Polish, Israeli, Central European, South Eastern European, Western European as well as in the US and Portuguese-speaking countries in Africa.

The Asseco Group's strategy is aimed at building long-term value for its stakeholders through organic growth and acquisitions. Owing to the progressing geographical expansion and widening of the range of products and services offered, the Asseco Group has been increasing its operating revenues and profits for many years.

The graph below presents the organizational structure of the Asseco Group as at December 31, 2018 and in the comparable period:



The complete organizational structure of the Group is presented in the item III of Supplementary Information to the consolidated financial statements of the Asseco Group for the period of twelve months ended December 31, 2018. The changes in the capital structure of the Asseco Group during 2018 have also been described in the item III of Supplementary Information to the consolidated financial statements of the Asseco Group for the period of twelve months ended December 31, 2018.

The Group's market position

Asseco is one of the leading software vendors in Europe.

The Asseco Group is the second largest IT capital group in Poland, as well as an IT company with the second highest net profit. In the Computerworld TOP200 (2018 edition) report on the Polish IT market, Asseco took 1st place in 7 categories. Asseco is the leader among producers of custom-made software as well as providers of IT solutions and services for the key sectors of economy - public administration, health and general business. It is worth noting that Asseco was ranked 1st in the list of companies engaged in responsible development.

Asseco is ranked **1st** in the list of companies engaged in responsible development. (Computerworld TOP200)

It is worth mentioning that in terms of profitability, Asseco Business Solutions, another company of the Asseco Group, ranked third¹.

As far as various sectors are concerned, Asseco Poland is the leader or one of the leading suppliers in its key business segments.

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

The foundation of the Group's business model is to build value by providing proprietary software and IT services to business customers and public administration based on the best experience of the Group's companies. 80% of the Group's sales are revenues from software and proprietary services.

Organic growth

The Asseco Group's organic growth strategy is focused on the production and sale of proprietary software and IT services. The Group's activity is based on sector-specific technological and business competencies. The Asseco Group offers comprehensive solutions for entire sectors of the economy, and also sells standardized products for smaller companies.

Growth through acquisitions

The Asseco Group has been pursuing an effective acquisition policy in Poland and abroad for many years. Asseco Poland, the Group's leading company, ranks among the most experienced companies in this area in Poland. Since 2004, the Company has successfully completed over 65 acquisitions, gradually increasing the scale of its operations and geographical reach. Also other Group companies, mainly the Israeli Formula Systems Group, pursue an active and effective acquisition policy.

In its acquisition activities, the Group is focused primarily on increasing its competence in key business sectors, entering new geographical markets or strengthening its position in the countries where it already operates.

Federation model

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

As the leading company in the Group, the Asseco Poland is the largest shareholder in the companies that make up the Group, but it does not strive to hold 100% of their shares. The companies joining the Asseco Group maintain a wide range of autonomy in their day-to-day operations and the goal of the Group is to set out their strategic development directions and aims and supervise their achievement.

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

¹Computerworld TOP200, Ranking of IT and telecommunication companies, Edition 2018, ranking by sales in 2017.

Such a model of cooperation creates a wide area for sales and cost synergies in the Group's operations. Its activities are aimed at the long-term improvement of the effectiveness of individual companies that are its members.

EMPLOYEE ISSUES

Personnel policy

Due to a specific nature of the IT business and the fact that the success of the Group in this industry is determined mainly by the knowledge and practical skills of its employees, employment issues, employee development and the creation of an appropriate working environment are crucial for the long-term sustainable development of the Group.

The Asseco Group does not have a uniform policy with respect to employee and social issues, which results directly from the federal model of cooperation within the Group. The Asseco Group companies maintain a wide range of autonomy in their operations, and since they operate in different parts of the world, and thus operate under different legal, economic and social conditions, the ability to conduct a uniform policy in this area is significantly limited.

Due to the Group's international character, the personnel policy is implemented in accordance with the laws and regulations in force in the country in which the Asseco Group's companies operate, as well as on the basis of internal procedures and standards applicable in those companies. Regardless of the above, employee acquisition, retention and development processes are based on individual companies' competence model. The Group's companies organize the tasks and roles of employees and support the formation of a culture focused on customers, quality, performance, cooperation and professional development.

