

# ESG REPORT

2023



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NON-FINANCIAL REPORT OF THE CAPITAL GROUP AND OF BEST S.A.  
FOR 2023 THE OFFICIAL NON-FINANCIAL REPORT OF THE  
CAPITAL GROUP AND OF BEST S.A. FOR 2023  
HAS BEEN PREPARED ACCORDING TO THE ESEF REQUIREMENTS.



## CONTENTS

<b>BEST Group in a nutshell .....</b>	<b>6</b>	<b>BEST'S social commitment .....</b>	<b>49</b>
		Knowledge sharing .....	49
<b>About BEST Group .....</b>	<b>7</b>	Engagement with local communities .....	51
Solid foundation .....	7		
Business model and structure .....	10	<b>BEST and the natural environment .....</b>	<b>52</b>
Compliance management .....	21	Management approach and current impact .....	52
Corporate ethics .....	22	Climate resilience of the business model .....	54
ESG strategy directions .....	25	Transition risks and climate-related opportunities: Net Zero 2050 .....	56
<b>Market environment of BEST .....</b>	<b>26</b>	<b>Non-financial figures .....</b>	<b>58</b>
Assignments of claims .....	26		
Preventing corruption and bribery .....	27	<b>About the report .....</b>	<b>64</b>
Effective protection of personal data .....	28	Nature of the report .....	64
		Report defining process .....	65
<b>BEST'S approach to its Customers .....</b>	<b>30</b>	Scope of the report .....	66
Dignified treatment .....	31		
Effective debt collection with clear communication .....	33	<b>Supplement: Non-financial risks associated with debt collection activities .....</b>	<b>67</b>
Simple and transparent products and trusted Advisors ..	34		
Effective court and enforcement proceedings .....	36	<b>Attachment: BEST Group and BEST S.A. and the EU taxonomy .....</b>	<b>69</b>
Complaints .....	37	Legal basis and qualification of activities .....	69
Other appeal mechanisms .....	37	Qualification of activities as environmentally sustainable .....	70
		Results .....	74
<b>BEST's approach to its Employees.....</b>	<b>38</b>	<b>GRI content index .....</b>	<b>82</b>
Stability and Employee loyalty .....	38		
Careful recruitment .....	40		
Remuneration .....	41		
Non-wage benefits .....	41		
Friendly atmosphere .....	43		
Listening to Employees' opinions .....	44		
Training and growth .....	45		
Performance review and feedback system .....	48		
Volunteering .....	48		



[2-22]

Dear Sir/Madam,

It is with great pleasure that I recap another year at BEST. Looking back on our operations, I invariably see not only the financial side, but also a broader picture: the way our company affects the economy and society, and how the circumstances affect us.

There is an old saying, or rather a curse: 'May you live in interesting times'. Indeed, we have all experienced 'interesting times' for some years now, but not in a good way. In the recent past, we have seen first the outbreak of a pandemic which brought the global economy to its knees and severed global supply chains, followed by yet another bout of Russia's imperialism, its aggression against Ukraine and other geopolitical turmoil. These events have shattered the sense of stability and security in Europe, and rocked the economy. Moreover, some hasty political decisions, coupled with the pursuit of quick gains, have led to Europe being flooded with Ukrainian agricultural products and experiencing farmer protests as of publishing this report. Against this background, Germany's economy is alarmingly slowing down, which will likely impact on the situation in Poland. Sadly, instability and turmoil are conducive to making hasty decisions and people having problems in repaying their debts. This may lead to payment bottlenecks, a situation resembling a domino effect that is extremely dangerous on both a micro- and macroeconomic scale. In circumstances like these, the economic role of companies like BEST should not be underestimated. By restructuring debts, we help debtors regain financial stability, often protecting them from spiralling into debt even further. We have also helped maintain a broader economic balance for many years.

In 2024, we are celebrating our 30th anniversary. Having been present 30 years on the market is a genuine milestone and a source of great satisfaction for us. We proudly look back at the road we have walked as a company. Being deeply rooted in Poland's transformation towards a market economy, we grew on a wave of enthusiasm and booming entrepreneurship in the 1990s. Other than banks, we were the first financial sector company to be listed on the Warsaw Stock Exchange. Our history and roots run deep, and so do our values: know-how, ethics and efficiency. They remain part of our company's DNA. Our values are not a mere addition to our business, but lie at its core, as they naturally shape our perspective on the market, our environment and ourselves. I consider these 30 years to be a big success for BEST. What I consider success is not only stability, professionalism and strong financial performance, but also the value we bring to our environment and to everyone who is part of our company.

This is the sixth non-financial report (ESG Report) of BEST Group and of BEST S.A. Reporting on sustainable growth is not just about meeting an information obligation towards the market, but an opportunity to provide a broader view on our business. It is about presenting our perspective on our values and management philosophy, which for 30 years have underpinned our unique character and created the distinctive competitive advantages of the BEST brand. I wholeheartedly encourage you to read the report.



Yours faithfully

  
**Krzysztof Borusowski**  
 President of the  
 Management Board of BEST S.A.

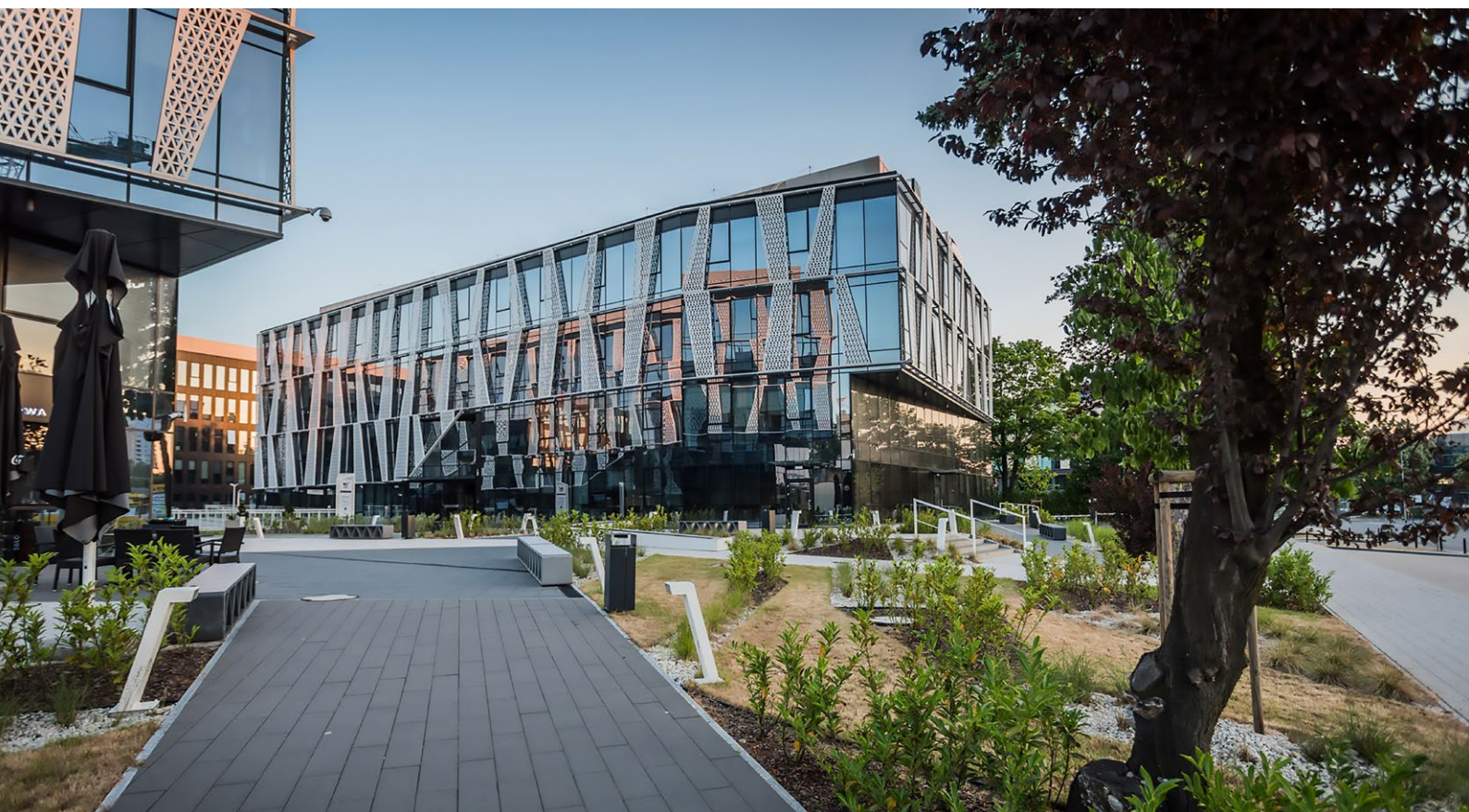
## BEST GROUP IN A NUTSHELL

For many years now, we have been among the leaders of the debt collection industry in Poland as one of the top companies on the Polish financial services market. We are effective at restructuring our customers' personal and corporate debt, investing actively in non-performing debt portfolios.

Leading BEST Group is BEST S.A., established in 1994 as a loan intermediary company. For 30 years, we have been continually developing our unique competences and competitive advantages. We have been listed on the Warsaw Stock Exchange since 1997. In 2002, having already gained experience and expertise in the credit market, the Company shifted its business focus towards debt collection and the management of claim portfolios. In 2005, BEST S.A. established one of first securitisation funds on the market, BEST I NSFIZ, and in 2007 a subsidiary to manage investment funds, BEST TFI S.A. Next, in 2010, as one of the first companies on the Polish market, it received a permit from the Polish Financial Supervision Authority to manage securitised claims of securitisation funds. In 2017, BEST Capital Group expanded its operations beyond Poland and entered the Italian market, where it actively acquires claim portfolios in whose

restructuring it participates. BEST S.A., as a member and co-founder of the Association of Financial Companies in Poland, and a co-founder and moderator of the *ZPF Good Practice for ZPF associated companies* (hereinafter: ZPF Good Practice; Good Practice; GP) actively contributes to the development and shaping of the claims market in Poland. We employ several hundred people, building a dynamic organisation based on many years of market experience, innovative solutions and a friendly corporate culture.

In addition to BEST S.A., our Capital Group includes BEST Towarzystwo Funduszy Inwestycyjnych S.A., Kancelaria Radcy Prawnego Rybszleger Sp. K., 5 investment funds and our companies based in Milan, BEST Capital Italy and BEST Italia, which are expanding on the Italian market.



## ABOUT BEST GROUP

# Solid foundation

[2-6]

Mission, vision and values of BEST

## MISSION STATEMENT

We promote financially responsible behaviours and business reliability. We help our Customers deal with debt, restore their financial stability and promote ethical standards on the financial services market, and our relations with stakeholders are based on honesty and respect.

## VISION

We are focused on growth and investing in new technologies to be a technology leader on the debt market in Europe, and by promoting our values, we build long-term trust and a positive reputation of the debt collection industry.

## OUR VALUES

As we seek to build trust and be efficient, our main assets are know-how and professionalism, and our operations are based on legal and ethical standards.



### — KNOW-HOW

We have the knowledge and experience of world-class specialists. We make sure to optimally use the potential of our Employees, cascade knowledge within the organisation, promote growth and encourage people to take on challenges.



### — ETHICS

Compliance with the law is the foundation of our business. We are actively engaged in shaping and promoting ethics within our organisation and on the debt market. We are an initiator and moderator of the *Good Debt Collection Practice*, and a co-author of the *Good Claims Selling Practice*. We respect the values presented in the *Code of Best Practice for the Financial Market* as well as the corporate governance rules defined in the *Best Practice for GPW Listed Companies*.



### — EFFICIENCY

We keep our obligations, set ambitious goals and achieve them on time. We guarantee that profit is generated in a responsible way, using our intellectual capital, process optimisation, state-of-the-art technologies, our Employees' skills and monitoring the impact on our stakeholders.

[2-26]

Values lie at the core of our business and are not a mere add-on to our image; it is around them that our business model is built. BEST's key values, know-how, ethics and efficiency, naturally shape our perspective on the market, our environment and ourselves. Not only are the value-based standards important, but they also are a key factor for social acceptance of companies such as BEST. What is more, BEST's value-driven operating model makes our values a source of our competitive advantage. This way of thinking underlies the self-regulation we have initiated (such as the *ZPF Good Practice*). While a distant past now, the once lack of uniform ethical standards in debt collection continues to this day to weigh on the industry, fuelling unfair, stereotypical thinking about companies such as ours. Therefore, consolidating, strengthening and expanding ethical standards in the industry is just as important as developing them. Neglecting the standards today could lead to a gradual degradation of the industry's hard-earned value, and to a re-emergence of socially unacceptable businesses and behaviours. This, in turn, would adversely affect both Customers and businesses that want to operate in a fair and honest way on the market. *Pacta sunt servanda*: the prerequisite for efficient functioning of the economy is honesty and the observance of contracts. Therefore, **debt collection companies which solve the problem of dishonesty and observe the highest ethical standards have a fundamental role to play in the economy**, providing a healing mechanism and making the market more efficient.

[2-26]

We seek to promote our understanding of the business within the industry. We are one of the founders and to this day remain an active member of the **Association of Financial Companies in Poland (ZPF)**. We also co-authored the *ZPF Good Practice* and, as a Group, **the Good Practice of the claim sale process**. We believe that self-regulation and cooperation in solving common industry problems benefits all market actors and, above all, the economy.

By working as part of the Association of Financial Companies, we can participate in the process of shaping the debt market in a transparent and honest way, commenting and giving opinions on its development directions, as well as promoting fair market practice.

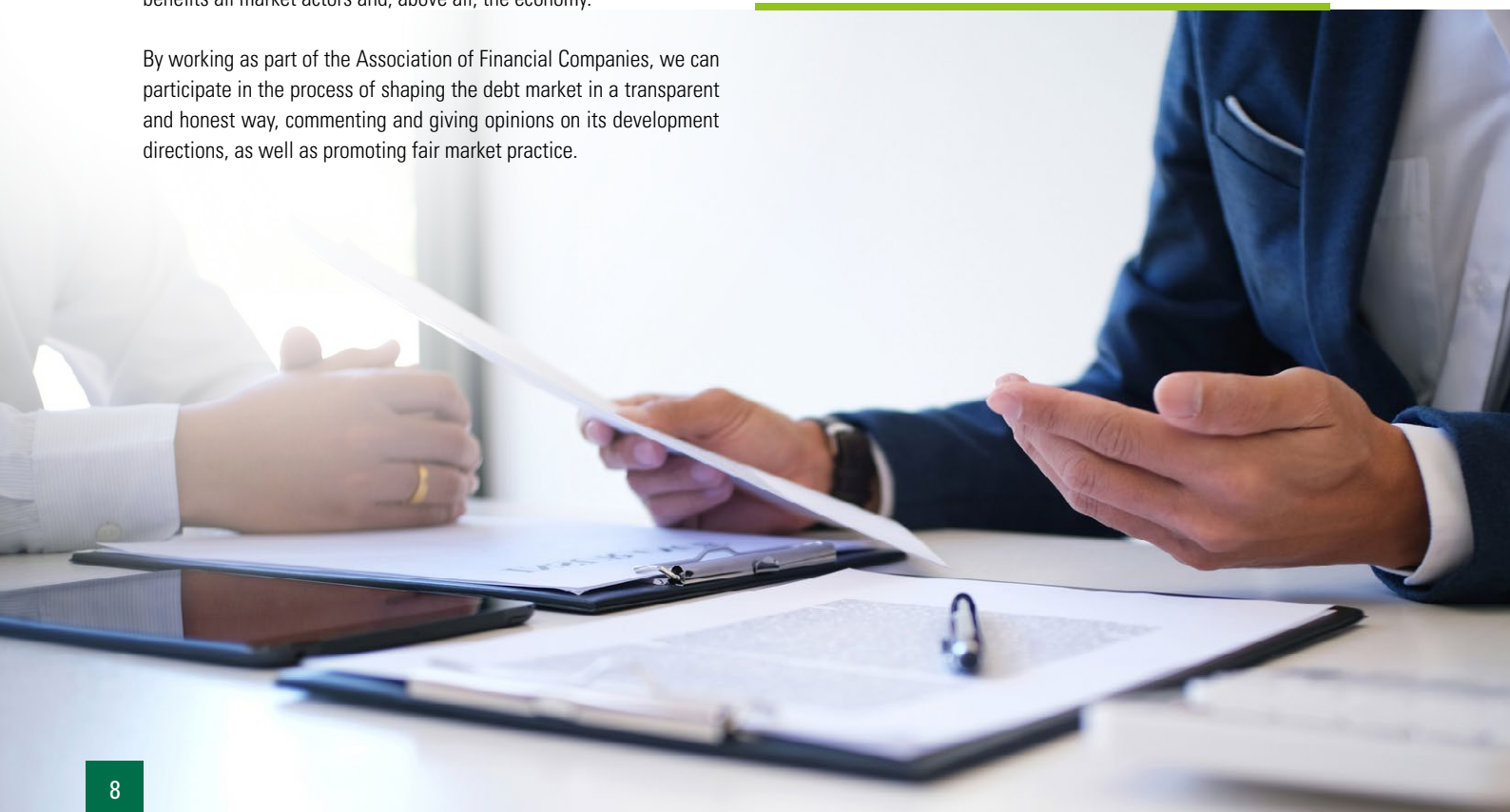
ZPF

Związek  
Przedsiębiorstw  
Finansowych  
w Polsce

### Association of Financial Companies in Poland

The Association of Financial Companies in Poland (formerly: Conference of Financial Companies in Poland) was established on 27 October 1999 and brings together several dozen key business from the Polish financial market, such as banks, claim managers, financial advisors and agents, loan companies, economic information providers, sellers of reverse mortgage products as part of a sales model, and companies from the insurance industry. The ZPF is a member of the Financial Market Development Council, which was appointed by the Minister of Finance of the Republic of Poland, and a member of the renowned European Federation of Finance House Associations (EUROFINAS), which brings together seventeen national organisations representing more than 1,200 financial institutions. The research achievements of the ZPF include several dozen reports focusing on the area of lending.

BEST S.A. is a co-founder and member of the Association of Financial Companies in Poland.



**Know-how, ethics and efficiency** lie at the core around which we built BEST Group. Our key values are a solid foundation, underlying our growth strategy, management policies, procedures and processes. Our business model can evolve in response to changes in the environment as we enter new markets. People can change, but our values remain the same.

## KNOW-HOW

The know-how and experience of the experts working for BEST Group contribute to our organisation, its expertise and competitive advantages. We share knowledge inside and outside the Organisation, establishing platforms for dialogue, exchanging experiences and supporting talented individuals. We keep our knowledge up to date and make sure that our expertise keeps up with new developments. Based on these values, we can continue to develop, evolve and create new solutions ahead of market expectations.



## ETHICS

[3-3 (203), 203-2]

If we want to win and keep the trust of our Customers by making them keep their contracts, it is imperative that we practise what we preach. Our way of thinking about business is always accompanied by a sense of mission: to restore business integrity that requires people to keep contracts and pay what they owe, to help those who are in financial troubles and unable to repay their debts. Another part of our mission is to restore respect in relations with all stakeholders and fight against dehumanisation of business processes. There is more to business than just making money and our approach also bears financial fruit in the long term. We are convinced that proper economic relations are only possible when agreements are adhered to. Defaulting on contracts causes payment backlogs, harms liquidity of creditors and, in the long term, reduces confidence in the economy. The lack of confidence is slowly becoming one of the main factors limiting sustainable economic growth. Limited trust also leads to increased transaction

costs and thus costs as such. Ultimately, these costs are paid by the entire economy, which means all citizens. By enforcing discipline and mediating between market participants, BEST Group seeks to build and strengthen trust, restoring healthy relations between market participants.