Table 1: Employment by departments

Total number of employees	Production departments	Direct sales departments	Indirect sales departments	Administrative departments	General management
24,304	21,048	1,184	104	1,816	152

The recruitment process in the Group's companies is based on respect for the principles of gender equality, origin, age, beliefs and other factors relating to the diversity of candidates. Due to the specific nature of the industry, in the recruitment process the greatest importance is attached to practical knowledge and qualifications of employees, which translates into the selection of persons with competences best suited to a given position. Clearly defined criteria and an objective assessment of qualifications guarantee candidates equal chances to successfully complete the recruitment process.

Table 2. Employment by gender

Total number of employees	Women	Men
24,304	9,880	14,424

Table 3. Employment by age

Total number of employees	Up to 30 years of age	31-40 years of age	41-50 years of age	51-60 years of age	Over 60 years of age
24,304	7,082	8,362	5,945	2,205	710

Staff evaluation and development

The employees and associates of the Asseco Group are subject to a cyclical review process.

The employee evaluation is conducted in order to determine: the degree of the accomplishment of the entrusted tasks, quality, timeliness and the manner of their performance, as well as - what is significant - the compliance of the employee's or associate's conduct with the values of the individual Asseco Group's companies. The following areas are also assessed: the implementation of individually defined goals and development plans - with the use of such tools as: trainings, workshops, courses, post-graduate studies and extension/change of responsibilities.

The Group's companies take care of the professional development of their employees. In individual entities, training courses are initiated, e.g. general company or individual training workshops. They develop employees' competences while supporting the achievement of business objectives.

In 2018, the Asseco Group companies' employees participated in **2,188** training courses.

In addition to external training courses, the Group's companies also organize internal sector training workshops. For example, the Academy of Asseco Central Europe has been established in Asseco Central Europe, as part of which employees share their experience and knowledge. In turn, the "Development for Everyone" program focuses on areas such as the ability to think outside the box or time management.

In Asseco Data Systems, which operates on the Polish market, one of the most important tasks in the area of training and development is to increase the ability to cooperate effectively in several dimensions: manager - employee, within a team, relations with customers, and between teams (organizational units). In 2018, the management staff received training in the strategic approach to performance management, while the managers gained additional knowledge in the field of employee performance management.

The main initiatives undertaken by the Asseco South Eastern Europe Group in the area of training and development are focused on acquiring and expanding technical knowledge among programmers and engineers. In order to keep up with market trends and gain new knowledge, the employees participated in many industry conferences in 2018, including the FullStack Developer Conference, JAX Conference, VMware EMPOWER 2018 Europe Conference, Microsoft Sinergy 19 - Digital Breakthrough, Test Conference, Angular Conference, Red Hat Adriatic Partner Forum, and EMEAR Cisco Customer Journey Solutions Sales Summit. In addition, soft skills such as management, communication and presentation skills are developed.

Additional non-wage benefits

The Asseco Group offers additional non-wage benefits for employees of individual companies. They vary from one entity to another and have not been unified at the Group level. They include:

- co-financed health care; (for example Asseco Poland, Asseco Data Systems, Asseco South Eastern Europe, Asseco Business Solutions, Asseco Denmark A/S, DahliaMatic, Asseco PST, Asseco Central Europe, Formula Systems),
- co-financed subscriptions to sports facilities; (for example Asseco Poland, Asseco South Eastern Europe, Peak Consulting Group, Asseco Business Solutions, Asseco Data Systems, DahliaMatic, Necoplus Group, Asseco Central Europe, Formula Systems),
- co-financed tickets to cultural events; (for example Asseco Data Systems, Asseco Central Europe, Asseco Solutions SK, Asseco Solutions AG, Asseco Solutions CZ),
- co-financed leisure activities; (np. Asseco Business Solutions, Formula Systems),
- the possibility to use the social benefits fund. (for example Asseco Poland, Asseco Data Systems),
- ensuring access to fresh fruits (for example Asseco Poland, Asseco Denmark, Necoplus Group, Asseco Central Europe).