By removing payment bottlenecks, we help improve creditors' liquidity, while respecting debtors' rights. We work with our Customers based on fair and transparent terms throughout the debt collection process. We meet the needs of our Customers, managing their debt in such a way that it can be repaid and often protecting them from a debt spiral. Based on our long-time experience, we know well that only consistently pursuing the repayment of debt and inevitability of repayment contribute to improving relations in the economy.

## EFFICIENCY

We could not have succeeded if it were not for our focus on constantly seeking new, process and technology driven solutions. We focus on improvement, streamlining, innovation, but also on attention to detail, reliability and professionalism: in other words, on efficiency. It is closely linked to our know-how, which helps us find the best solutions for our Customers, and to ethics, based on which we build trust. Our business model is based on establishing relationships and dialogue, which would not be possible without being open to understanding problems of other people and treating them with respect. This is a direct consequence of the values mentioned.

Our business model is based on the three values we have mentioned: know-how, ethics and efficiency. We are convinced that it is through these values that we create value for our shareholders and investors, and we have earned the trust of our partners, Employees and Customers.



# Business model and structure

[2-1, 2-6]

BEST Group, which focuses on actively investing in non-performing debt portfolios, is led by BEST S.A. (parent company), one of the biggest companies in Poland's debt collection industry. The assignment of tasks to individual entities comprising BEST Group results both from the legal requirement to separate certain structures, but is also a product of seeking an optimal structure from the perspective of management efficiency. The adopted structure streamlines our organisation, facilitates better operational risk management and offers excellent cost control.



## INVESTMENT FUNDS

BEST Towarzystwo Funduszy Inwestycyjnych S.A. (Investment Fund Company, TFI) is key for the functioning of the Capital Group. The TFI is involved in the establishment and management of investment funds and the process of assigning claims on behalf of and for the benefit of the claim funds it manages. Starting from the search for investment opportunities, through the valuation of the claim portfolio and ending with the closing and settlement of the transaction. The claims are held by the investment funds managed by BEST TFI S.A. (these are: BEST I NFIZW, Best II NFIZW, BEST III NFIZW and BEST IV NFIZW). The individual funds invest money obtained from investors from the issue of investment certificates and bonds in claim portfolios, including non-performing debt. BEST TFI S.A. also manages the fund BEST Capital Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych (FIZAN), which is a special purpose transaction vehicle established only for BEST Group companies.

## LAW FIRM

An important member of BEST Group is Kancelaria Radcy Prawnego Rybszleger Sp. k., one of the leading law firms in Tricity, providing legal services for Polish and foreign businesses. It provides comprehensive legal services for BEST Capital Group. Established in 2011 in Gdynia, the law firm currently employs more than twenty attorneys, legal counsels and trainees, providing its Customers with the highest standard of legal services in all areas of law related to business activity. It specialises in capital markets transactions, mass collection, and real estate.

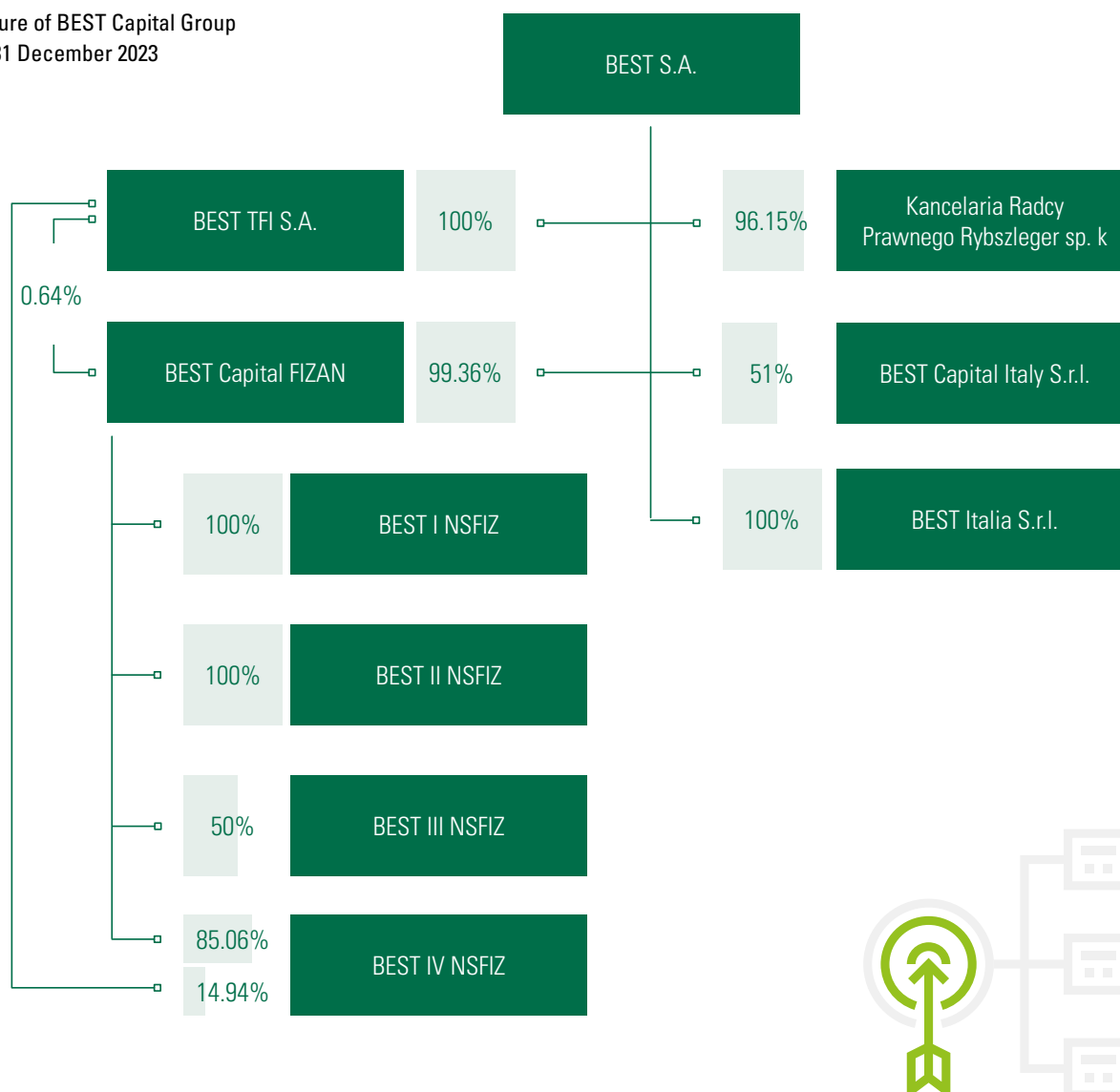
## FOREIGN OPERATIONS

For several years now, BEST Group has been operating not only in Poland, but also in Italy. BEST Capital Italy invests in claims or claim-related assets. The structure of BEST Capital Italy assumes that all surplus money generated by the Company will be paid to investors that are 100% owned by BEST Capital Group.

## OTHER ENTITIES

Since 2015, BEST S.A. has held almost 33% of shares in Kredyt Inkaso – a company with a business profile similar to that of BEST S.A., i.e. debt collection and debt management, with a significant share in the Polish market, also operating on foreign markets.

**Structure of BEST Capital Group  
as of 31 December 2023**



**BEST Group in figures:**  
[2-6]

2021	2022	2023	
156.7	131.6	<b>310.8</b>	Investments in portfolios (PLN million)
1,017.1	1,183.2	<b>1342.4</b>	Value of the Group's claim portfolios (PLN million)
351	372.8	<b>384.9</b>	Repayments due to the Group (PLN million)
339.1	453.6	<b>353.8</b>	Operating revenues (PLN million)
549.1	688.7	<b>749.8</b>	Equity (PLN million)
1,173.6	1,349.3	<b>1545.1</b>	Total assets (PLN million)
575.4	440.9	<b>517.4</b>	Capitalisation of BEST S.A. (PLN million)
0.72	0.60	<b>0.83</b>	Debt ratio

## Creating added value

[2-6]

BEST Group's operating activities are characterised by a distinctive value-creation chain that differs from the traditional one that is typical of a manufacturing company. Instead of the traditionally understood suppliers and consumers, it includes businesses with difficult-to-enforce claims, public institutions and individuals who are unable to cope with their debts. Crucially, in addition to generating profit for

shareholders and investors, we play a very important healing role in the economy.

When talking about the BEST Group's operating model, it is important to mention the people and activities that are involved in the value chain upstream of the Group companies.

## Debt restructuring for individuals



### STAGE 1: A CUSTOMER WITH FINANCIAL DIFFICULTIES

The Customer is the first link in the value chain. They take out a loan or borrowing with a financial institution and default on it, initiating the sequence of events in which, among others, BEST Group is involved. When a commercial organisation, such as the above-mentioned financial institution, finds itself unable to successfully recover the money it is owed, it has the option to assign the portfolio of its claims to an investment fund (managed by the servicer (BEST S.A.) in the collection process). In that sense, the commercial institution assigning its claim portfolios is a 'supplier' of BEST Group.



### STAGE 2: TRANSFERRING A CLAIM PORTFOLIO

Although the assignments formally concern claim portfolios, BEST Group does not want to treat them simply as dehumanised data records. Behind every data record is an actual person and their individual circumstances, problems and needs. In addition to understanding them and building a relationship as partners, we want to make sure that the debt incurred does not result from dishonest or unethical behaviour of a third party.

### RESPONSIBLE CLASSIFICATION OF CLAIM PORTFOLIOS

For us, quality of our portfolios is of key importance. This includes aspects such as the institution from which the portfolios are acquired. We only accept assignments of claims from reputable institutions. Simply put, it is similar to working with a reliable supplier. We would never want to collect debts which were incurred as a result of actions of unfair and unreliable businesses with a questionable reputation (e.g. unethical lending practice, such as usury), or misleading Customers. The risk that certain financial liabilities making up our claim portfolios may have been incurred as a result of legally or socially questionable practices is minimal.



### STAGE 3: COLLECTION

When contacting a Customer whose debt we hold in our portfolio, we seek to build a partnership-based relationship with them and work out constructive solutions that not only facilitate, but often make repayment possible at all. The terms proposed must be feasible, i.e. such that the Customer is able to meet them and, as a result, after some time, meet the terms of the concluded settlement.

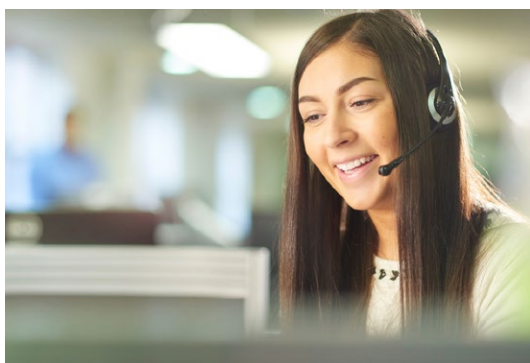


### STAGE 4: A FINANCIALLY CREDIBLE CUSTOMER

At the end of the value chain is also the Customer who incurred a liability and defaulted on it. If they are open to cooperation, debt restructuring can help them get rid of overdue debts and regain credibility. The Customer can avoid losing liquidity and falling into a debt spiral, or they can gradually find a way out from this situation, which undoubtedly socially beneficial. Another benefit is improved liquidity of the financial institution which had claims it considered to be unrecoverable.

## FOCUS ON THE DEBTOR

The key point is that the Customer is both at the beginning and at the end of our value chain. In a sense, we are the ones providing a service to them and satisfying their needs. It is the Customer who has a problem repaying a debt and what they need is a solution that will help them with the repayment, which, from their point of view, may seem challenging or even impossible.



### A cooperative Customer: settlement and support

Our job is to understand the Customer's situation, establish a dialogue and a relationship that, leveraging our professional expertise, will allow us to choose adequate tools to make debt repayment viable and manageable for the Customer. Looking at our value chain, we position ourselves as an adviser and partner to the individual in debt. This is how we want to be seen by Customers – as an ally, not an adversary. Other participants in the process benefit as well: entities to which the debt was originally owed (primary creditors) or secondary creditors, our shareholders and investors, especially bondholders, and the economy itself, which benefits from eliminating payment bottlenecks.



### An uncooperative Customer: enforcement

If no constructive dialogue can be established with the Customer (e.g. they avoid discussions and settlement or are in gross breach of the contract), their case will be referred to court and enforcement proceedings. We seek to avoid this by offering the Customer a simpler and cheaper settlement.

There is also a marginal group of Customers for whom raising debts and defaulting on payment has become a way of life. These debtors frequently appear in the databases of claim portfolios acquired by BEST Group, and they owe money to a variety of entities. They represent a major problem for the market and its functioning. In theory, anyone who fails to repay the money they owe is reported by the creditor to an economic information bureau, which should make it difficult for such an individual to incur even more debt. However, the market practice shows that this is not always the case, and original creditors may take the risk of a more liberal lending approach towards people with a poor creditworthiness.

## Functions complementary to the business model

In addition, there are also support processes which involve suppliers of products and services that are typical for various areas of the financial sector, or necessary for proper functioning of support processes. These are suppliers of office materials, utilities, IT solutions and telecommunication services, entities renting out office space as well as advertising agencies, providers of HR management support services and other experts in various fields.

Our business model is more than just formal processes and procedures which combine existing legal entities into a well-tuned and efficient mechanism; it primarily comprises intangible elements contributing to our business management philosophy. Our philosophy is based on dialogue and cooperation, which, on the one hand, makes it possible to effectively restore the principles of economic order where they are not respected and, on the other hand, always acts not only in compliance with the law but, above all, with respect for the dignity of the individual, which is inalienable and independent of the legal situation.

## Transparent relations with the environment

[2-29]

Given the nature of BEST Group's business, in addition to companies, public institutions are also present in its environment. These include institutions whose proper and transparent functioning is fundamental to the public and its confidence in the institutions of the state as such. This is why, as BEST Group, we ensure that our dealings with these actors are transparent and honest.







In our dealings with Customers, in compliance with the rules required by law, we seek to ensure flexibility in terms of form, timing and nature of contact, using language that can be fully understood by those concerned. Rather than pressurising clients, we are committed to mutual respect and creating an atmosphere conducive to finding constructive solutions and working together as partners.

In our relations with Employees, on the other hand, we use the whole spectrum of the available tools, and the nature of these relations and communications is often characterised by informality and flexibility. This helps us better listen to the expectations and concerns of our Employees and provide solutions that make them feel good about the company and want to be associated with it in the long term.



Stakeholders having less interest in and a smaller impact on BEST Group's operations include: local government administration (Gdynia and Elbląg city authorities), members of the local community, NGOs (e.g. charities), educational institutions, universities, academics and

environmental organisations.

	Key stakeholder group	Frequency, nature and form of contact
	<p>→ <b>Employees</b> (candidates, Employees, Associates, PR agencies and other third-party contractors acting on behalf of the Capital Group).</p>	<p>→ day-to-day, informal conversations → ongoing Management Board communication via the company intranet and e-mail, including the BEST Insight website → BEST InfoMeetings and Q&amp;A sessions: dedicated meetings between the Management Board and Employees at least 3 times a year → team-building and special occasion meetings → satisfaction surveys, monthly pulse checks and ad hoc surveys on current issues</p>
	<p>→ <b>Government administration, regulators and industry associations</b> (Office of Polish Financial Supervision Authority (UKNF), General Inspector of Financial Information (GIIF), Financial Ombudsman (RF), National Bank of Poland (NBP), President of the Personal Data Protection Office (UODO), President of the Office of Competition and Consumer Protection (UOKiK), local and poviát Consumer Ombudsmen, Association of Financial Companies in Poland (ZPF), Polish Association of Listed Companies (SEG), National Labour Inspectorate (PIP), lawmakers).</p>	<p>→ contacts (e-mail correspondence) and direct meetings of varying frequency, focusing on joint activities and projects (with industry organisations)</p>
	<p>→ <b>Society and media</b></p>	<p>→ publishing press releases on important events → direct contacts with the media, including a separate dedicated media e-mail contact point → participation in conferences and public events (statements to the media) → participation in public activities of industry organisations → website, social media channels</p>
	<p>→ <b>Customers and market actors</b> (debtors, heirs, guarantors, co-borrowers, attorneys), claim transferors, Economic Information Bureaus (BIG), competitors, counterparties and subcontractors, organisations representing Customers in relations with creditors (law firms and foundations etc.).</p>	<p>→ formalised written correspondence or informal contact (e-mails, text messages) → direct conversations with BEST Group employees (telephone or face-to-face meetings) → Customer hotline (available Monday - Friday: 08:00 - 20:00; Saturday: 09:00 - 17:00), enabling contact by telephone, → e-mail or electronic contact form on BEST's website → BEST Online Platform</p>
	<p>→ <b>Courts and court enforcement officers</b></p>	<p>→ transparent, formalised contacts in the framework of ongoing judicial, court enforcement and administrative proceedings</p>
	<p>→ <b>Capital market actors</b> (strategic shareholders, other shareholders, bondholders, stock market analysts, Giełda Papierów Wartościowych w Warszawie S.A. (GPW), auditors</p>	<p>→ General Shareholders' Meeting (GSM) → regular publication of periodic reports → publication of current reports and announcements → organisation of meetings with capital market actors</p>

## Governance and ownership structure

[2-9, 2-11, 2-17]

BEST's governance structure should not be equated solely with the formal shape of its individual management bodies. The key to success is intangible in nature and much more challenging to grasp. It is the sum of the diverse experience of people in management roles and, as a result, a wide range of competences they possess. It is the ability to view the same problems and challenges from different angles.

From a formal viewpoint, this structure, as in the case of other companies, corresponds in its form to the expectations of the law makers, stemming those formulated in the Commercial Companies Code. According to these, the most important bodies of BEST S.A., the parent company BEST Group, in addition to the General Shareholders' Meeting, are the Supervisory Board and the Management Board. The same management and supervisory bodies operate in BEST TFI S.A.

However, the aforementioned intangible aspects are important to understand the uniqueness of BEST S.A. Although they do not fit into the framework of financial reporting, they form our management philosophy. It is about the mindset of managers, their beliefs and perception of values – they are the foundation on which the management approach and expectations regarding the company's performance are based. It is about giving the green light to, or even expecting, actions that go beyond a simplified, schematic approach. It is about a sense of mission that goes beyond the bottom line, contributing to stable financial performance and fulfilling a range of social and economic functions. It is about thousands of people who were able to resolve their debt issues thanks to BEST. Perhaps most importantly, it is also about the right people: starting with Supervisory Board members, who contribute a wide range of skills and value to overseeing the company, to the regular Employees, whose attitudes and relationships are what makes the spirit of the company.



## Management Board

For more than 20 years now, the Company has been led invariably by its owners, who have built BEST's position and value after taking over the Company in 2002. This alone testifies to the unique nature of BEST S.A. as a company listed on the Warsaw Stock Exchange. In practice, this means not only a stable management approach and predictability, but also a lower risk for investors by eliminating the principal-agent problem. The management philosophy of BEST S.A. is based on long-term personal commitment of the Management Board, using unique business skills developed over many years, and constantly expanding knowledge and experience, allowing BEST Group to operate today in an ethical and effective way. While other managers have also worked at the company, including on its Management Board, over the past several years, it is the two co-owners who are involved in the day-to-day operations of BEST S.A. that continue to represent the company's unchanging foundation.

The formal operating framework of the Management Board of BEST S.A. is regulated in the Statute. In turn, a detailed assignment of competencies and responsibilities of Members of the Management Board, the procedure for adopting resolutions by the Management Board and its operating procedures are defined in the *Rules of the Management Board* and the *Organisational rules* (for more information on the formal solutions, see the *Management Report of BEST Capital Group and of BEST for 2023*).

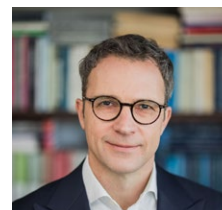
As of 31 December 2023, the Management Board of BEST S.A. was composed of three members, i.e.:

- **Krzysztof Borusowski** – President of the Management Board
- **Marek Kucner** – Vice-President of the Management Board
- **Maciej Bardan** – Member of the Management Board

### Krzysztof Borusowski

– President of the Management Board

He has extensive experience in the financial sector. As Managing Director at Kouri Capital Poland and BBH Capital Partners, he led investment banking projects at Polsko-Amerykański Bank Hipoteczny S.A., BWR S.A., BWR Bank Secesyjny S.A. and Cuprum Bank S.A., selling these banks to: GE Capital, Deutsche Bank, Daimler and Merrill Lynch. He was a manager at Schroder Polska and a consultant at Bain & Company in Boston.



Since 2002, the main shareholder and President of the Management Board of BEST S.A. He led a profound restructuring of the company, propelling it to a leading position in the debt collection sector in Poland. A co-founder of the Association of Financial Companies in Poland and its debt collection 'table'. A co-creator of the good debt collection practices modelled on the US market, from which he adopted the idea of industry self-regulation. A proponent of pro-customer solutions. Offered debt restructuring products as the first in the market in 2002.

One of the longest-serving Presidents of listed companies in Poland. He and Marek Kucner are one of the longest-serving management duos in the Capital Group.

A Harvard Business School graduate (MBA'93).



**Marek Kucner**

– Vice-President of the Management Board

He has long-time experience on the financial market. He worked in Polska Sp. z o.o., where he was responsible for bank risk management. Successfully implemented a risk management system in organisations such as ING Bank, Bank Śląski S.A., Bank Handlowy S.A., BGŻ S.A. and the former Vereinsbank Polska. In addition, as Manager at Kouri Capital Poland Ltd. and BBH Capital Partners Sp. z o.o., he worked on the sale of BWR to Deutsche Bank Polska S.A., and the acquisition of BWR Bank Secesyjny S.A. for Daimler Chrysler Financial Services (debis) Corporation. He also led a team responsible for valuations and financial analyses in the project of creating a banking group around Dominet S.A. (acquisition of Cuprum Bank S.A. and the introduction of a financial investor from the Merrill Lynch Group). He has a degree in Finance of the Silesian International Business School (SMISH) in Katowice.

He has worked with BEST since 2002, when, together with Krzysztof Borusowski, the current President of the Management Board, they took over the Company and used it as a foundation to build BEST Capital Group. Together they successfully restructured the Company's finances and organisation, changing its business profile from credit intermediation to the purchase and collection of debt. In addition, as Vice-President supervising the Finance & Accounting, Controlling and IT Divisions, Marek Kucner is responsible for managing the Group's technology, finance and liquidity, controlling its performance as well as for the public bond issue programmes which the Company has implemented since 2014 (the total amount of public bond issues between 2014 and 2018 was PLN 586 million).

While serving as Member of the Management Board and Investment Director at BEST TFI S.A., Marek Kucner also carried out dozens of transactions involving the purchase of claim portfolios with a total nominal value on the date of acquisition of approx. PLN 10 billion and private bond issues by investment funds amounting to approx. PLN 150 million.

**Maciej Bardan**

– Member of the Management Board

Manager with 30 years of experience at international financial institutions operating in Poland. Graduate of the Warsaw School of Planning and Statistics (currently the Warsaw School of Economics) in banking and finance. He graduated from Harvard Business School & Raiffeisen Bank Leadership Academy and completed Wharton Advanced Leadership Programme as well as a number of other training courses in personnel management, sales, process efficiency, marketing and corporate finance.

He started his career in foreign trade, but already in 1992 he joined Citibank (Poland) S.A. He was General Director at CitiBusiness (Small and Medium-Sized Enterprise Banking Department) and Managing Director at Citileasing Sp. z o.o. From 2001 to 2007, he worked with Raiffeisen Bank Polska S.A. as Vice-President of the Management Board responsible for managing risk, accounting and information systems, compliance and more. In 2008 - 2013, he held a number of positions at Kredyt Bank S.A.: President of the Management Board, General Director, Chairman of the National Team of KBC Group in Poland, to name just a few. From 2014 to 2019, he again worked with Raiffeisen Bank Polska S.A. as Vice-President and was responsible for retail banking.

Since 2019, he has worked with BEST S.A. Capital Group, initially as Member of the Supervisory Board of BEST Towarzystwo Funduszy Inwestycyjnych S.A. and since 2021 as Director for Innovation and Development at BEST S.A.



## Supervisory Board

Formally, the operation of the Supervisory Board is regulated in the Rules of the Supervisory Board adopted on 21 February 2012 (complete text of 24 May 2022). Two committees operate as part of the Supervisory Board: the Audit Committee and the Remuneration Committee, which are advisory and opinion-giving bodies.

The Members of the Supervisory Board have always been highly qualified experts with extensive experience and valuable knowledge, which our Organisation benefits from. Therefore, in addition to formal meetings of the Supervisory Board, informal discussions are also a common practice of the Management Board in its decision-making process concerning the development of BEST Group.



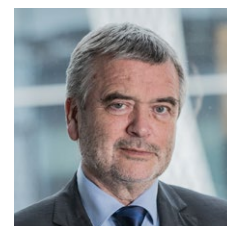
At the end of 2023, the Supervisory Board was composed of:

**Dr hab. Dariusz Filar,**  
professor at the University of  
Gdańsk  
Chairman of the Supervisory  
Board,  
Member of the Audit Committee

Graduate of the Faculty of Economics at the University of Gdańsk, specialisation in foreign trade. In 1976 and 1989, he was awarded the title of doctor of economics and Ph.D. respectively, and was appointed as an assistant professor. Three years later, he took the position of associate professor at the Faculty of Economics at the University of Gdańsk. Between 1992 and 1995, he lectured at the University of Michigan.

He was Chief Economist at Bank Pekao S.A., Director of the Macroeconomic Analysis Office and Member of the Monetary Policy Council of the National Bank of Poland (NBP). In 2010-2014, he sat in the Economy Council of the President of the Council of Ministers.

Dariusz Filar meets the independence criteria referred to in *Best Practice for GPW Listed Companies 2021*.



**Dr hab. Leszek Pawłowicz,**  
professor at the University of  
Gdańsk  
Vice-Chairman of the  
Supervisory Board,  
Member of the Remuneration  
Committee

Professor at the University of Gdańsk, Board Chairman in the Centre for Strategic Thought Foundation. Former supervisory board member at: Bank Gdański S.A., Bank Polska Kasa Opieki S.A., PKN Orlen S.A., Powszechne Towarzystwo Emerytalne Allianz S.A. and Giełda Papierów Wartościowych w Warszawie S.A. Author of numerous publications in the area of economy, coordinator of the European Financial Congress.

Leszek Pawłowicz does not meet the independence criteria referred to in *Best Practice for GPW Listed Companies 2021*.

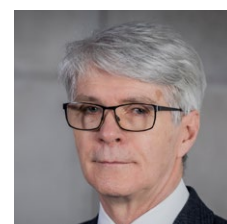


**Dr Mirosław Gronicki**  
Member of the Supervisory  
Board, Chairman of the  
Remuneration Committee

Graduate of economics at the Faculty of Transport Economics of the University of Gdańsk. In 1977, he was awarded the title of doctor of economics at that university. From 1987 to 1993, he was employed at foreign research institutions, including the University of Pennsylvania in Philadelphia (USA), Charles University in Prague (Czech Republic) and ICESAD in Kitakyūshū (Japan). Worked with international organisations, such as the World Bank, United Nations and European Union; he also has consulting experience.

After returning to Poland, he worked as a macroeconomist in the Market Economy Research Institute in Gdańsk until 1998. In 1998, he became an associate at the Centre for Social and Economic Research, where he supervised research programmes into macro-economic analyses and economic projections for Poland, Ukraine, Georgia and Kyrgyzstan. From 2000 to 2004, was Chief Economist at Bank Millennium S.A. Government adviser in Bulgaria, Turkmenistan and Slovakia. From 2004 to 2005, Minister of Finance in the government of Marek Belka. In 2010, he was appointed a member of the National Development Council. Since 2005, an independent consultant and adviser. He was an advisor to the investment bank Goldman Sachs and a number of foreign investment funds. Author and co-author of numerous publications, including several books.

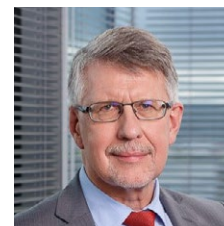
Mirosław Gronicki meets the independence criteria referred to in *Best Practice for GPW Listed Companies 2021*.



**Wacław Nitka**

Member of the Supervisory Board, Chairman of the Audit Committee

Graduate of the Manufacturing Economics Department at the University of Gdańsk. After graduating, he started working at Gdańskie Przedsiębiorstwo Instalacji Sanitarnych (1975-1979). From 1979 to 1988, Malborskie Zakłady Przemysłu Maszynowego Leśnictwa PELMAL; appointed Chief Accountant in January 1982. In 1987, became a Chartered Accountant and obtained qualifications to audit financial statements. In the following years, he was employed as Chief Accountant at MORENA Housing Cooperative (1988-1992) and Hurtownia Farmaceutyczna PHARMAG sc. (2002-2003). Between 1993 and 1995, Economic Director and Chief Accountant in CENTROSTAL SOMA Sp. z o.o.



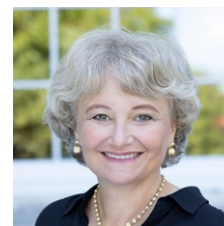
A certified statutory auditor since 1992. From 1995, he was employed in audit firms. Between 1995 and 1996, President of the Management Board of PROVINORD–AUDIT Spółka z o.o. Statutory Auditors Office. In 1996-2018, employed in the audit firm Deloitte Polska, where he was Audit Director from 2003. During that time, he led financial statement audits conducted in compliance with the Accounting Act and IAS/IFRS for many national entities and enterprises comprising international groups. Since 1999, he has been involved in social work in the professional association of statutory auditors. He was a member of the National Chamber of Statutory Auditors for two terms. He was also a member of the Committee for the Standardisation of Auditing Services. A member of the Ethics Committee of the National Chamber of Statutory Auditor, and Secretary of the Regional Council of Statutory Auditors in the Regional Branch of the Polish Chamber of Statutory Auditors (PIBR) in Gdańsk.

Wacław Nitka meets the independence criteria referred to in *Best Practice for GPW Listed Companies 2021*.

**Ewa Sudół**

Member of the Supervisory Board, Remuneration Committee and Audit Committee

A senior lecturer in finance at Harvard Business School, teaching Finance 1 as part of the MBA curriculum. Also a retired partner at Capital Group, a global investment management firm, where she worked from 1994 to 2023 as an investment analyst, director of equity research and portfolio manager in New York, London and Geneva. Before she joined Capital Group, Ewa Sudół was an investment banking associate at Goldman Sachs in New York and before that a project manager at the Polish Ministry of Finance. In addition to her MBA diploma from Harvard Business School, Ewa Sudół received a Bachelor's degree in Economics and Organisational Behaviour with honours from Brown University.



Ewa Sudół meets the independence criteria referred to in *Best Practice for GPW Listed Companies 2021*.

**Maciej Matusiak**

Member of the Supervisory Board, Member of the Audit Committee

Graduate of Lodz University of Technology. Since 1994, licensed securities broker and CFA (CFA Institute, USA, 2002). He also completed a number of training courses in financial analysis, accounting and investment consulting.

Between 1995 and 1996, worked at Daewoo Towarzystwo Ubezpieczeniowe SA in the Capital Investments Department as Securities Dealer and Financial Analyst. In 1996-1998, Financial Analyst at the Brokerage House of the bank PKO BP. 1998 to 2002, worked at Commercial Union, Investments Department at Commercial Union Polska – Towarzystwo Ubezpieczeń na Życie SA, and after that at Commercial Union Investment Management (Polska) SA. Long-time Member of the Supervisory Board at LPP S.A., Grupa KĘTY S.A., VRG S.A. and many more. Held parallel functions as Member of the Supervisory Board at MLP Group S.A., BBI Development S.A., ZPC Otmuchów S.A., Atende S.A. and Libet S.A.



Maciej Matusiak meets the independence criteria referred to in *Best Practice for GPW Listed Companies 2021*.

On 7 June 2023, the Issuer's Ordinary General Meeting adopted resolutions to appoint six members to the Supervisory Board for another 3-year joint term: Ewa Sudół, Maciej Matusiak (appointment for another term), Leszek Pawłowicz (appointment for another term), Dariusz Filar (appointment for another term), Mirosław Gronicki (appointment for another term), Wacław Nitka (appointment for another term). On that date, the mandate of Hubert Janiszewski expired because he was not appointed for another term of office.

## Shareholding

[2-1]

For many years, the main shareholders of BEST S.A. have been the two authors of its market success. As of 31 December 2023, they were the only ones to hold more than 5% of votes, and the structure of their shares was as follows:

	Capital share	Share in the total number of votes
Krzysztof Borusowski	80.09%	84.64 %
Marek Kucner	14.10%	10.88%
BEST S.A.	0.67%	0.52%
Others	5.15%	3.97%

### Shareholding of BEST S.A. Capital share

80.09%

Krzysztof Borusowski

14.10%

Marek Kucner

5.15%

Others

0.67%

BEST S.A.



## Compliance management

BEST Group has a system of internal control, risk management, compliance and an internal audit function in place that is adapted to the profile and scale of operations of the individual entities.

As part of the adopted *Compliance Policy*, key risk areas associated with non-compliance and the units managing them have been identified. They are spread across the organisation, but the coordination of activities is centralised in the Risk Management and Compliance Department. The policy encompasses preventive, information (educational), advisory and control measures. The managers have the ambition is to put emphasis on prevention and education to raise awareness and avoid the risks of non-compliance.

Every year, educational measures are taken to sensitize Employees to compliance issues. A special channel is in place for reporting any identified (or potential) risks that could affect the Company's functioning (in connection with any events, business decisions or discovered irregularities). With this channel, the Risk Management and Compliance Department supports process owners in monitoring the reported risks. In addition, as part of the intranet portal (BestBook), a theme-based website for compliance is in place, featuring current information on changes in legislation and updates of internal regulations, which allows Employees to track significant changes in legislation affecting their work.

BEST TFI S.A. has a Supervisory Inspector whose task is to ensure compliance of the activities of TFI and persons acting on its behalf with the laws, internal procedures and regulations. The Supervisory Inspector oversees, among other things, the flow of confidential information and professional secrets, compliance with internal procedures and rules, investment decision-making, the preparation of current and periodic reports, compliance with anti-money laundering and anti-terrorism financing and anti-avoidance rules. The supervisory inspector's tasks include conducting inspections and day-to-day monitoring of the activities of the TFI and entities to which the TFI, based on the concluded agreements, has outsourced the performance of its duties, as well as working with supervisory authorities, including the Office of the Polish Financial Supervision Authority.



## Corporate ethics

For most people, having unpaid debts is a delicate matter, and this is where the debt collection industry comes in. Putting values at the centre of our organisational culture translates into special care of our managers for this area. This is supported by the formal side, i.e.

having policies and regulations directly and indirectly related to ethics. At the end of 2023, the following internal documents and codes were in effect at BEST Group:

Document title	Description
<b>Internal regulations</b>	
BEST Capital Group Ethics Code	A guide on our values and ethical standards in daily business.
BEST Group Whistleblowing Policy	Covers any incidents, behaviours, situations that are legally questionable and non-conforming to the internal regulations of BEST Capital Group or our organisation's ethical standards.
BEST S.A.'s Compliance Policy	Defines key risk areas associated with non-compliance and the units managing them.
BEST Group Gifts and Benefits Policy	Regulates situations when accepting or giving gifts or benefits by the Employees and representatives of BEST Capital Group is allowed.
BEST Capital Group Procedure for Preventing Money Laundering and Terrorism Financing	The procedures define the rules for preventing money laundering and terrorism financing, including: measures to limit these risks, principles of managing the risk associated with preventing money laundering and terrorism financing as well as the rules for reporting violations of anti-money laundering and terrorism financing regulations.
BEST S.A. Procedure for Preventing Money Laundering and Terrorism Financing	
BEST TFI S.A. Procedure for Preventing Money Laundering and Terrorism Financing	
Kancelaria Radcy Prawnego Rybszleger Sp. k.'s Procedure for Preventing Money Laundering and Terrorism Financing at	
BEST S.A. Rules for Managing Conflicts of Interests	Define the manner of conduct to avoid conflicts of interests in the Company.
<b>Internal codes and practices adopted</b>	
ZPF Good Practice	A framework setting out the manner of conduct based on general moral standards and the laws applicable in the territory of the Republic of Poland.
Good Claims Selling Practice	Cover and define in detail the key stages and aspects of the claims sale process in order to ensure that high standards are observed in the process and in care for our Customers.
Code of Best Practice for the Financial Market	Emphasises the key values and ethical aspects for financial organisations. All rules of the Code are mutually complementary.
Best Practice for WSE Listed Companies	A collection of corporate governance principles and rules of conduct affecting the relationship between listed companies and their market environment.
Good Recruitment Practice	Defines the guidelines for the HR environment to follow during the recruitment process.



In 2023, an amendment to the *ZPF Good Practice* was adopted. Therefore, an analysis of the changes resulting from the abovementioned regulation was performed in order to adapt the different areas in BEST Group accordingly.

*BEST Capital Group Ethics Code* covers BEST S.A. as well as all subsidiaries, including all people employed in BEST Group companies under employment contracts, people working with BEST Group under civil law contracts, individuals delegated by third parties to provide services for BEST Group and temporary workers. The standards of conduct described in the Code are binding on all personnel regardless of position, tenure and location.

*BEST Capital Group Ethics Code* is a guide on our values and ethical standards in daily business. It is intended to help build ethics awareness, a culture of responsibility and mutual trust, and to promote and maintain friendly relations among Employees and with our Stakeholders. The Code defines ethical standards in mutual relations between **BEST Group and the Employees**, between **individual Employees** as well as in relations between **BEST Group and Employees with other internal and external Stakeholders**. The Ethics Code is a public document available at [www.best.com.pl](http://www.best.com.pl). In addition, the Employees of BEST Group can access the Code on the intranet portal BestBook and in the HR Division.

The adopted BEST Capital Group Ethics Code regulates issues such as:

- **information security** (e.g. due diligence in compliance with confidential information security and personal data protection rules);
- **service quality** (e.g. promoting financially responsible behaviours, seeking to resolve issues such as dishonesty and overdue payments between contractual parties, building relations based on respect and professionalism);
- **responsible relations** (e.g. non-discrimination in business relations, care for dialogue, transparency and corporate governance, preventing corruption and unfair competition);
- **reliable communication** (e.g. transparent information policy, fair and understandable internal and external communication);
- **friendly work environment** (openness to diversity as a source of inspiration and mutual growth, zero tolerance for mobbing, physical, psychological or sexual harassment and any offensive, mocking, disparaging or intimidating behaviours, or violation of anyone's dignity and personal rights; healthy and safe work environment; rewarding a friendly attitude towards colleagues; maintaining work life balance);
- **equal treatment** (e.g. zero tolerance for any form of discrimination; equal opportunities of promotion and professional development; focus on developing our Employees' talents and potential; knowledge sharing);
- **transparent and fair relations** (e.g. promoting a culture of teamwork and team responsibility; presenting attitudes that are in line with good morals);
- **taking care of property and reputation of the organisation** (e.g. safeguarding the reputation and interests of BEST Group, avoiding potential or actual conflicts of interests, disclosing any conflicts of interests).



Being aware of our role in the local environment, we are committed to improving the quality of life in our local communities. In line with our ethics responsibilities defined in the Code, we are committed to being a good neighbour and reliable partner in social initiatives.

Every Employee can report (anonymously or not, at their discretion) actual or suspected violations of the Ethics Code and other regulations. Concealing irregularities can be considered a violation of the rules applicable at BEST Group. It is forbidden to discriminate or retaliate against whistleblowers.

Having a common reporting procedure for the Ethics Code and other policies (e.g. *BEST Group Gifts and Benefits Policy*) makes it much easier to apply the introduced solutions in practice because the Employees have clearly defined contact channels to report any irregularities, irrespective of which specific policy is affected.