In addition to the above-mentioned benefits, there are also other benefits specific to individual capital groups of the Asseco Group e. g. organization of sports groups with a dedicated trainer (Asseco Business Solutions),

loans for renovation purposes (Asseco Data Systems), providing favorable bank loans (Asseco South Eastern Europe), co-financing for the purchase of computers (DahliaMatic), or a weekend trip paid by the employer (Formula Systems) once a year.

Risks identified in the area of labor issues

Risk related to losing the key personnel

The Asseco Group companies' operations and development outlook depend to a large extent on the knowledge, experience and professional qualifications of its employees, who implement the IT projects. A substantial demand for IT specialists and the competitors' activities may induce the key personnel to leave our organization, and also make it quite difficult to recruit new employees with suitable knowledge, experience and professional qualifications. Still there is a risk that resignation by the key personnel would have a negative impact on the execution of IT contracts conducted by Asseco, as well as on ensuring the required quality and range of services provided. This in turn might have a significant adverse impact on the operations, financial position, financial results and prospective development of the Asseco Group.

Personnel policy risk

The Asseco Group's companies may incur costs in connection with legitimate or illegitimate claims filed by its employees on the grounds of discrimination, working conditions, etc. Such circumstances might have a significant adverse impact on the operations, financial position, financial results and prospective development of the Group's companies.

SOCIAL ISSUES

In the Asseco Group, each company independently executes its Corporate Social Responsibility (CSR) activities based on its individual budget and the needs of the local community. The lack of centralized operations at the Group level is directly attributable to the federal business model.

Among the most important social projects implemented by the Group's companies, we can mention the Christmas charity campaign taken by employees of Asseco Poland and Asseco Data Systems - "We Bring Help". Its purpose is to provide financial support to organizations and people who are most in need. Asseco's employees not only identify the institutions that will receive assistance, but also devote their time and commitment throughout the year. Each of Asseco's employees can share their ideas on how and whom to help. Each year the amount reaching PLN 200,000 is spent on the charity campaign. Up until now, over 1,200 employees have been personally involved in the campaign and the companies have helped 89 families.

Over **1,200** employees have been personally involved in the "We bring help" campaign so far

In addition, the Asseco Group supports local sports teams - Asseco Poland is the main sponsor of the Asseco Resovia Rzeszów volleyball team, and Asseco Data Systems of one of the best teams in the Polish basketball league - Asseco Gdynia.

Asseco Poland is actively engaged in promoting and educating Polish programmers. The Company's experts give lectures at universities all over the country, and the best students and graduates can join the Asseco team. Having their development in mind, two proprietary Asseco 3P and Asseco Starter programs have been created.

Similar activities are also carried out by other Group companies. Asseco Central Europe runs the "Our City" program in locations where the company's offices are seated. As part of volunteering, actions are carried out to help the local community. Asseco companies operating in the Central European region are engaged in a number of activities supporting charitable organizations, such as collecting Christmas presents for children from oncological wards or helping blood donation centers. Asseco Solutions SK transfers 2% of its employee tax to charities.

Asseco South Eastern Europe is engaged in a project to develop a free Wi-Fi Green Zone network. The company's employees take part in a charity marathon in Belgrade and are involved in blood donation campaigns. Asseco Lithuania actively supports the Faculty of Mathematics and Informatics at the University of Vilnius, whose graduates account for more than half of the current employees of this group.

In order to support physical activity of our employees and deepen their cooperation and integration, Asseco Poland has established the Asseco Active Team initiative. Its goal is to co-finance sports activities of employees. Standard forms of support include: covering registration fee and other fees for the participation in sports activities, as well as providing clothing and sports equipment signed with the Asseco logo.

In 2018, more than **2,000 employees** of the Group were involved in employee volunteering.