Violations can be reported by each BEST Group Company by e-mail. The inbox is managed by individuals who are obliged to keep confidentiality and are responsible for resolving ethical issues and examining reports, including the Director of the Risk Management and Compliance Department (BEST S.A.), the Supervisory Inspector (BEST TFI S.A.), a representative of Kancelaria Radcy Prawnego Rybszleger Sp. K. and the Director of the HR Division. Access of the above-mentioned persons depends on which of the Group companies is concerned. The same channel can be used to submit comments, ideas and observations on the Ethics Code and ethical standards in force in our organisation as well as ethical dilemmas.

The *BEST Capital Group Whistleblowing Policy* gives our Employees the right and opportunity to ask questions, make reports and propose changes to the existing regulations.

To facilitate the understanding of the Group's ethics management rules by our Employees, a separate website is available on the company's intranet platform BestBook: Ethics at BEST. In addition to a list of internal legal acts related to our ethics culture and the external standards we comply with voluntarily, the website also contains a condensed diagram of the procedure for anonymous whistleblowing and its key assumptions as well as examples of internal and external activities of BEST Group focused on pursuing our mission in the area of ethics (i.e. promoting ethical standards on the financial services market).

In 2023, our Employees had an opportunity to refresh their knowledge of the key aspects of claim management by accessing training materials on the BestBook platform.

Throughout the year, a series of mandatory training courses on information security, including cyber-security, protection of personal data and confidential information, was also held to raise our Employees' awareness in this area.



## ESG strategy directions

[2-22]

Our socially responsible management approach takes into account not only economic effects, but also their social and environmental consequences in the business decision-making process, and has been present in BEST Group's philosophy since its foundation. This way of thinking is not only about the return on invested capital, but also healing the economy and eliminating payment bottlenecks. Through a strategic approach, we seek to manage ESG in a more efficient way and monitor progress towards our commitments.

Our strategy describes the main directions and activities to make them clear and **understandable for each stakeholder of BEST: Employees, associates and stakeholders outside the organisation**. The goals we have set for ourselves address those aspects of our activities that carry the greatest potential impact of BEST. Also, the goals we set for ourselves follow directly our mission and key values that represent the foundation of our business.

We have defined BEST's main goals as follows:

- **Goal 1:** Shaping ethical debt collection standards for the market
- **Goal 2:** Eliminating payment backlogs on the market
- **Goal 3:** Creating an effective and committed team
- **Goal 4:** Supporting education
- **Goal 5:** Limiting environmental impact
- **Goal 6:** Ensuring effective and transparent management mechanisms

These goals, which support the achievement of business goals, contribute to building lasting value for the environment, mainly for society. In doing so, they fit the SDGs, which were announced by the United Nations and are the foundation for Agenda 2030.

### UN Sustainable Development Goals (SDG):



**SUSTAINABLE  
DEVELOPMENT GOALS**

## MARKET ENVIRONMENT OF BEST

## Assignment of claims

[2-6]

Assignment of claims is the transfer of a legal title to another creditor; in the case of BEST Group, it is one of the investment funds. Claims accepted for servicing by BEST S.A. originate from claim portfolios acquired only from reputable institutions that can guarantee compliance with *Good Claims Selling Practice of the Association of Financial Companies in Poland*. The statute of each fund includes information on what the fund can invest in as well as the investment selection criteria and investment limits. The internal regulations define the investment assumptions and criteria for investment decisions (in particular, the acceptable risk level, timelines and investment policy). The internal regulations also describe aspects related to the functioning of the investment committee, risk management (such as the effect of a new investment on the Fund's investment limits) and the rules for preventing conflicts of interests. Regulatory solutions are developed somewhat differently by the law makers on the Italian market, where BEST Group has become the owner (creditor) of 16 claim portfolios.

The abovementioned *Good Claims Selling Practice of the Association of Financial Companies in Poland* allows BEST Group to limit its exposure to potentially unethical behaviours of claim suppliers (e.g. banks or lending firms). If this risk materialised, it would harm the Group's reputation. Therefore, we have a vested interest in ensuring that our claim portfolios are transparent and fair.

*The Good Claims Selling Practice* covers in detail all key steps of the process. This approach is intended to ensure that the highest transaction standards are observed. The authors of the document intended that it 'leads to shaping the claim selling process in such a way that it can be implemented efficiently and effectively, also considering the fundamental fact that the manner of conducting and finalising the claim assignment agreement directly impacts not only on the subject-matter of the proceedings (i.e. the claims), but also the people concerned – the Customers of the Seller and the Buyer of the claims' (source: *Good Claims Selling Practice*, [www.zpf.pl](http://www.zpf.pl)).

From the perspective of BEST Group, the solutions included in the Good Claims Selling Practice help us organise this process in such a way that the buyer has full knowledge of the portfolio being acquired. It is worth emphasising that **BEST Group attaches great weight to proper selection of the claim portfolios, acquires them only from reputable organisations** and takes great care when selecting cases for processing. For ethical reasons, the Group does not collect debts whose origin raises legal or moral concerns (e.g. debts incurred as a result of a violation of the law).

Although the above situation is purely hypothetical because we purchase claims only from credible partners, pursuing such claims could undermine social trust in economic transactions, including trust in debt collection firms, which is contrary to the mission of BEST Group. The risk of loss of trust would translate into decreased social acceptance of the activities of BEST Group. **Contrary to popular belief, debt collection companies such as BEST are not interested in indiscriminate recovery of any debts, but in collecting undisputed and unquestionable debt which, if unpaid, harm a particular business owner and the economic system as a whole.**

It should also be pointed out here that the specific nature of the activity of the claim funds means that BEST Group's **claim portfolio is made up of debt owed mainly by natural persons rather than securities of companies that could be assessed in terms of sustainable growth**. At the same time, revenues from claims represent the largest item of BEST Group's revenues which do not constitute revenues that are classifiable in terms of the taxonomy<sup>1</sup>, down to the occasional revenues from real property acquisitions, which represent an insignificant margin of revenues from debt collection. These are individual properties, both plots of land and residential and non-residential buildings, either commissioned for us or under construction, sold at a debt collector auction.

<sup>1</sup> Within the meaning of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088

# Preventing corruption and bribery

[2-26, 3-3 (205), 205-1, 205-2, 205-3]

The basic documents referring to, among other things, the prevention of corruption and bribery are common to the entire ethics management area (see: Business ethics). In other words, the policies and procedures that regulate the broadly understood ethical issues also cover the prevention of potentially corrupt behaviours.

The Risk Management and Compliance Department handles the ongoing monitoring of compliance in this area at BEST S.A.

In the organisational structure of BEST S.A., the Internal Audit Department was established as an objective, independent and impartial internal audit unit, which reports functionally to the Supervisory Board and administratively to the President of the Management Board. Internal Audit can report directly to the Audit Committee. All tasks performed by the internal audit function in 2023 resulted from the annual audit plan and were carried out according to the requirements of the internal regulation in place.

Also at BEST TFI S.A., there was an independent position of internal auditor, who performed tasks based on the 2023 audit plan approved by the Supervisory Board.

Depending on the specific nature of the area, all audits addressed unethical behaviours, such as in particular corruption or bribery.

In 2023, there were no cases of corruption, bribery or money laundering in the analysed areas.

	2021	2022	2023
<b>BEST Group</b>	0	0	0
Number of identified cases of corruption and money laundering			
<b>including BEST S.A.</b>	0	0	0
Number of identified cases of corruption and money laundering			

In 2023, anti-money laundering and anti-terrorism financing training at BEST was conducted for both new Employees and Employees who had not received training in the past 2 years and whose responsibilities correlate with the area of financial trading.

At BEST TFI S.A., training in two-year cycles is provided to all Employees, which was also the case in 2023.

No training in preventing corruption and bribery was conducted in 2023.





## Effective protection of personal data

[3-3 (418)]

Usually, issues such as unpaid debt and ongoing debt collection are embarrassing for those concerned. Therefore, particular care must be taken when serving our Customers, and trust is a prerequisite for our effectiveness. We take special care to ensure information security, including personal data protection. A potential data breach is a key business risk defined by BEST Group. In order to manage this risk, we have taken a number of steps, such as implementing internal documentation regulating information security and personal data protection. The key documents are:

- *Information Security Policy of BEST Group* (based on the guidelines of standard ISO 27000)
- *The Personal Data Protection Policy of BEST Group* (based on the requirements of *Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (GDPR)* describes, among other things, the tasks and obligations of the Data Protection Officer, the manner of maintaining data protection documentation, the rules for processing personal data and the exercise of rights by data subjects.
- *Instruction on information security risk management and data protection impact assessment in the Capital Group* (describes the methods for information security risk analysis and data protection impact assessment; according to the instruction, the impact of a business process or IT solution on the rights and freedoms of data subjects is analysed; the document is based on the guidelines of the ISO 27005 standard and the European guideline for carrying out impact assessments according to the GDPR).
- *Instruction for managing personal data breaches at BEST Group* (describes how to report, record and handle personal data breaches; it is based on the European guidelines on handling data breaches in accordance with the GDPR).

- *Instruction for managing IT security incidents at BEST Group* (describes how to report, record and handle incidents in information systems; it is based on NIST SP. 800-61).
- *Physical security instruction of BEST Capital Group* (concerns movement of people within the premises of BEST Capital Group).
- *Instruction for backup management of BEST Capital Group*.
- *Instruction for privilege management of BEST Capital Group* (covers granting, changing and revoking privileges in IT systems).
- *Instruction for reviewing and erasing personal data at BEST Group* (describes, among other things, the criteria and method for permanently erasing personal data at BEST Group).

These documents are regularly reviewed and improved, not only in terms of compliance with the applicable regulations or audit results, but also in order to better adapt to changing market realities and potential threats.



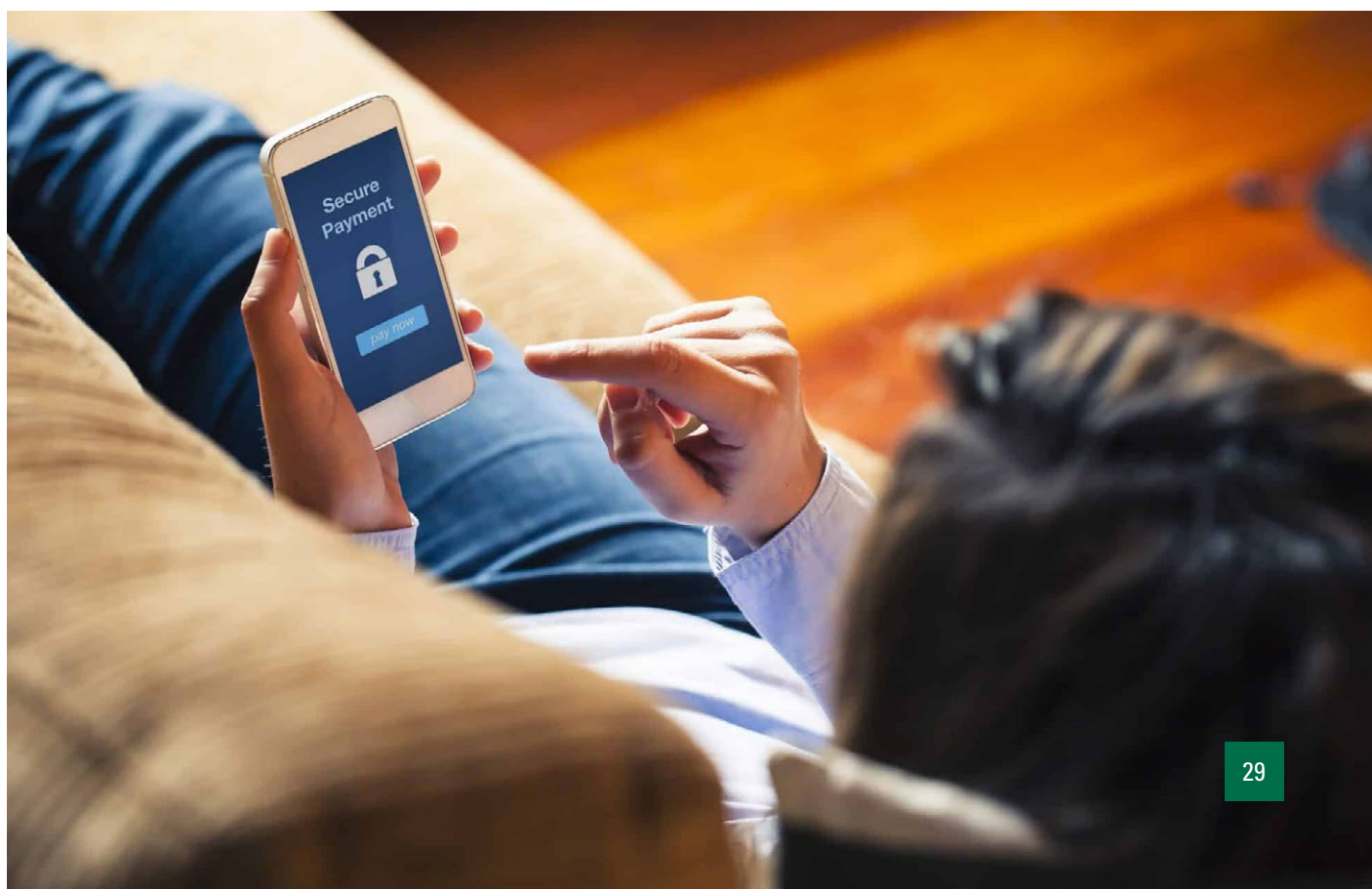
BEST S.A. and the investment funds of the BEST Group, represented by BEST TFI S.A., jointly control personal data. BEST TFI S.A. represents each fund (thus becoming the new creditor) and is responsible for the performance of the agreement on assignment of claims concluded with the previous creditor. BEST S.A. manages claims and helps debtors find a way out of debt. BEST is responsible for relations with debtors, including for the exercise of their rights according to the GDPR. Detailed information on the legal basis and manner of data processing as well as the rights of Customers are presented by BEST Group, among others on a special webpage for its Customers.

[418-1]

BEST Group entities have appointed a single Data Protection Officer, who can be contacted at: [iod@best.com.pl](mailto:iod@best.com.pl). The contact details of the DPO can be found on the company website [www.best.com.pl](http://www.best.com.pl) and on the intranet page. The Data Protection Officer coordinates the work of a dedicated DPO team, which, in addition to the DPO, includes a Deputy DPO and data protection specialists.

Thanks to the effectiveness of the measures put in place, in 2023, as in previous years, no BEST Group entities were fined for violating the General Data Protection Regulation (GDPR).

	2021	2022	2023
<b>BEST Group</b>	0	0	0
Amount of fines imposed for violating data protection regulations (PLN)			
<b>including BEST S.A.</b>	0	0	0
Amount of fines imposed for violating data protection regulations (PLN)			





## BEST'S APPROACH TO ITS CUSTOMERS

Our approach involves understanding our Customer's needs, treating them on an individual basis and engaging in an honest and constructive dialogue. Customer relationships in the debt collection industry, due to their specific nature and often difficult beginnings, require transparency, honesty and mutual trust. Many times we are initially met with hostility by Customers and it is only as we get to know each other that they begin to see that we are on their side, offering genuine support in permanently resolving their debt problem. BEST S.A. trusts its Customers and together we find the best solution for them, resolving the debt situation as a result. A Customer who contacts BEST S.A. for the first time is usually someone who sees no way out of their current predicament. Contrary to popular belief, people who take out a loan or a borrowing and default on it in bad faith are a minority. Most have found themselves in a difficult situation unintentionally. The reasons may vary from carelessness to personal tragedies. Every person has their unique story. What they all have in common is that they would like to rid themselves of unpaid debt and liabilities. The starting point for a constructive dialogue between the creditor and a Customer is the Customer's understanding that there is a way out of every predicament, including the one in which they have found themselves. We want the Customer to understand that a BEST Advisor is not their enemy, but a partner who can help them get out of trouble. Our company can offer a wide range of options and we can adapt them to the debtor's particular circumstances. The products and solutions we offer are intended to allow the Customer to repay their

debt in a way that does not strain their household budget. We manage to remedy most issues in a relatively uncomplicated manner, finding a mutually acceptable solution. Some situations, however, require more time and out-of-the-box solutions. Dialogue and openness are always key, not least in a dynamic situation where an individual's repayment capabilities may be affected.

During internal BEST training, an apt analogy comparing the Customer to a patient is often used. A Customer is not unlike a patient who needs help to be "cured" of debt. What is thus needed is both an accurate and reliable diagnosis, i.e. an understanding of the source of the problems and needs, and the right therapy, i.e. appropriately and individually selected debt restructuring products. The key, however, lies in trust and openness, on which the relationship between the doctor and their patient must be based. Resolving the patient's problems lies at the centre. It is also fundamental from BEST's point of view that the final decision to make instalment repayments is always made by the Customer. Even the best repayment schedule will be of no use when not followed, just as the best therapy will be of little help when avoided by the patient. Therefore, the process of working with the Customer involves building a trust-based relationship and understanding that success can be achieved as both sides share a common goal: to work together to find the best solution.

## Dignified treatment

### Fundamental principles

[103 (412); 412-2, 103(416); 416-1, 416-2, 103(417), 417-1, 417-2, 417-3]

At BEST, we believe that a person's dignity is inalienable. This individualistic thinking is the foundation of Latin culture and is reflected, for example, in the Universal Declaration of Human Rights. On an individual level, this approach should be adopted by anyone seeking to do business in an ethical way. Therefore, for BEST Group it is important that all Employees are aware that every individual, whether they are a Customer, a representative of the creditor or of the Customer, deserves to be treated with respect, irrespective of their age, origin, social status or amount of debt. Dignity and privacy of each individual must be protected.

### Phone contact hours and meetings

BEST S.A. is committed to ensuring that all phone calls by Customer Advisors are made at a place and time which can be reasonably expected to be convenient for the Customer. According to the principles developed as part of Good Practice, such phone calls can be made on weekdays from 07:00 to 21:00 (until recently: 06:00 to 22:00), and if the Customer cannot be contacted during these hours, contact is allowed on other days of the week, but only between 8:00 and 20:00. To increase our Customer's comfort in the process of telephone service, the hour range is even narrower than required by Good Practice, i.e. contact by BEST S.A. Advisors is only allowed on weekdays between 8:00 and 20:00, and on Saturdays between 9:00 and 17:00. We respect our Customers' time and are committed to ensuring that the hours when we attempt to make contact are comfortable for them. After all, our goal is to contact the Customer effectively, but also to establish a productive relationship.

Similarly, visits by Onsite Advisors at the Customer's place can be made at the time and place least inconvenient for the Customer. This means weekdays from 7:00 to 21:00. If the Customer cannot be contacted during that time, visits may take place on other days of the week, but only between 8:00 and 20:00.

Whenever possible, the Customer's request to schedule a meeting or visit (in the case of an Onsite Advisor) as well as to change the place of the visit if it is different from the Customer's home address should be accommodated. Exceptions to this rule are situations when the Customer deliberately avoids contact.

### Industry agreement and self-regulation of debt collection companies

At the level of our internal regulations, issues related to dignified treatment are regulated in the BEST Group Ethics Code. In practice, they are reflected in the *ZPF Good Practice*, which also regulates debt collection aspects and which the Association's member companies are obliged to comply with in their daily work.

According to this voluntary self-regulatory framework, companies such as BEST S.A. have undertaken to operate in such a way as to protect the Customer's interests by not only complying with the law, but also with good morals. The Good Practice regulates aspects such as requests for payment sent by post and defines a list of information which should be included in the letters being sent to debtors, e.g. the envelope containing the letter should not include any indications that the correspondence concerns debt (this does not apply to the marks and graphics identifying the debt collection company). The industry code also specifies the hours of the day during which Customers can be contacted.