The companies of the Asseco Group (e. g. Asseco Data Systems, Asseco PST, Necoplus, Asseco South Eastern Europe, Asseco Central Europe) also run and support corporate volunteering activities. Employees undertake, among others, such actions as the support for non-governmental organizations (NGOs) in the field of fund, food or other articles collection for the people in need, or the engagement in renovation works of facilities designated for running pro-social activities.

Risks identified in the area of social issues

Risk of dissatisfaction with the limited scope of conducted activities

The Group conducts numerous and extensive social and sponsorship activities. There is a risk that resignation from any of the current activities could lead to dissatisfaction on the part of employees and communities benefiting from a given activity, and consequently deteriorating the Group's image.

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

ENVIRONMENTAL ISSUES

The IT sector, in which the Asseco Group operates, is characterized by relatively low environmental impact. The Group's activities do not cause significant emissions, do not generate significant amount of waste and do not require environmentally important commodities. The scale of the impact on the environment is related to the scale of the conducted activity and waste generated by the Group's employees and electricity consumption attributable to their position.

The Asseco Group does not have a uniform policy covering environmental issues, which results directly from the federal model of cooperation within the Capital Group. Due to territorial dispersion, the Asseco Group companies are subject to different legal regimes and, consequently, different environmental protection requirements. The adoption of a single policy on environmental issues in such circumstances would be very difficult and pointless, given the very high level of generality that would have to be adopted for such regulations.

Although there is no uniform policy on environmental issues, the Asseco Group's companies operate in accordance with the requirements of the applicable legal acts. In their day-to-day operations, the companies pay special attention to the issues of electricity consumption, as well as obligations in the area of recycling electrical and electronic equipment, which is the main tool of the Group's employees. Other non-communal waste characteristic of the Asseco Group's companies include used filters from ventilation systems, batteries and accumulators, packaging waste (packages made of cardboard, glass, wood, contaminated packaging or packaging containing residues of dangerous substances or mixtures used to maintain cleanliness and hygiene of sanitary equipment or rooms). The waste is transferred to waste treatment facilities with appropriate transport permits for the transport, collection and treatment of waste in accordance with the legal regime of the country in whose territory a company operates.

The Asseco Group's companies take effective measures to improve energy efficiency, which translates into both environmental benefits and reduction of the Group's operating costs. In 2018, the Group's energy consumption increased, but this is due to its organic growth and the inclusion of new companies in the Group.

In addition, depending on specific legal requirements in a given country, the companies are also obliged to keep records of other data related to environmental impact, e. g. the Polish companies of the Asseco Group are obliged, among others, to keep fuel consumption records and records of accidental emissions of fluorinated greenhouse gases for the purposes of the adopted reporting.

In 2018, none of the Asseco Group companies were fined for breaching environmental regulations.

Risks identified in the area of environmental issues

The risk of a significant increase in electricity prices

The Asseco Group's employees use electronic devices, which require electricity from external suppliers in order to operate. A significant increase in electricity prices may result in a proportional increase in the Group's operating costs.

the Group manages risk by analyzing its energy demand on an ongoing basis and reducing its consumption, thanks to the gradual replacement of old energy-intensive appliances with energy-efficient ones.

Risk of poor waste management

Due to a specific nature of its operations, the Group does not generate a large amount of production waste. the Asseco Group's primary waste is municipal waste as well as electrical and electronic equipment. Regardless of the scale of production, there is a risk of improper waste management.

The Group minimizes the above risk by strictly applying and enforcing internal regulations and legal requirements in this area and cooperating with operators with appropriate permits for waste treatment.

HUMAN RIGHTS ISSUES

Human rights are vested in every person, and their source is human dignity.

All organizations, including capital companies, as employers, producers and contractors are obliged to respect human rights in an absolute manner. Wherever these rights could be violated, however, companies should take appropriate steps to change this situation and avoid taking advantage of the failure to respect them.

The Asseco Group has not adopted a uniform policy of respect for human rights, which results from its federal model of cooperation, which gives the Group companies considerable autonomy in terms of internal regulations. In addition, due to territorial dispersion, the Asseco Group's companies are subject to various legal regimes, with detailed and territorially specific solutions resulting from human rights issues.