## Conduct and confidentiality of calls

Conversations with Customers must be conducted in a courteous and cultured manner, while ensuring that the Customer's obligations and personal information are kept confidential and not disclosed to third parties. The highest standard of care in this regard is ensured by the fact that call recordings undergo an internal monitoring process and are carefully analysed to ensure compliance with both regulations and good manners. Any complaints in this regard are treated seriously. If irregularities are confirmed, lessons are learned so that similar misconduct can be avoided in the future. BEST's telephone Customer Advisors are not anonymous to the Customer. They are required to start the conversation by giving their full name, verify whether they are speaking to the debtor, give the name of the company, the creditor and the party who has issued the invoice in order to avoid any doubts or suspicions of fraud.

Similarly, Onsite Advisors' visits to the Customer's place must be conducted in a way that respects the Customer's privacy. This is particularly important when meeting the Customer in a place other than their place of residence. Such visits are only allowed if the place of residence is unknown or the Customer cannot be reached there. Furthermore, our Onsite Advisors are not allowed to contact any third parties in matters concerning the debt without the Customer's consent. If other persons are present during the debt recovery process, discretion must be ensured at the Customer's request.

Our Onsite Advisors are also obliged to comply with the *Good Practice* with which they have been familiarised. In order to make sure that they understand these rules, we have developed *Best Practices for BEST Onsite Advisors*, which describes the expected behaviour in a simple and clear way.

### Prohibited and unlawful behaviours

According to the *ZPF Good Practice* (§75) applied by BEST Group (§75), no methods which are unlawful or violate good morals are used in the debt collection process. In particular, the following practices are prohibited:

- Using of force, expressing punishable threats or other acts violating personal dignity.
- Using vulgar or profane language, or expressions that violate personal dignity, and being impolite.
- Doing anything else to intimidate the debtor.
- Transferring or disclosing information on the debt and debt collection activities to unauthorised third parties, including in particular minor family members of the debtor.
- Sending or using any documents, letters, items of clothing or objects that indicate that actions are performed by a court or any public authority, or contain or impersonate any information appropriate or typical for such institutions.
- Presenting inaccurate information on the debt, in particular on the nature, amount and legal status of the debt.
- Providing false information about one's status, qualifications, experience or professional expertise, in particular any unauthorised, alleged action on behalf of another debt collection company, or providing false information about one's qualifications and expertise as a legal professional.
- Providing inaccurate information about the consequences of non-payment of debt, such as arrest, imprisonment or seizure of property.
- Suggesting that the debtor is a criminal when contacting the debtor or third parties.
- Acceptance by debt collectors of cash or any items from debtors without issuing a receipt.
- Making any threats or taking any action to infringe upon property or possession.
- Receiving any amounts from the debtor in connection with debt collection activities without having the right to do so under any agreements or the law.
- During debt collection by way of litigation, in particular as part of mass debt collection and when pursuing claims as part of electronic write of payment proceedings, using any methods that abuse or bypass the law, such as:
  - specifying a due date in the claim that is other than the actual due date in respect of the original creditor, except when the due date results from an out-of-court settlement concluded with the debtor;
- Filing multiple claims regarding the same debt, with the factual and legal circumstances of the case being unchanged, to the same court or to different courts and abusing the institution of withdrawal of claim in situations where the claim is filed again after the debtor objects to or appeals against the payment order.

## Effective debt collection with clear communication

[3-3 (206), 206-1, 3-3 (416); 3-3 (412), 412-2, 416-1, 416-2, 3-3 (417), 417-1, 417-2, 417-3]

BEST Group emphasises transparent and understandable communication with our Customers. Only this type of communication can be effective and build trust. A clear and comprehensible message, both in terms of the manner of communication and product design. A settlement that the Customer concludes must be understandable to them and guarantee, in the Customer's subjective perception, that it is repayable and offers a chance of solving the Customer's personal issue.

This is not only a matter of managing business risk, including BEST's reputational risk, but also a matter of ethics. Any vague formulations or unclear terms could be referred to during a potential court dispute. Therefore, a simple offer and clear communication are not only in the best interest of our Customers, but also BEST Group. Our letter templates are still being perfected to achieve maximum clarity.

In 2023, neither BEST Group nor BEST S.A. was fined for violating collective interests of consumers.

	2021	2022	2023
<b>BEST Group</b>	0	0	0
Amount of fines imposed for violating collective consumer interests (PLN)			
<b>including BEST S.A.</b>	0	0	0
Amount of fines imposed for violating collective consumer interests (PLN)			

## Clear payment requests

[3-3 (412), 412-2, 3-3 (416); 416-1, 416-2, 3-3 (417), 417-1, 417-2, 417-3]

The aforementioned *ZPF Good Practice* sets out a number of rules which debt collection firms should follow when communicating with their Customers. For example, the first payment demand sent by or on behalf of a new creditor should include an explanation of how the new creditor has acquired title to the claim in question. It should also include at least the following information: type of liability, the amount of the claim broken down into the principal amount, the accrued interest and other incidental claims, the repayment date of the liability, the bank account number to which the liability should be paid, contact details under which the Customer can obtain information on their debt, information about the Customer's rights regarding the processing of personal data and the purpose of data processing by the new creditor. Subsequent payment requests should include information necessary to identify the case and the stage of the case as well as the current amount of the Customer's liability. Precise and clear presentation of this information is crucial as evidence in potential court proceedings, and ensures that the Customer understands their legal situation, in particular the amount and nature of their liability, which directly translates into effectiveness of our actions.

To further enhance the readability of the correspondence for Customers, in early 2023, we included a QR code in the payment demand, which, once scanned, takes the Customer to our BEST Online portal. This is an additional aid for our Customers, allowing them to settle an overdue debt quickly and efficiently.

### Feel free to contact us to discuss your situation



Contact your BEST Advisor:

**+ 48 (58) 769 92 00 or + 48 608 949 608**

Our advisors are available from Monday to Friday from 8:00 to 20:00, and on Saturdays from 9:00 to 17:00.  
Cost of call per the operator's tariff Please be advised that all calls are recorded.



Scan the QR code and repay conveniently with BEST Online:

**[www.online.best.com.pl](http://www.online.best.com.pl)**



## Simple and transparent products and trusted Advisors

[3-3 (206), 206-1, 3-3 (412), 412-2, 3-3 (416); 416-1, 416-2, 3-3 (417), 417-1]

We believe in the effectiveness of amicable debt collection, as we are aware that it is always the Customer who decides whether or not to repay their debt. Even the best products and the most convenient repayment schedule are no substitute for convincing the Customer that solving their debt problem and working with a BEST Advisor is in their best interest. The Consultants and Advisors working at BEST's call centre seek to help the Customer repay their debt. While representing the interests of BEST, they are also advocates for the interests of our Customers, which coincide with ours.

However, we are aware that our Customers' circumstances do not always allow them to easily repay their debt. Therefore, we strive to understand the Customer's problems and needs, and our Advisors analyse each case individually and propose solutions suited to the Customer's capabilities. Our goal is to be flexible when the Customer is open to cooperation, but does not have the money to repay the whole debt immediately. In such a case, we propose debt restructuring so that the Customer can repay their debt in instalments in a way that will not harm their household budget. Similarly, Customers whose financial situation has changed to their disadvantage may be offered an addendum to previously concluded settlements. Customers who repay their debt and are open to cooperation with the debt collection firm often have better options of finding a way out of debt than in the case of, for example, enforcement proceedings. Our offer is characterised by fair, transparent and understandable rules for repaying the restructured debt. Again, our goal is to be effective, which means being able to find solutions that work for both parties. We rely on openness and trust, offering the same to our Customers. It is precisely such skills and qualities that we promote among our Advisors, both through a suitably designed system of bonus targets as well as a number of individual and group competitions.

We attach great weight to our Advisors' adherence to the adopted principles. We regularly monitor their conversations, analyse and learn from them. We analyse the performance of individual Advisors, looking for anything that is valuable and can also serve other Advisors, as well as to spot and rectify any weaknesses. We have implemented the second generation of the Speech to Text project. With this innovative tool, we can now analyse conversations and identify success factors. Next, we seek to promote the good practices observed within the team, while also looking for improvement areas. We continually improve our Customer service process to ensure the highest quality. We organise numerous internal workshops and training courses for our Advisors. This allows our services to be provided at the highest level. Importantly, the incentive system for our Advisers is not only based on performance, but also on the quality of service. Advisers are assessed, among other things, based on their pro-customer approach or their ability to communicate effectively. Our overriding principle is that Advisers should treat Customers in the way they themselves would like to be treated (for details, see Promoting Employee development).

### BEST Partner application

While the call centre and telephone Advisors play a leading role in the Customer Service area, the role of our Onsite Advisors cannot be underestimated. They meet the Customer usually at their home and present options for the repayment of debt. **Our BEST Partner application**, which has been in operation for several years and is constantly being improved, and in which the status of a case can be viewed in real time, allows Advisors to, amongst other things:

- access complete and up-to-date information on the case and the Customer
- have efficient contact with BEST where necessary
- generate any necessary documents
- design products individually for the Customer
- update the Customer's phone and address data
- prepare visit reports.

We are always looking for new and helpful tools which to enhance the application. We want the changes being implemented to enable our Onsite Advisors to serve our Customers even more efficiently, to find answers to any questions they may have and to align with the Customers' needs during the visit. At the same time, we are developing a module to support task planning for the Onsite Advisors. It helps the Advisor plan their work, focussing on key issues in the process.

### Virtual advisor

Service by a virtual advisor is part of the amicable process. Thus far, this option has mainly been used for simple information or identity confirmation processes, but we are constantly looking for new areas in which it could support our Advisers. We are looking into how likely our Customers are to use this option at other stages of the process. We have noticed that some of our Customers are ready to use this form of contact, which encourages us to find new uses for it.

### Role of information technologies

Since 2022, we have developed the use of *speech to text* technology, which now supports internal call quality control to improve call quality and to listen to better understand what the Customer is saying. Relying on key phrases or words, speech to text allows us to respond quicker to signals from the Customer and streamlines the ongoing process of making entries on a case in the system. Additionally, in 2023 we focused on implementing a number of developmental changes to the existing system, aimed at improving the quality of Customer service and our Employees' comfort. During internal workshops, the expectations the system should meet in order to better support our Advisors were defined, which, combined with the previously defined development directions of our Organisation, allowed our digital transformation project to be initiated.

## BEST Online platform

Many people are embarrassed to talk about their debts or financial problems. They prefer to analyse their situation in the privacy of their home and decide without any haste on the most convenient form of repayment.

The platform has been created to make communication and cooperation with the creditor easier. It has become particularly important during the pandemic, when the possibility of handling important matters without leaving home has become more necessary than ever. A new version was launched in mid-2022. The latest version was made in response to Customer expectations and taking into account current trends in the application market. The starting point was research to identify the needs of users and to make the new solution convenient and useful for them. In a survey, Customers stated that what they expect from working with a creditor is, among other things, flexibility in choosing terms of repayment, a sense of security and control over their debt, and the ability to decide on the form and frequency of contact with BEST. All Customer statements have been taken into account in the new solution.

The new BEST Online platform allows the Customer to quickly find the necessary information on their debt, including the source of a specific liability, but also to analyse, among other things, the payment history or the status of the case in the economic information agency Biuro Informacji Gospodarczej (BIG). The settlement process has been simplified. All settlements can be made online, without the need to print paper documents. In addition, today the Customer can conclude a settlement, accept its terms and make a payment in one session. Our solution that uses the application not only makes the Customer's life easier, but also has a role to play in simplifying business processes: it can be faster, does not consume our Employees' time and reduces paper consumption.

With the upgrade of BEST Online, our Customers feel better taken care of and know that they have various contact modalities and options to choose from. BEST Online is a platform with which, anytime and from anywhere, the Customer can manage their liability in an easy, convenient and secure way. As a result, the number of Customers choosing this form of contact and self-service continues to grow.

As our Customers usually would like to access BEST Online from a smartphone, the new version of the platform has been prepared specifically with mobile devices in mind. All operations can still be performed just as efficiently using a laptop or desktop computer. We continue to improve existing solutions, implementing changes to the application so that self-service is smooth and comfortable for the user. Currently, our Customers can also ask a question to our Advisor via their BEST Online account using a chat. We regularly survey our Customers' experience and expectations, and the survey findings confirm the high rating of our platform's functionality.

Proposing solutions that meet our Customers' expectations by giving them a high degree of autonomy, choice and agency contributes to dispelling myths about debt collection.

The main advantages of BEST Online from the Customer's perspective:

- quick, easy and secure access to key information anytime and anywhere
- fully adapted for use on mobile devices (phone, computer or tablet)
- possibility of self-verification of debt data, e.g. debt components, BIG history, amount of the original liability
- no need to interact with another person if the Customer does not wish to do so
- the Customer can make choices and settlements on their own
- access to payment history
- payment security (BEST Online reminds of the next instalment due date)
- access to fast payment methods, e.g. BLIK
- possibility to verify whether a payment has been registered, view the outstanding amount, etc.
- being able to manage personal data and marketing consents.

**BEST**  
ONLINE



## Effective court and enforcement proceedings

Debt collection is nothing more than a creditor enforcing a debt that has not been paid. We treat every Customer individually, assessing them through the lens of their financial situation, but above all understanding their needs. A Customer who defaults on their obligations has to face the consequences, which arise from the regulations governing business transactions. However, Customers who avoid repayments or contact with BEST S.A. should not count on understanding or approval of their conduct by the creditor. Debtors should be aware of the fact that they will have to repay their debt eventually. This is important not only from the perspective of the economic interest of BEST Group, but also for society and economic transactions. Furthermore, non-payment of a debt can result in the details of the debt being entered into the Economic Information agency BIG (which is used by, among others, mobile network operators, insurance companies and banks) and the debt being offered for sale on a debt exchange.



If the Customer is unwilling to repay their debt, we can also decide to refer the matter for enforcement through legal means. The case is referred to a court, i.e. a claim is filed. Importantly, however, even when a case has been initiated before a court, this does not necessarily mean that debt enforcement proceedings will be started. The proceedings may be terminated when the Customer voluntarily complies with the court judgment and repays their debt. A settlement before court is also possible, which benefits both the creditor and the Customer. On the other hand, if the Customer is passive, the court issues a writ of enforcement ordering the customer to repay their debt to one of the Funds whose claims are managed by BEST. A final court decision allows the creditor to refer the case to a court enforcement officer to enforce the collection of debt owed.

The next stage of legal recovery is enforcement by a court enforcement officer, which involves the recovery of debts using coercive measures as defined by law. Enforcement by a court officer is aimed at recovering the debt as quickly as possible, but there are certain limitations on, among other things, the amounts exempted from enforcement, so that the Customer is not completely deprived of means to support themselves. Court enforcement officers (who carry out enforcement proceedings) are bound by the Code of Professional Ethics adopted by the National Council of Court Enforcement Officers (Krajowa Rada Komornicza), which specifies the principles for the exercise of the profession by a court enforcement officer. These principles include acting in accordance with the law and conscience, maintaining legally protected secrecy and being guided by dignity, honour and integrity. The request to initiate enforcement proceedings is a formal request by the creditor that triggers the enforcement proceedings. The creditor can submit enforcement requests to more than 2,000 court enforcement offices across the country. The enforcement proceedings are closely supervised from the moment they are initiated by the creditor, who monitors the status of the proceedings and the activities carried out by the court enforcement officers and submits any appropriate requests in the course of the proceedings. Verifying the status of enforcement proceedings testifies to a responsible approach of BEST S.A. to our value chain.

## Complaints

An Employee of BEST, upon the initial contact by letter or e-mail with the Customer, informs the Customer of the possibility and method of lodging a complaint, which results from our voluntary adoption of the *ZPF Good Practice*. If the first contact is in another form, information on the submission and examination of complaints is presented at the request of the debtor. This information may not be misleading. What is more, a debt collection firm safeguards the Customer's rights. If the Customer raises any concerns, the BEST Group clarifies them with the creditor or the transferor of the claims according to the debt assignment agreement concluded by the Customer. In the course of such clarification, the progress and outcome of the existing complaint procedure is taken into account as well as the rules laid down in the customer agreement, the applicable regulations or framework agreements. If the Customer's concerns or complaints are rejected, we explain the reasons for our rejection and detail further steps which the Customer can take. On the other hand, if the Customer's complaint is justified, the Company takes action to rectify any faults or irregularities, and, where justified, suspends further debt collection activities. We want to collect debt efficiently, but we also must respect ethics standard, i.e. we do not collect debt that was incurred in an ethically questionable way.

BEST Group may choose not to continue negotiations or correspondence with the Customer if the Group believes that the Customer only seeks to extend the duration the procedure or to avoid payment, and does not provide any documents or clearly formulated allegations that can be reasonably examined.

The Customer can contact us through one of the channels specified on our website ([www.best.com.pl](http://www.best.com.pl)), i.e. by post (to the company address), phone (available Monday to Friday, 08:00 - 20.00), e-mail ([korespondencja@best.com.pl](mailto:korespondencja@best.com.pl)), using the online contact form and the BEST Online platform.

Information on the procedure for the submission and examination of complaints by debtors or other individuals who raise objections regarding contact by BEST is also available on our website [www.best.com.pl](http://www.best.com.pl).



## Other appeal mechanisms

[2-26]

The adoption by BEST S.A. of *ZPF Good Practice* requires that additional appeal mechanisms are put in place. Adopting the Good Practice means consenting to a type of arbitration involving the Association of Financial Companies in Poland in the event that, for instance, the Customer accuses BEST S.A. of violating the Good Practice.

According to the Good Practice, all cases concerning violations by financial companies are to be examined by the Ethics Committee in cooperation with the ZPF Ethics Officer. Importantly for the stakeholders, anyone, including the Customer, can report a violation of the Good Practice by a member of the ZPF (e.g. by BEST S.A.). The only condition is that the report must be submitted in writing and describe the alleged violation.

The Ethics Officer and the Ethics Committee take immediate action to evaluate the allegations. If the allegations that the Good Practice has been violated are confirmed, the violating organisation may be subject to a reprimand or a sanction specified in the Rules of the Ethics Committee and Ethics Officer, and it may be obligated to rectify the irregularities and causes for the violations. The violator may also be banned from using the ZPF trademark. If the violation is particularly severe, the violator may be banned from the ZPF altogether.

[412-1, 416-2, 417-2, 417-3]

Signing the *ZPF Good Practice* also involves the obligation to perform an ethics audit once a year in order to monitor compliance of the financial organisation's procedures with the *ZPF Good Practice*. The audit is performed using an internal audit form that is appropriate for the industry in which the ZPF member organisation operates. The form is evaluated by the Ethics Committee, and if the evaluation outcome is positive, the ZPF member receives a certificate confirming acceptance of the obligation under the Good Practice they have signed.

In 2023, no deviations from or non-conformities to the *Good Practice* were found in BEST S.A. Although proceedings were pending before the ZPF Ethics Committee, it did not issue a decision confirming a breach of the *ZPF Good Practice* by BEST S.A.

	2021	2022	2023
BEST S.A.	0	0	0
Number of deviations from or non-conformities to the <i>Good Practice</i>			

## BEST'S APPROACH TO ITS EMPLOYEES

Our competitive advantage is determined by the skills of our Employees, which derive from their expertise and experience. It is this intangible capital rather than tangible property that is our most valuable asset. It enables us not only to run our day-to-day operations successfully, but also to explore new technological and process solutions. It allows us to grow.

[3-3 (401)]

A consequence of looking at our business through the knowledge and experience of our people is BEST Group's non-formalised policy, whose key elements are:

- carefully selecting candidates at the recruitment stage
- providing an effective onboarding experience
- offering fair term of employment, including a wide range of non-wage benefits
- optimally using the potential of our Employees, cascading knowledge within the organisation, promoting growth and encouraging people to take on challenges
- ensuring a positive and friendly atmosphere in the workplace
- willingness to undertake pro-social activities.

In our daily work, clear rules in the area of human resources are provided by a number of internal documents: policies, regulations and instructions.