A general rule binding throughout the Asseco Group is observance and respect for human rights, including the right to freedom of association, the right to a safe working environment, non-discrimination, prohibition of child labor and the prohibition of forced labor. Violation of any of the aforementioned principles by the Asseco Group's companies would not only constitute a violation of law, but also of the Group's core values.

In 2018, there were no cases of human rights violations in the entire Asseco Group.

Risks identified in the area of human rights issues

Risk of human rights violation in the Group

As in any large organization, there is a certain risk of human rights violation in the Asseco Group, especially to the extent that such violation could be caused not by the organization itself but by its employees. Such a risk

may materialize by violating dignity or discrimination. Human rights violations within the Group would have a negative reputational impact both inside and outside the Group.

The Group manages that risk by ensuring clear and transparent rules of conduct towards its employees and introducing regulations aimed at preventing possible violations of human rights.

Risk of human rights violation by the Group's suppliers

Although internal regulations are in place to ensure respect for human rights in the Group, there is a risk of suppliers violating these principles. Using the services of entities abusing human rights would have a negative impact on the Group's reputation and could also affect the morale of its employees.

ANTI-CORRUPTION ISSUES

The Asseco Group has no uniform policy on anti-corruption issues, which results from the federal model of cooperation within the Capital Group. Due to territorial dispersion, the Asseco Group companies operate in various legal, social and cultural environments, hence no central anti-corruption policies have been established at the Group level.

The companies have their own practices in this area, which is the most effective solution. Prevention and control activities in the area of anti-corruption are implemented at various levels of the organization and are necessary to ensure proper functioning of the companies. As an example we can mention the adoption and implementation of codes of ethics, promotion of high market and ethical standards in business operations, conducting trainings for newly recruited employees, regular trainings for employees from the sales and purchasing departments, as well as trainings dedicated to managerial staff. In the companies in which internal audit departments operate, regular inspections are also carried out with regard to the correctness of agreements concluded by the companies.

A good example of the Asseco Group's entity, that has implemented extensive anti-corruption policy, is the Formula Systems Group. It has a Code of Ethics adopted at a group level, an insider trading policy and other policies and procedures to adequately monitor and counteract corruption. The activities undertaken by the Group include, among others, distribution and dissemination of anti-corruption regulations, which have to be read and accepted by each employee, the establishment of the function of a whistleblower and the framework of their activity, as well as other activities in this scope.

In 2018 there were no cases of corruption in the companies of the Asseco Group.

Risks identified in the area of anti-corruption issues

Risk of corruption cases occurring

Operating within an extensive organizational structure with a relatively broad range of competences of individual organizational units carries the risk of incidental occurrence of corrupt events. The employees of the purchasing and sales departments are particularly vulnerable to events within the scope because they have direct contact with representatives of external entities, which may achieve a specific material advantage thanks to cooperation with the Group. The occurrence of such an event could have negative image effects on the Group, hinder future trade contacts and result in direct economic loss in the case of concluding a contract on non-market terms.

The Asseco Group manages the risk through appropriate selection of employees for individual positions, as well as through appropriate monitoring activities of the internal services responsible for this area in individual Companies.

Signatures of Members of the Management Board to the Asseco Group's Report on non-financial data for 2018:

Adam Góral

President of the Management Board

Andrzej Dopierała

Vice President of the Management Board

Tadeusz Dyrga

Vice President of the Management Board

Krzysztof Groyecki

Vice President of the Management Board

Rafał Kozłowski

Vice President of the Management Board

Marek Panek

Vice President of the Management Board

Paweł Piwowar

Vice President of the Management Board

Zbigniew Pomianek

Vice President of the Management Board

Artur Wiza

Vice President of the Management Board

Gabriela Żukowicz

Vice President of the Management Board

Solutions for demanding business.

Asseco Poland S.A.

14 Olchowa Street, 35-322 Rzeszów

Tel.: +48 17 888 55 55

Fax: +48 17 888 55 50

Email: info@asseco.pl

inwestor.asseco.pl

asseco