## Stability and Employee loyalty

Our philosophy at the centre of which is knowledge, understood broadly as the skills of our Employees, defines management objectives that are focused on:

- mitigating the risk of losing competencies, i.e. experienced Employees and managers
- effectively attracting new Employees with high potential.

This approach includes the need to provide fair terms of employment, a good working atmosphere as well as opportunities for personal growth. Our goal is to attract people with high potential and build a long-term relationship with them. This is when investing in the development of individual and collective skills becomes worthwhile and has long-term effects. The effects include unique knowledge and skills that build our competitive advantage, but also need to be protected.





## Low employee turnover and long-term careers at BEST

The effectiveness of the practical implementation of the aforementioned management philosophy is measured by employee turnover, which has remained low for years. This is particularly true in areas where people with critical skills work. Among our Employees, there are people who have been associated with BEST Group for many years and who started their careers as call centre consultants, and today are directors or have even gone through career steps from trainee to board member in one of our subsidiaries.

We have seen relatively higher turnover among call centre Employees, especially consultants, but this is due to the specific nature of call centres as such. Speaking of call centres, it is worth noting that today supervisors are called leaders rather than coordinators. This is not just a naming convention. The leaders are people who have worked at our call centre and have a great deal of experience. They are hands-on managers, i.e. they often handle calls themselves. As a result, they not only are able to provide practical assistance, but also understand the problems faced by the team and know the challenges their Employees face. This makes the call centre a place where people can grow and advance. The current Director of the Amicable Debt Collection Division also has experience from working in our call centre.

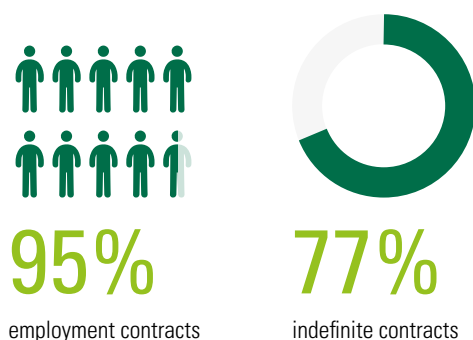
To sum up, the risk of losing the best Employees is, in the Company's view, managed effectively.

## No concerns about maternity leave

A very high number of women employed at BEST Group do not have any concerns about choosing to become mothers. It is commonly believed that one of the reasons for delaying the decision to have a child or even abandoning this idea are concerns about job stability and the fear of losing one's job. A lack of concerns about the decision to have a child, in turn, is a measure of trust in the employer and a sense of security in the company. The number of children born in recent years in BEST Group translates into a birth rate several times higher than the national average. Simply put, women working at BEST Group know that they will have a place to return to after their maternity or parental leave ends, and that the company will facilitate their reboarding. They have both a sense of stability and dignified employment conditions, being able to look more optimistically into the future and decide to become a mother more easily. We are committed to supporting young and prospective parents. As for the little things that may be important to Employees, every pregnant BEST Employee receives a guide on her rights during pregnancy and after giving birth. The guide, now available online due to the epidemic, also contains information on what formalities to complete and what documents to submit to the Employer. The guide includes request templates to be submitted with the Employer and correctly completed templates as an example. For Employees who have become parents, we have a pleasant surprise: the first-time mom or dad employed at BEST receives a gift card for a baby and children shop worth PLN 200.

## Job stability as perceived by our Employees

The fact that BEST Group provides a sense of security and job stability is best reflected in the results of our satisfaction survey in autumn 2022. When asked 'What do you value BEST as an employer most for?', as many as 57% of our Employees replied 'stable employment'. Approximately 95% of our Employees work based on an employment contract (except for legal counsels and onsite advisors), and approx. 77% already have an indefinite contract.

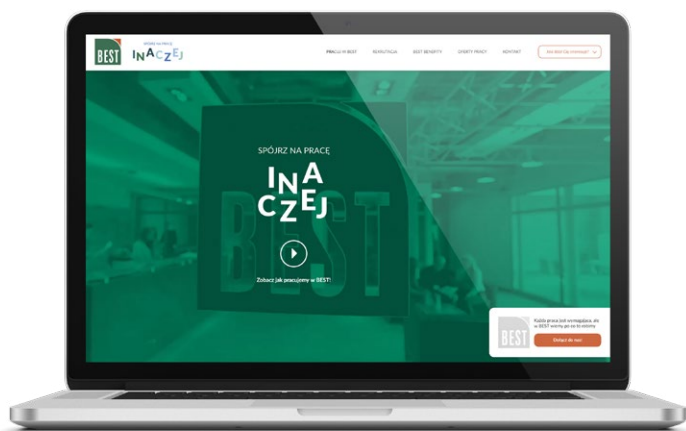


## Careful recruitment

As an organisation that aims to find long-term Employees, we attach great importance to the recruitment process. We are not only concerned with finding people with the highest levels of skills and personal potential, but those whose personal values align with those of our organisation and who will fit in well with the atmosphere we are all trying to create.

We attach great weight to the quality and fairness of the process itself. As a member of the Friendly Recruitment Coalition (Koalicja na rzecz Przyjaznej Rekrutacji), we apply the best recruitment standards, and in the recruitment process we follow the *Good Recruitment Practice* ([www.przyjaznarekrutacja.pl](http://www.przyjaznarekrutacja.pl)). There are certain rules we follow in the recruitment process: being open and honest in our relations with Candidates, addressing their needs, being reliable, ensuring safety for the Candidates pending employment, introducing innovative solutions to support recruitment. We have been awarded a Friendly Recruitment certificate.

We are also concerned with the comfort of the candidate applying to work at BEST. Therefore, we want to facilitate the application process, while providing the candidate with as much information as possible, not only about our company, but above all about our corporate culture, of which they may soon become a part. We accept application documents only via an electronic recruitment system, which is aligned to the strict requirements of the GDPR, making it much easier to apply, but also reducing paper consumption. At the same time, with the platform [www.spojrzna praceinaczej.pl](http://www.spojrzna praceinaczej.pl), candidates can easily obtain key information relevant to a job seeker. Social media channels (Facebook, Instagram, LinkedIn) are also an additional source of online information for candidates, mainly on organisational culture or working atmosphere.



### Friendly Recruitment Coalition (Koalicja na rzecz Przyjaznej Rekrutacji)

Promotes good recruitment practices and defines recruitment standards. Emphasises good candidate relations and a positive experience during the recruitment process (Candidate Experience). The Friendly Recruitment Coalition was established in June 2013, and since then it has been joined by 350 employers who see the need to ensure a positive candidate experience during the recruitment process. BEST S.A. is one of its members.

We run a fair candidate selection process and ensure that all job applications are carefully analysed. Once the candidate has sent their CV, they receive a confirmation that we have received their documents. If the applicant's skills and experience stated in their CV meet the requirements of the job, they qualify for the next stage of the recruitment process, which is an interview with an HR Employee and the manager of the organisational unit to which they are applying. Recruitment for certain positions requires the introduction of an additional recruitment stage, such as an initial telephone interview or an additional meeting with a senior manager. During the recruitment process, the candidate may be asked, for example, about their work experience and expectations related to the position they are applying for. Sometimes they are also asked to perform an additional task to verify their skills. In addition to the candidate's expertise, we also verify whether the candidate's values are consistent with BEST's key values. We believe that skills can be improved and information can be learned, but a person's values cannot be taught or changed overnight, and it is through our shared values that we create a cohesive organisational culture.

Being committed to fostering an authentic dialogue with stakeholders, we want to share our experiences with candidates and listen to their opinions. At the end of the final interview, we inform the candidate that they can expect feedback from us. Importantly, out of respect for the candidate and their time, we always provide feedback and inform the candidate about the status of their application at all recruitment stages. If the candidate is successful, they receive an offer letter with a summary of the key terms of employment (position, remuneration, etc.) as well as full information on the benefits and amenities offered to our Employees. Many candidates who were not successful in the past often return to other companies of BEST Group on the occasion of other recruitments, which best confirms that they had positive impressions from their first contact with BEST Group.

## Remunerations

[3-3 (202), 3-3 (405)]

To attract and retain the best Employees, we offer them attractive terms of employment<sup>1</sup>. This includes both the remuneration system (including annual and operating bonus schemes) and the broadly understood benefits. In particular, this concerns highly specialised Employees in strategic operating areas, representing the Group's key competences. Their knowledge and experience must be rewarded fairly.

We are committed to ensuring that call centre Employees are true Customer Advisors who can help find the best way out of a predicament that is beneficial to both the Customer and BEST. People with a particular combination of skills and qualities are sought after and highly valued, as they are able to more easily establish relationships with Customers as well as tactfully and ethically work out constructive solutions leading to repayment of debt. To motivate our Employees and appreciate their hard work, we have introduced a remuneration system in which total remuneration, in addition to the base salary, is significantly linked to performance and promotes the efficiency of Employees and the quality of Customer service<sup>2</sup>.

In addition, an Incentive Programme for BEST management members and key individuals, including Employees of BEST Group companies, was launched in 2022 and is being continued.



- 1 It is important that the terms of employment of an individual depend only on an objective review of the Employee's performance, including knowledge, experience, work performance, task evaluation and growth potential. Any form of discrimination on grounds of age, gender, beliefs, etc. is unacceptable.
- 2 In the context of the Customer contact policy, effective contact means reaching a compromise on outstanding debt, persuading the Customer to cooperate and effectively offering products as part of amicable debt collection.
- 3 The above-mentioned benefits apply to BEST S.A., but they are similar in the entire Capital Group in Poland. There may be minor differences in our subsidiaries. For instance, Employees in BEST and BEST TFI receive funding for the MyBenefit cafeteria, and associates of the law firm Kancelaria Radcy Prawnego Rybszleger Sp.K. receive funding for the Multisport card.

## Non-wage benefits

[3-3 (401), 401-2]

Our Employees can rely on a range of workplace amenities. These are seemingly simple, but also out-of-the-box solutions. They demonstrate the employer's flexibility and make the work itself more enjoyable. They also contribute to *work-life balance* and support a healthier lifestyle. As a result, these solutions increase job satisfaction and efficiency.

Standards solutions adopted for our Employees in Gdynia and Elbląg<sup>3</sup> include:

- **Flexible working hours.** Employees are free to start work between 7:00 and 10:00, and end work after having worked for the number of hours required under their employment contract (e.g. 8 hours). Flexible working hours do not apply to Employees from a few departments due to the nature of their work (e.g. office employees working during fixed hours or Call Centre employees working in shifts based on an agreed schedule). During the pandemic, the flexibility of working hours during the day was further increased (by agreement with the supervisor), meeting the expectations of our Employees, some of whom have children in their care, including school-age children learning remotely.
- **Telework.** As a standard solution, Employees in positions that do not exclude being absent from the office have had the option of working in a home office for several years (this solution had already been in place prior to the outbreak of the SARS-CoV-2 pandemic). Hybrid working is the most commonly used working model at the moment.
- **Private healthcare.** Our Employees can join an additional healthcare programme which is largely financed by the employer. The Employee can also have their spouses, partners and children covered by the private health programme on favourable terms. As part of the medical package, our Employees can choose a health centre and a doctor from a broad offer. If they prefer to see a doctor who is not in the offer, the insurer will reimburse the costs of the visit according to the reimbursement price list.
- **Life insurance.** Our Employees have the option to join an additional life insurance on preferential terms. The Employee's spouse, partner and full-aged children can join the insurance on the same terms as the insured Employee. The insurance can be joined at any time, and for those who join during the initial three months of employment, there is no stand-down period for the base package.
- **My Benefit cafeteria.** When using the cafeteria system, the Employee can choose their benefit, e.g. a Multisport Card, online shopping vouchers, service vouchers (e.g. foreign language classes), cinema, concert or SPA tickets.
- **Volleyball.** Since 2023, BEST Group has rented gyms in Gdynia and Elbląg, where teams of Employees can meet for volleyball training.

- **Fruit in the office.** Our Employees can enjoy fresh and healthy fruit in the office.
- **Kitchens.** Our Employees can use fully equipped kitchens on a daily basis, where they can choose the necessary equipment to brew fresh-ground coffee, heat their dinner, prepare a cocktail or toasts. Our Employees can choose from a wide selection of coffee (ground, instant and brewed coffee) and tea (black, green, fruit and herbal tea) as well as lemons, milk and the extremely healthy yerba mate.
- **Best Moves.** Anyone who remotely registers one of the many physical activities, provided it has lasted more than 30 minutes, will be awarded points in the company's gamification programme. A maximum of 60 points per year can be earned in this way, which is the equivalent of 3 additional days off with pay.
- **Persons with disabilities.** Persons with a certified minor disability working in BEST have a guaranteed additional 5 paid days off. Persons with a certified moderate or significant disability enjoy up to 10 additional paid days off, according to the Act of 27 August 1997 on Professional and Social Rehabilitation, and on Employing Persons with Disabilities (complete text, Journal of Laws of 1997, item 776, as amended). All Employees with a disability certificate receive an extended medical package subsidised by the employer (the cost for the Employee is PLN 10). In addition, we provide free parking places for persons with a certified disability affecting the locomotor system.
- **Parking place funding.** Our Employees can reserve parking places for selected days so that they are available for all who wish to use them.
- **Discounts for studies.** Our employees can take up undergraduate and graduate studies, postgraduate studies or MBAs offered by WSB Merito (formerly: WSB School of Banking) on preferential terms, i.e. without paying registration fees and with tuition fee discounts. BEST's employees can also benefit from a discount for a postgraduate course in Multifaceted Claim Management at Kozminski University.
- **Play BEST: gamification.** The goal in our in-house game Play BEST is to increase our Employees' commitment to BEST's projects and activities. This initiative makes work fun by introducing an element of playfulness and competition to everyday tasks (collecting points and rewards). The rewards include cinema tickets, gift vouchers, company gadgets or swimming pool and SPA passes, but also additional paid days off. The most popular prize is still an additional paid day off.
- **Psychological support.** BEST offers support to any Employee who feels they need psychological help. Employer-funded meetings can be online consultations or face-to-face meetings, and they are confidential. As part of the support, BEST pays for up to 3 psychological support meetings for each Employee.
- **Subsidy for the purchase of corrective glasses.**



# SPÓJRZ NA PRACĘ

# INACZĘJ



## Friendly atmosphere

Fair remuneration and an interesting offer of non-wage benefits are not enough today to convince Employees to continue to pursue their professional career at BEST Group in the long term. In order to achieve our primary goal to retain the best Employees and address the risk of their knowledge and skills being lost, we need to make sure that they feel good in our organisation. What makes our firm exceptional is the unique working atmosphere, which can be felt from the first day at work. According to a satisfaction survey conducted 2022, up to 48% of our Employees value BEST **most** for its good working atmosphere.

While teleworking in the market is mainly associated with the pandemic, it is not a new tool for BEST Group. It was used even before the pandemic, allowing flexible work planning, and is still widely used today. Employees have often carried out their duties while being away from the office, thus being able to realise their potential not only in the professional sphere, providing a completely new perspective on work-life balance. Although the sanitation regime is no longer in place and the company has returned to normal operations, hybrid working has remained the prevailing solution. Our Employees are happy with this solution, and it also brings noticeable business benefits. We have been able to forego excessive office space and recruit new Employees in other, often remote parts of the country. These individuals carry out their duties only remotely.

We appreciate diversity, as it allows us to learn a lot from one another. We look for different personalities and skills, depending on the area. Our team includes professionals who think out of the box, creative innovators, experts with unique analytical minds who can be always relied on and experts at interpersonal skills – natural talents for the demanding work with the Customer. At BEST Group, we appreciate the knowledge and skills of experienced professionals in the respective areas, but also see the potential in people who have just started their professional career, are open to knowledge and new experiences in a modern and friendly environment.

In the recruitment process as well as during further development and promotion, the key factors are the Employee's skills and performance. Factors not related to the job are not considered. We are an excellent example of a non-discriminatory approach: the overall percentage of female employees and the percentage of female managers are equal. Moreover, this is an unusually high percentage, as women account for as much as 71% of BEST Group Employees. At BEST S.A., on the other hand, the percentage of women in relation to all Employees is 73%, and in managerial positions it is 72%.



We are committed to a friendly atmosphere from the first working day of a new Employee. It has become sound and friendly practice to welcome every new Employee on the company forum. A new Employee starts with an **Onboarding Programme** (see: Introductory training). Since 2023, there has also been a dedicated page for new Employees who are being onboarded. For the first few days at work, they are given special tasks to complete through the page that introduce them to our organisation's culture. For regularly completing tasks, they score their first points in the company's gamification programme. Thanks to the easy-going and accessible form of the onboarding materials, Employees learn about BEST's role in the economy and the role of individual companies and areas in the company's daily operations from their first day at work. The onboarding process is also evaluated, i.e. new Employees complete questionnaires after 1 week, 1 month and after 3 months of work. Thanks to their insights and comments, the onboarding programme can be improved.

A nice custom is also the BEST Jubilee (**BESTileusz**), i.e. the practice of appreciating employees who have worked with BEST for at least several years. For every 5 years worked with BEST, our Employee receives a cash bonus and an additional day off (for 5 years – 1 day, 10 years – 2 days, 15 years – 3 days, etc.).

## Listening to Employees' opinions

We attach great importance to dialogue with our Employees. We listen to what have to say. This dialogue involves not only a number of surveys, but also informal communication to better understand our Employees' expectations, needs and concerns. Traditionally, during our BEST InfoMeetings, which are held twice a year, we organise a Q&A session with the Management Board of BEST S.A. Our Employees can submit anonymous questions before the meeting or ask questions to the Management Board directly during the meeting.

In our company, we have a special inbox ('I just want to say that...') for our Employees to submit questions, ideas and opinions about the workplace and their daily work, even regarding the most trivial matters, such as the tea flavours available in the kitchen. Whenever possible, we try to accept our Employees' requests. For example, we increased the number of parking places for bicycles in the Company's office in Elbląg and introduced herbal teas and yerba mate in the kitchens.

Teleworking/hybrid working and the associated reduction in the frequency of informal communication, i.e. casual conversations in the kitchen or corridor, which helped HR Employees to be more responsive to the expectations of other Employees, was a trigger for initiating the BEST Pulse Check survey. Conducted on a monthly basis and divided into 3 subject-matter areas, these surveys made it possible to fill the knowledge gap on how employees feel about various issues related to the professional sphere and daily work. The surveys initiated in 2021 are continued, and their value and reliability were confirmed by the results in the analogous questions of the satisfaction survey conducted in 2022. As part of the BEST Pulse Check, we diagnose interpersonal relationships, well-being and the extent of identification with the company.



## Training and growth

[3-3(404)]

The rules for improving our Employees' qualifications through in-house and external training are defined in the *Training Policy of BEST Capital Group*. The document also describes the methods of verifying training requirements, the scope of responsibility of each person, the rules of organising and financing training, preparing training materials, determining the training budget and the rules of training evaluation.

### Introductory training

All Employees participate in training courses as part of the Onboarding Programme in BEST Group. These are three interrelated onboarding processes for:

- new Employees
- new Employees in the operational area
- new managers.

For new Employees, basic training takes place on their first day of work. Currently, in the age of hybrid working and hiring Employees from other parts of the country, it is possible to conduct training remotely. The Employees learn about the general principles of work (the applicable rules for OSH, information security as well as the use of company applications and the intranet), the work organisation at BEST Group, our corporate values, development and employee benefits.

For certain positions, the onboarding process is much more complex. The onboarding for the Employees in the operational area additionally includes learning about the operation of IT systems, rules for claims management and the related laws as well as Customer service. New *call centre* Employees undergo several days of introductory training and then, until the end of the onboarding period, take part in development activities, such as a workshop in the second month of work, on-the-job training, call listening and feedback from trainers and Leaders as well as mentoring from an experienced Employee who works alongside the new person and provides support.

New managers (i.e. individuals who are promoted to a managerial position, but have little experience in team management) can count on support in developing their managerial skills in the form of workshops or personal meetings with coaches (BEST Development Managers) as part of the BEST Manager Academy.



### BEST as the leader in competence development

In September 2023, we received the main Pomeranian Gryf Gospodarczy Award in the category **Leader in Competence Development** among medium-sized and large enterprises. Competence development in BEST Group is one of the pillars on which the strength and agility of the entire Organisation is based. The competences and resources of each of our Employees form what we could call the DNA of BEST. BEST's growth is fuelled by the development of our team at every level of the organisation.

Gryf Gospodarczy is one of the most important competitions in our region. It aims to demonstrate the success of Pomeranian enterprises, promote entrepreneurial attitudes and good business practices. Every year, companies that set new directions and have had the greatest impact on the region's economic development are selected in nine competition categories. The competition is organised by the Pomeranian Entrepreneurship Council.



## Promoting Employee development

[404-2]

In addition to standard external training, we promote a **culture of knowledge** and experience sharing, as part of which Employees are encouraged to conduct workshops and training courses, write articles and participate in projects. This allows our Employees not only to gain knowledge in different areas and develop new skills, but also to better understand the internal processes and functioning of the entire company. In turn, the trainers can prove themselves in the role of in-house trainers and develop their knowledge-sharing, public speaking and communication skills, for which they are awarded points as part of our game **Play BEST**.

## Coaching

At BEST Group, we have developed our own **coaching** solutions. It has become one of the forms of growth support offered to our Employees. It is a series of individual meetings between an Employee and a coach, whose aim is to support the development of the Employee according to their individual needs. Unlike mentoring or training, it is not a form of giving advice, consulting or teaching how to use tools. It involves encouraging Employees to create solutions on their own. Coaching is intended for Employees who perform well or very well at work and at the same time need to develop a specific skill. The method is intended for who wish to grow and are ready to make an effort to work on themselves.

## Job Rotation

Our **Job Rotation Programme**, which allows our Employees to work in another area in BEST S.A. for some time, provides our Employees with an opportunity to improve their competences or simply confront new challenges.

## Training schedule

This is a cycle of workshops on various topics. The meetings organised for those willing to participate and led by internal trainers. They focus on soft skills such as managing stress and emotions, organising one's own work, personal performance, managing one's own energy levels and potential. Any BEST Group Employee can sign up for this training.

## Better BEST talent programme

The sum of the personal skills of BEST Employees determines the competencies of the entire organisation and contributes to its long-term market success. That is why talent development is one of our strategic goals in the HR area. The Better BEST programme was established in 2022 to identify people at BEST with a high growth potential and a genuine motivation to self-improve (participation requires being proactive and committed). The programme is not universal. It involves a small group of a dozen people to whom, once they qualify for the 12-month programme, we provide special opportunities to work on their skills and personal growth. Participation in the programme is voluntary and its great value is that it provides an opportunity for development not only to the participants, but also to their mentors and supervisors. In 2023, the first edition ended and, encouraged by the results, we launched the second edition.

### Better BEST measures:

1. **Individual development path** followed in consultation with the supervisor.
2. **The Gallup test, or CliftonStrengths survey.**
3. **Training/group events** (topics to be determined once a group of Programme Participants has been selected).
4. **Individual training budget.**
5. For volunteers: **coaching with a BEST coach, development counselling.**
6. For volunteers: **mentoring with a mentor from BEST in a project/task/work on soft skills.** In addition, our mentors also receive support in the form practical training in mentoring to help them fulfil this role in the best possible way.
7. **On-the-job training:** participating in personalised and engaging projects or tasks.
8. **Individual support from HR:** periodic meetings, discussions on the programme, progress, possible difficulties.
9. Optional: **short job rotation.**

## Company library

BEST S.A. provides access to a **company library**, offering books in the area of managerial, HR management, soft skills, IT, project management, economy, law, business ethics and many more.

## Manager development: 360-degree survey and MasterClass

Another strategic objective in the HR area is the development of managers. In 2021, we launched the CliftonStrengths survey of managers to take into account the individual aptitude of each manager in development activities. The 360 survey is an extremely important development tool for managers and part of our feedback culture. It provides managers with reliable information on what their colleagues value and which areas they need to work on and develop. This comprehensive feedback allows a broader perspective on one's strengths and weaknesses, reflecting on what, if anything, to change in oneself in order to be an even better manager. It is not only an important tool for professional growth, but also a valuable development guide in the perspective of the company's strategy.

The survey was conducted based on the BEST manager competency profile, which was developed by the Management Board and directors during a dedicated workshop. The profile comprises 10 competencies selected as those that contribute most strongly to the effectiveness of our organisation. Attendance was very high (86% of those eligible to take part), and the respondents also showed great commitment by readily sharing their insights as part of open-ended questions. As a result, each of the managers surveyed received personalised results, not only figures (competency rating on a scale), but also open feedback.

With individual results, development tools can be better tailored to help our managers develop skills in management, cooperation and communication in teams.

In 2023, we also conducted a 360-degree survey for managers who were not included in the 2022 survey (e.g. because they had too short a tenure as a manager or joined the organisation after the survey).

In addition, in 2023 we launched **Master Class**, a structured development programme for managers. It includes all managers in the BEST Group. This is a series of workshops on team management (workshop topics include challenging conversations, managerial challenges, managing change and employee engagement) conducted by experienced facilitators using the Action Learning method. Action Learning is a teamwork method for solving problems, developing skills and innovating. The workshops are based on cases provided by the participants, which are discussed by the group according to a specific scenario. The facilitator leading an Action Learning session oversees the scenario, moderates the meeting and summarises each case by providing a snippet of universal management knowledge. In this way, the method offers **as much practice as possible, while keeping theory to a minimum**. This workshops continue in 2024 and find much appreciation among the participants.

### The Gallup test, or CliftonStrengths survey

The Gallup test is a professional tool used to assess natural talent. Since 2021, when we first conducted it for a selected group of managers, it has been an ever more popular development tool within BEST Group. To date, the test has been used for the Management Board of BEST Group companies, the Senior Management Team and participants of the Better BEST programme. We are gradually expanding this group to include more people. After the survey, each person meets a consultant (from BEST or an external consultant) to discuss the survey results and their strengths. Knowing our natural predispositions, we are able to act more effectively, do what we enjoy, develop our talents and work on our weaknesses in a more effective way.



### What are the opportunities offered by the eTutor platform?

- Allows learning from scratch or polishing existing language skills in English, German, Italian, Spanish and French at all proficiency levels: from A1 to C2.
- Learn Travel English or Business English.
- eTutor module for secondary school final exam
- Uses a gamification mechanism and better motivates regular learning.
- All that is needed is Internet access and 15 minutes a day. Learning takes place in the form of an online course. Since eTutor is also a mobile app, it enables learners to study at their leisure wherever they feel like it: on the bus, while walking or relaxing on the sofa.

## eTutor

eTutor is a platform for learning foreign languages (English, German, Spanish and soon Italian) at different proficiency levels, which we implemented in 2022. Access to the platform is free for all Employees and Associates of BEST Group. In addition, everyone can add one person for free: their partner, child, mother, father, etc.

Since we want to motivate our Employees to learn foreign languages, we reward the most active users of the platform by offering additional and free classes with an English teacher.

## Performance review and feedback system

[2-29, 404-3]

With a focus on open communication in BEST Group, we promote a culture of continuous feedback. Our employee performance evaluation system involves continuous feedback and evaluation throughout the year. In practice, meetings should be held periodically and at least once a quarter. During the meeting, the Employee's business and development goals based on the concept of potential defined in the company are discussed. An optional form has been developed as a tool to support supervisors and employees, in which they together enter the goals and effects of achieving the goals. Responsibility for the effectiveness of meetings lies with both the supervisor and the Employee, which means a large contribution and commitment on the part of the Employee in the process of setting goals and the path to achieve them.

Introduced in 2018, the has allowed us to minimise the amount of bureaucracy involved in the previous performance review system, as less formalities and regular feedback promote work efficiency and contribute to our culture of open communication within the organisation.

## Volunteering

[413-1]

We encourage our Employees to engage socially. They can become involved in top-down actions organised by the company, or initiate grassroots initiatives. Those willing to help others can submit their ideas, which are then verified. If an idea is approved by the department coordinating the volunteering programme, the next step is to plan the communication of the initiative within the organisation (e.g. to find as many volunteers as possible). Volunteers can also expect support with the subsequent stages of the campaign and the related organisational matters. For their work as volunteers and a pro-community attitude, Employees are awarded Play BEST points (an in-house game).

From an HR management point of view, it is also important that volunteering, whose overriding aim is pro bono activity, also provides excellent learning opportunities. By serving those in need, they learn initiative, HR, time and money management as well as how to plan and communicate effectively. It also provides an opportunity for the team to socialise in a non-work environment.

Using the company's intranet platform (BestBook), Employees can submit pro-social initiatives that they consider important and which they themselves support or organise, thus promoting social engagement among the BEST community. The beneficiaries of the submitted projects are sometimes someone the Employees know or people close to them. This is an excellent solution for people who seek the support of their colleagues for a specific charitable cause, but do not have enough time or capacity to coordinate the entire action internally within the company.

In 2023, many of our Employees joined the ZPF Charity Run. The participation of our volunteers was so high that the organisers decided to arrange an additional run in Gdynia alongside the main run in Wrocław, in which mainly BEST Employees and their families took part.



### 2nd edition of the ZPF Charity Run

Charity runs at distances of five and ten kilometres have become a staple of the calendar of events organised by the Association of Financial Companies in Poland. The second edition took place on Saturday 16 September 2023 at Partynice Racecourse in Wrocław. A parallel run was organised in Gdynia. The youngest participants had an opportunity to compete in the 400 metres Dwarf Run.

The ZPF RUN is a great opportunity to spend time actively with one's family, while supporting an important charitable cause. All proceeds from the event go to the Matuzalki Animal Welfare Foundation.



We have also regularly engaged in blood donation events. Our Employees became ambassadors and encouraged colleagues to register in the DKMS Foundation's bone marrow donor database.

## BEST'S SOCIAL COMMITMENT



# Knowledge sharing

[3-3 (413), 413-1]

The philosophy of knowledge sharing is older than the company itself and extends far beyond our organisation. Sharing knowledge and creating equal opportunities through education is part of how our managers and owners think and as such a key element of BEST Group's sustained and long-term approach to management.

Speaking of supporting talented young people, it is important to mention the **Econverse** initiative, which we have supported since its launch in 2022. More than half of Polish students have dreams of opening their own business in the future, but lack the practical knowledge of how to get started. In addition, according to a study by the Polish Agency for Enterprise Development, 46% of Poles choose not to start a business because they fear failure, which slows down the development of Polish start-ups and key skills in young people. Econverse addresses this need by offering young and talented people free participation in the largest simulation of creating their own business in Poland. The initiative's participants go through a recruitment phase for the programme, followed by the Econverse Cup stage, i.e. regional qualifiers in one of 4 cities (Warsaw, Gdańsk, Wrocław and Poznań). During the Econverse Cup, qualified participants form teams in six business sectors and take part in the Startup School and Teambuilding programme, and work as a team with Mentors to develop their own start-up idea. The best teams qualify for the national final stage of Econverse.

BEST contributed to the organisation of the event not only financially but also in terms of content. As mentor for the programme, Krzysztof Borusowski, President of the Management Board, opened the Econverse Cup in Gdansk and supported the participants with advice. Marek Kucner, Vice-President of the Management Board, delivered the lecture Business and Sport on similarities between sport and business, which help achieve success in both fields. BEST also hosted and organised a panel discussion in which figures from the world of sport and business shared their knowledge and inspiration with the participants.

Econverse promotes entrepreneurship and help participants grow in a variety of ways. They learn new skills and strengthen the competences for the future, receive mentoring from top companies in the Polish market and get the opportunity to win a cash prize, while making valuable new friends with personalities and authorities in the business world and with motivated and business-minded peers.



Krzysztof Borusowski, President of the Management Board of BEST S.A.: *We firmly believe that it is the duty of established companies like ours to support talented and ambitious young people.*



### Econverse Cup 2023 sectors

#### E-commerce

Every minute saved counts these days. Build your business idea by leveraging the opportunities brought by e-commerce.

#### Sustainability

A modern and innovative business should serve the combat against climate change. Sustainable growth is a trend of the future!

#### Lifestyle

A dynamic sector striving to match a product to the lifestyle of its target audience.

#### Fintech

Financial Technology is by far one of the most dynamic sectors of the economy. It leverages cutting-edge technology and innovation in the financial services industry.

#### Future of work and education

Edtech is a relatively young industry. It is a digital space that facilitates the use of computer technology for human learning and growth. As the digital revolution advances and users around the world have wide access to the Internet, this field continues to expand.

#### Industry 4.0

Also known as the Fourth Industrial Revolution. This concept focuses on the transformation of businesses towards increasing the share of digitalisation in their operations.



We have sponsored the **EKF Academy** for several years now. This project aims to motivate students to expand their knowledge of financial and socio-economic sustainability and to propose practical solutions. Importantly, it encourages students to take the floor in a debate on the economic challenges that Poland and Europe are facing. Around 100 students from national and international universities participate annually. The Academy features also an essay competition in a 'What would we change in Poland and Europe' series (the essays are published annually in the form of a volume). In addition to the main prize, the Prof. Winiecki prize is also awarded, funded and established by Krzysztof Borusowski, President of the Management Board of BEST S.A.



Similarly, for many years now we have supported the organisation of the **Verba Veritatis** competition. It is a prestigious, nationwide competition, aiming to raise the level of knowledge and interest in important issues such as business ethics and corporate social responsibility (CSR) as well as corporate governance among young people who are just entering the labour market.



### Transparent Debt Collection

BEST Group is actively involved in healthy development of the financial services market, including the development of reliable and fair debt collection practices as part of the Association of Financial Companies in Poland (ZPF). In cooperation with the Association and some of its members, we have run the **Transparent Debt Collection** awareness campaign since 2018.

Its main purpose is to provide reliable information on the debt collection process. The campaign website ([www.WindykacjaJasnaSprawa.pl](http://www.WindykacjaJasnaSprawa.pl)) contains comprehensive information on claims management, and allows visitors to explore relevant information presented in an accessible way and to learn about the rights and obligations of debtors.

	2021	2022	2023
<b>BEST Group</b>			
Sponsoring amount (PLN '000)	84	155	205
<b>including BEST S.A.</b>			
Sponsoring amount (PLN '000)	84	155	205

As part of our educational measures, in September 2023 we organised the second edition of BEST Open Door. Nearly 50 students from Gdynia's Thinking Zone secondary school and their companions took part in the event, which included:

- The lecture 'BEST as an employer and debt collection company' revealing some of the secrets of working at BEST and the profile of companies in the debt collection industry.
- The lecture 'Everything you want to know about the economy but are afraid to ask', delivered by the Vice-President of the Management Board, Marek Kucner.
- A short quiz to test the young people's knowledge of the economy and a Q&A session (about the economy, inflation, interest rates and what it is like to work at BEST).
- Gift packs, including the Brief Guide to Easy Saving.

Open Door is a joint educational initiative of debt collection companies who are members of the Association of Financial Companies in Poland, carried out as part of the Claim Management Congress.



## Engagement with local communities

[3-3 (413), 413-1, 413-2]

We feel part of the local communities where we operate and want to be seen as a good neighbour. This approach follows from a management philosophy on which the co-owners of BEST S.A. have based the development of the Group. Consequently, our measures are long-term and comprehensive, and the support offered, including but not limited to financial support, is based on cooperation in solving specific social problems. This approach is reflected in the provisions of the Ethics Code and is regulated in more detail in the *Corporate Philanthropy and Sponsorship Policy*. In line with this policy, we want to contribute to sustainable development by taking into account the UN Sustainable Development Goals (SDG) in our actions, and are in particular committed to:

- ending poverty in all its forms everywhere (goal 1)
- providing quality education and promoting life-long learning (goal 4)
- ensuring healthy lives and promoting well-being for all at all ages (goal 3).

For many years now, we been supported the Children's Home in Elbląg, and since 2018 we have organised a cyclical 'We like to help' Christmas campaign, as part of which we prepare individual parcels for children (based on their letters to Santa Claus). Letters from the children are anonymously published on an intranet page, created specifically for the campaign, and BEST Employees choose which of the children's dreams they would like to make come true by donating individual items

or entire parcels. The campaign has run for 5 years, changing its form over time, especially during the pandemic, when we had to re-create it virtually from scratch and design remote and online activities. This year's edition, which was again organised in a hybrid mode, provided an opportunity for remote and on-site Employees to become involved (both as participants and volunteers). We organised stationarily our traditional Charity Culinary Fair (our Employees brought Christmas delicacies they had prepared and sold them in BEST Christmas Café), and online Miscellaneous Auctions were held to sell the creations of our hands and minds. These are usually handicrafts, but sometimes also offers to provide certain services, tutoring in certain skills or spending time together. All items sold contributed to the Christmas money box for gifts for the children from the Children's Home. In addition to the sale and auctions, we organised online Christmas games (the company donated funds to a Christmas moneybox for participation) and an auction for a dinner with the Management Board. As a result of the Christmas campaign, a total of PLN 9,640.40 was collected (this amount was traditionally doubled by the Board) and items on the gift list worth around PLN 6,000. Dream presents were prepared for 92 children and, in addition to Christmas parcels, food for Christmas and vouchers for the supermarket were donated to the Children's Home, which the institution will use as needed for school materials, food or other necessary items. The combination of onsite and online activities made it possible to get involved a very high proportion of Employees. The nature of this involvement not only created a good atmosphere, but also helped us to get to know each other.



	2021	2022	2023
<b>BEST Group</b>	208,000	148,000	52,150
Donations for social purposes (PLN)			
<b>including BEST S.A.</b>	208,000	148,000	52,150
Donations for social purposes (PLN)			

## BEST AND THE NATURAL ENVIRONMENT

## Management approach and current impact

### Nature of the impact

[3-3 (301), 3-3 (302), 3-3 (305)]

Office work is associated with a relatively small impact on the natural environment. Therefore, as BEST Group, we have chosen not to produce a formal environmental policy. This aspect was also not considered significant in the materiality analysis. There are also no material categories of the associated business risk which could significantly affect the results of BEST Group, especially in the short term.

At the same time, as a company, we are aware that any action that relieves the burden on the environment is a step in the right direction. While our environmental impact may be small, this does not relieve us from our responsibility for the environment. Our role and ambition is to reduce it rationally, through process optimisation and the use of technology. Even if, in our case, the issue of environmental responsibility is not of major business significance, it is of ethical importance and should be treated as such. It is a question of acting upon our declarations.

The operating activities of BEST Group companies are carried out in Poland in two office buildings: in Gdynia and Elbląg<sup>4</sup>, by our Employees working in the field as well as in a hybrid working model, by Employees working remotely. Our daily work involves consuming:

- office materials, especially paper
- electricity, heat and cold (office space and places where telework is performed)
- fuel (company cars and other means of transport).

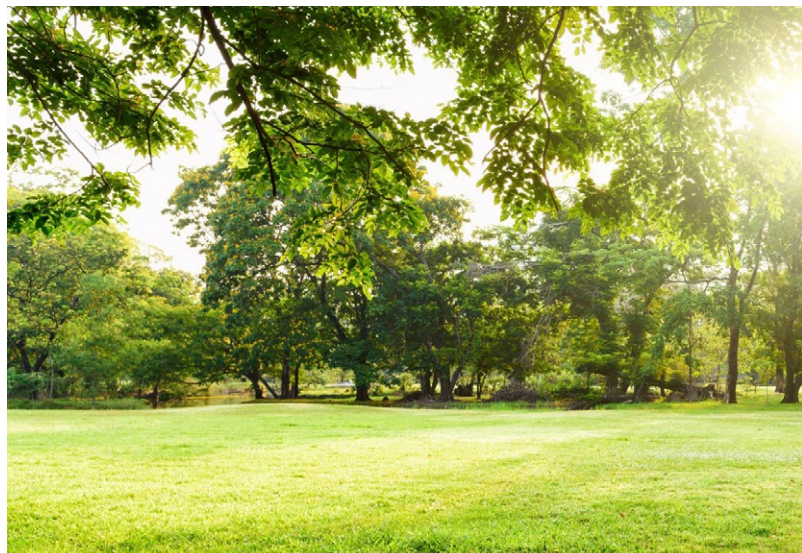


## Gradual elimination of paper documents from processes

Even if debt collection does not involve enforcement through a court, such a scenario must be accounted for. Accordingly, the individual steps must be adequately documented. While some steps can be handled using electronic means, certain court proceedings, for example, often involve the use of paper in practice. Handling legal affairs efficiently involves a high demand for paper, which is why its consumption is somewhat higher compared to other typical office work. There are relatively few opportunities to reduce paper consumption due to legal requirements. While many of the supporting processes within the organisation have already been digitised, correspondence with customers or administrative authorities has not.

We are committed to eliminating paper documents from more and more processes, both for environmental reasons and for the efficiency and convenience of being able to use electronic documents. For example, all settlements can be concluded online, without the need to print paper documents.

It is also worth stressing that, due to information protection requirements, our paper documents are destroyed in a safe way by an external specialised contractor (the documents are initially separated from all plastic elements, and then destroyed in the process of machine cutting; the obtained fine paper is formed into bales and transferred to be reused in the manufacturing of paper products). Our external contractor also certifies that the raw material is properly reused in an environment-friendly way.



<sup>4</sup> Our Italian company BEST ITALIA rents a small office, which has been omitted due to its non-material impact.

## Reducing fuel and energy demand

The headquarters of BEST Group companies, the Tensor X building in Gdynia, meets the requirements of the BREEM certification ('very good' rating). Energy consumption and the associated carbon footprint are low due to the use of the best technological solutions used today in construction. In practice, this will mean that the operating expenses, or certain related taxonomy-aligned<sup>5</sup> expenditures will most likely also meet the technical criteria.

In our work, we use a small fleet of approx. 30 company cars. This causes fuel consumption and emissions. As the car fleet is being modernised, there is a gradual improvement in emission and exhaust gas parameters. This is another area of expenditures and operating costs in BEST Group referred to in the taxonomy. Although rather insignificant from the perspective of the company's performance, with the gradual modernisation of the fleet, the proportion of transport-related costs meeting the requirements of the taxonomy will increase.

In addition to the car fleet used by our offices, Onsite Advisors also use the cars, which generates emissions. Our Customers often expect that we meet them in person, as they think it will be easier to work out a good solution during a face-to-face meeting. As a result, the social interest of our Customers requires this form of contact, even if it is more expensive in terms of financial and environmental costs<sup>6</sup>.

Built on know-how and focused on efficiency, BEST's business model is not only efficient for the business but also the environment. Relying on solutions that are based on remote customer service (e.g. *call centre* or BEST Online) makes it possible to eliminate hundreds of meetings and thus travel-related emissions. For a number of years now we have encouraged our Employees to commute to and from work by bike, and we provide safe bicycle parking places at the company's office. We award Play BEST points to the most dedicated cyclists.

The hybrid working model adopted after the pandemic means further reduction of our Group companies' environmental impact. Primarily, it is about the carbon footprint related to Scope 3 emissions (commuting).

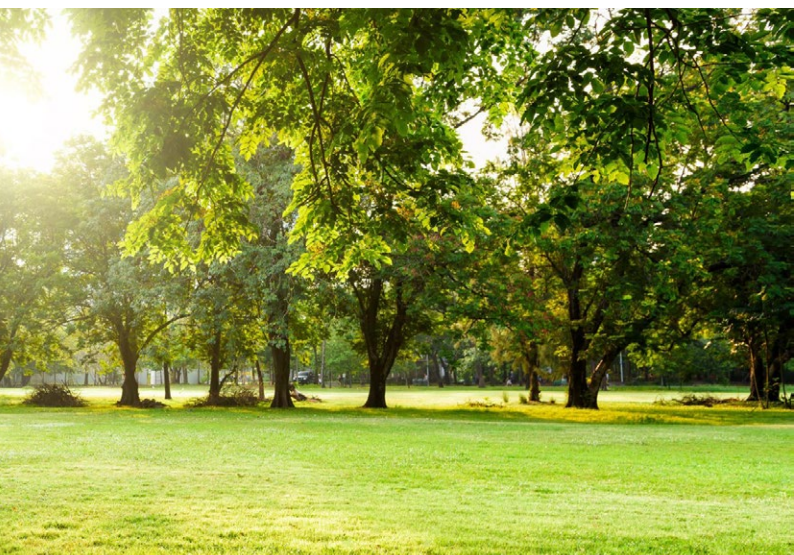
However, the observed reduction in energy consumption in offices with fewer employees can hardly be considered entirely in terms of environmental savings. The same equipment (laptops, monitor displays, etc.) will continue to consume electricity in the homes of our Employees. Thus, some of the indirect emissions classified as Scope 2 will be moved to Scope 3 emissions. Furthermore, while the savings associated with eliminating commuting are obvious, the question of total energy consumption associated with operating equipment and, in particular, lighting the workplace (wherever it may be) is not that straightforward.

## Other aspects of environmental impact

As for other categories of environmental impact, they are even less significant than the carbon footprint. The office space we occupy is located in urbanised areas with a low natural value. Hence, our impact on biodiversity, including areas and species of high natural value, can be considered negligible. Similarly insignificant is the impact of our business on deforestation. BEST Group's offices (Gdynia, Elbląg and Milan) are located in areas characterised by low water stress<sup>7</sup> and their water requirements are limited to water intake for household purposes. We buy water entirely from third parties and draw from municipal water supplies. Similarly, our wastewater is collected by external contractors (sewerage and municipal treatment plants). Our offices generate small amounts of waste, which are segregated where possible and transferred for reuse. Our offices do not generate waste considered hazardous in quantities that could be considered material.

[2-27]

In 2023, neither BEST Group as a whole nor BEST S.A. was fined for violating environmental protection laws.



5 Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088

6 This form of relations has been significantly reduced due to the COVID-19 pandemic.

7 A 'low' rating based on the Aqueduct Water Risk Atlas tool.

## Climate resilience of the business model

The exposure of BEST Group's business model to climate-related risks is small and disproportionately smaller than the exposure of industrial companies. Nevertheless, we decided to carry out a simplified analysis, and publish it in the 2020 report, of the resilience of our business model to climate change, as suggested in the European Commission's *Communication on Guidelines on non-financial reporting: Supplement on reporting climate-related information (2019/C 209/01)*<sup>8</sup>, i.e. the TCFD<sup>9</sup> technical supplement. In doing so, we stay ahead of the prospective provisions of a future regulation relating to sustainability reporting. In the present non-financial report, this analysis has been updated to meet the expectations of the new reporting standards (ESRS). The analysis has confirmed a relatively low materiality level, i.e. the exposure of BEST Group to such risks is low.

The risk and resilience analysis of BEST Group's business model was considered for two scenarios<sup>10</sup>, i.e.:

- **Current Policy Scenario (hot house world)**, which assumes insufficient action at the global level, leading to a relatively high increase in average temperatures and an **increase in physical risks** in nature (both of a chronic nature and an increase in extreme weather events). At the same time, in the absence of major pressure from governments, this will translate into a relatively **low level of transition risks** in the economy. Thus, businesses will not be under too much pressure when it comes to transitioning and moving towards more sustainable business models.
- **Net Zero 2050**, which assumes that relatively rapid and profound measures will be taken; such a scenario is currently implemented, among other things, in EU economic policy; as a result, the expected global temperature rise may be lower and, consequently, **the scale of physical risks will be smaller**. At the same time, the European Commission's proactive policy will mean greater pressure on companies to transition and the associated potential **increase in exposure to transition risks**.

Table:

Potential climate-related physical risks identified [IRO-1 AR 11]

Chronic hazards	
Temperature-related	<p>A change in the average temperature may result in a slightly higher energy demand to ensure comfortable working conditions in office spaces.</p> <p>The changes, however, may affect other entities in the economy and the value chain of BEST Group. i.e. by destabilising the business models of other companies, they could indirectly increase the financial vulnerability of legal and natural persons (e.g. employees of such companies), thus contributing to difficulties in settling debts and the demand for debt collection services.</p>
Wind-related	<p>No material direct impact has been identified.</p> <p>The changes, however, may affect other entities in the economy and the value chain of BEST Group. i.e. by destabilising the business models of other companies, they could indirectly increase the financial vulnerability of legal and natural persons (e.g. employees of such companies), thus contributing to difficulties in settling debts and the demand for debt collection services.</p>
Water-related	<p>BEST Group's offices (Gdynia, Elbląg) are located in coastal areas. Based on the results of analyses conducted by Princeton University (interactive maps), it should be assumed that, while the Gdynia area is completely safe, the Elbląg area may be at least periodically flooded around 2050 due to rising water levels in the Baltic Sea. However, this does not directly concern the Elbląg site, where the offices of BEST Group are located.</p> <p>However, it should be noted that in the case of both sites, BEST Group does not own the offices, but only rents them. Hence, the exposure of our own assets is very limited.</p> <p>The changes, however, may affect other entities in the economy and the value chain of BEST Group. i.e. by destabilising the business models of other companies, they could indirectly increase the financial vulnerability of legal and natural persons (e.g. employees of such companies), thus contributing to difficulties in settling debts and the demand for debt collection services.</p>

<sup>8</sup> [https://eur-lex.europa.eu/legal-content/PL/TXT/PDF/?uri=CELEX:52019XC0620\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/PL/TXT/PDF/?uri=CELEX:52019XC0620(01)&from=EN)

<sup>9</sup> The Use of Scenario Analysis in Disclosure of Climate Related Risks and Opportunities, Task Force on Climate-related Financial Disclosures, June 2017

<sup>10</sup> The scenarios have been developed and described by the Network of Central Banks and Supervisors for Greening of Financial System (NGFS). For details, visit: <https://www.ngfs.net/ngfs-scenarios-portal/explore>.

<b>Solid mass-related</b>	<p>No material direct impact has been identified.</p> <p>The changes, however, may affect other entities in the economy and the value chain of BEST Group. i.e. by destabilising the business models of other companies, they could indirectly increase the financial vulnerability of legal and natural persons (e.g. employees of such companies), thus contributing to difficulties in settling debts and the demand for debt collection services.</p>
<b>Acute hazards</b>	
<b>Temperature-related</b>	<p>Extended periods of hot weather can be a nuisance for employees and, in the case of offices, it could mean that landlords of buildings where BEST Group rents offices need to provide adequate cooling capacity. This could mean slightly higher energy purchase costs for BEST Group. However, the direct risk exposure of BEST Group's business model is limited.</p> <p>The changes, however, may affect other entities in the economy and the value chain of BEST Group. i.e. by destabilising the business models of other companies, they could indirectly increase the financial vulnerability of legal and natural persons (e.g. employees of such companies), thus contributing to difficulties in settling debts and the demand for debt collection services.</p>
<b>Wind-related</b>	<p>BEST Group's risk exposure is limited. Hurricanes, storms and other violent weather events may cause minor damage to the infrastructure of the buildings where we operate. However, these buildings are not owned by BEST Group and any repairs will not be an expense for BEST Group. May disrupt the availability of energy supplies or telecommunications services.</p> <p>The changes, however, may affect other entities in the economy and the value chain of BEST Group. i.e. by destabilising the business models of other companies, they could indirectly increase the financial vulnerability of legal and natural persons (e.g. employees of such companies), thus contributing to difficulties in settling debts and the demand for debt collection services.</p>
<b>Water-related</b>	<p>BEST Group's risk exposure is limited. Flooding due to violent weather events may disrupt the availability of energy supplies or telecommunications services.</p> <p>The changes, however, may affect other entities in the economy and the value chain of BEST Group. i.e. by destabilising the business models of other companies, they could indirectly increase the financial vulnerability of legal and natural persons (e.g. employees of such companies), thus contributing to difficulties in settling debts and the demand for debt collection services.</p>
<b>Solid mass-related</b>	<p>No material direct impact has been identified.</p> <p>The changes, however, may affect other entities in the economy and the value chain of BEST Group. i.e. by destabilising the business models of other companies, they could indirectly increase the financial vulnerability of legal and natural persons (e.g. employees of such companies), thus contributing to difficulties in settling debts and the demand for debt collection services.</p>

## Transition risks and climate-related opportunities: Net Zero 2050

The scenario adopted among others by the EU of achieving climate neutrality by 2050 (Net Zero 2050), if implemented by most countries in the world, presents a good chance of avoiding the realisation of the most severe physical risks to the economy. However, making the rapid changes required to transition entire economies towards a sustainable model involves certain transition risks.

For BEST Group, these risks do not appear to be particularly significant and do not involve major costs.

**Table:**  
**Potential transition risks and climate-related opportunities identified [IRO-1 AR 12]**

Acute hazards	
Political and legal	<p>BEST Group's risk exposure is limited.</p> <p>BEST Group must expect more reporting obligations and thus an increase in the costs of reporting and the associated assurance services. Also, the nature of our business means that most of the operations carried out do not involve activities considered to be relevant to the environment, including the climate. Consequently, the volumes of ported turnover, expenditures and operating expenses (taxonomy) will be rather symbolic.</p>
Technological	<p>BEST Group's risk exposure is limited.</p> <p>The services offered by BEST Group are intangible in nature and providing them involves little direct or indirect greenhouse gas emissions. Therefore, it is difficult to consider them in terms of the demand for low-emission services. It is unlikely that technology shifts will occur that disrupt the way our services are currently provided. By focusing on call centre services, we use telecommunication technologies, which already reduce emissions compared to any hypothetical solutions which would be based only on personal contact. One should also assume that BEST Group will anticipate any ICT changes which will contribute to improving its operating and climate efficiency.</p>
Market-related	<p>BEST Group's risk exposure is limited.</p> <p>The direct impact of economic policies and legislative changes aimed at decarbonising the economy will be limited. Given the relatively small share of energy or fuel costs in our expenses, fluctuations in their prices will not materially affect our total operating expenses.</p>
Reputation-related	<p>BEST Group's risk exposure is limited.</p> <p>BEST Group does not operate in an industry responsible for climate change, so the risk of reputational damage is not high. At the same time, despite our small carbon footprint, we take measures to effectively reduce our environmental impact, also in terms of our carbon footprint.</p>

BEST Group operates based on a business model in which the costs of fuels or energy are not so significant that they could undermine the model. Therefore, any fluctuations in the price of fuel and energy also affect the financial results, albeit not significantly. BEST Group does not have a significant exposure to direct physical or reputational risks. The latter mainly affect companies operating in energy-intensive (e.g. heavy industry) and high-emission industries (e.g. energy industry). In contrast to these companies, BEST Group does not rely on non-current assets and has based its model on ICT, allowing it to minimise direct emissions. What is more, we try to monitor changes in technology and introduce state-of-the-art and effective ICT solutions that go beyond our call centre services and are Internet-based. Moreover, the COVID-19 pandemic has shown that BEST Group can quickly and effectively adapt its operating model to changing conditions.

While the direct impact of risk factors on BEST Group's business model will be limited and the Group should adapt to changes without major problems and significant expenditures, indirect factors, such as the impact of climate change on other stakeholders (individuals and organisations), may be of greater importance for its future operation. Climate change, in particular the materialisation of acute physical risks, will affect the financial situation of natural and legal persons, who may find it more challenging to plan for the long term and may be at risk of incurring losses. People who lose their job or housing due to sea floods, or farmers who lose their crops due to drought or flood may be borrowers who, suddenly and through no fault of their own, could be unable to meet their financial commitments. As they lose their ability to repay a loan or borrowing, their claims will be acquired by debt collection firms, which will need to modify their solutions for people affected by natural disasters.

## NON-FINANCIAL FIGURES

[2-7]

## Employment at the end of the year

	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>BEST Group*</b>									
indefinite time	316	106	422	371	127	498	379	132	511
definite time	169	47	216	133	59	192	83	55	138
probation period	20	11	31	7	3	10	3	3	6
substitution	1	0	1	2	2	4	0	0	0
full time	482	153	635	493	180	673	453	180	633
part time	17	8	25	20	11	31	12	10	22
aged below 30	139	39	178	116	40	156	87	34	121
aged 30-50	338	113	451	368	137	505	341	137	478
aged over 50	29	12	41	29	14	43	37	19	56
Gdynia	226	130	356	231	152	383	226	144	370
Elbląg	273	31	304	274	31	305	238	30	268
Milan (Italy)	7	3	10	8	8	16	8	9	17
<b>Total</b>	<b>506</b>	<b>164</b>	<b>670</b>	<b>513</b>	<b>191</b>	<b>704</b>	<b>465</b>	<b>190</b>	<b>655</b>
<i>Individuals working based on civil law contracts and self-employment, including on-site advisers, etc. (individuals under an appointment relationship not included)</i>	18	50	68	17	74	91	28	62	90
<b>including BEST S.A.</b>									
indefinite time	302	91	393	354	105	459	362	109	471
definite time	166	46	212	127	57	184	78	53	131
probation period	18	11	29	7	3	10	3	3	6
substitution	0	0	0	2	2	4	0	0	0
full time	472	145	617	473	163	636	432	162	594
part time	14	3	17	17	4	21	11	3	14
aged below 30	136	37	173	111	37	148	84	32	116
aged 30-50	322	102	424	351	121	472	323	121	444
aged over 50	28	9	37	28	9	37	36	12	48
Gdynia	213	117	330	216	136	352	205	135	340
Elbląg	273	31	304	274	31	305	238	30	268
<b>Total</b>	<b>486</b>	<b>148</b>	<b>634</b>	<b>490</b>	<b>167</b>	<b>657</b>	<b>443</b>	<b>165</b>	<b>608</b>
<i>Individuals working based on civil law contracts and self-employment, etc. (individuals under an appointment relationship not included)</i>	2	12	14	4	59	63	15	45	60

\* This year's report also includes employment at BEST Italia in the data for BEST Group for 2019-2020

by location (Poland)

	2021			2022			2023		
	Gdynia	Elbląg	Total	Gdynia	Elbląg	Total	Gdynia	Elbląg	Total
<b>BEST Group</b>									
<i>indefinite time</i>	214	198	412	248	234	482	269	226	495
<i>definite time</i>	121	95	216	125	67	192	96	41	137
<i>probation period</i>	20	11	31	9	1	10	5	1	6
<i>substitution</i>	1	0	1	1	3	4	0	0	0
<b>including BEST S.A.</b>									
<i>indefinite time</i>	195	198	393	225	234	459	245	226	471
<i>definite time</i>	117	95	212	117	67	184	90	41	131
<i>probation period</i>	18	11	29	9	1	10	5	1	6
<i>substitution</i>	0	0	0	1	3	4	0	0	0

Employees with a certified disability

	2021			2022			2023		
	Gdynia	Elbląg	Total	Gdynia	Elbląg	Total	Gdynia	Elbląg	Total
<b>BEST Group</b>	19	12	31	19	14	33	16	13	29
<b>including BEST S.A.</b>	19	11	30	19	13	32	16	12	28

401-1

New Employees hired

	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>BEST Group*</b>									
<i>aged below 30</i>	48	16	64	39	18	57	19	13	32
<i>aged 30-50</i>	55	24	79	48	38	86	12	11	23
<i>aged over 50</i>	2	3	5	4	1	5	1	2	3
<i>Gdynia</i>	55	36	91	44	45	89	16	21	37
<i>Elbląg</i>	47	6	53	47	6	53	13	4	17
<i>Milan (Italy)</i>	3	1	4	1	3	4	6	2	8
<b>Total</b>	<b>113</b>	<b>45</b>	<b>158</b>	<b>95</b>	<b>57</b>	<b>152</b>	<b>34</b>	<b>27</b>	<b>61</b>
<b>%</b>	<b>22.3%</b>	<b>27.4%</b>	<b>23.6%</b>	<b>18.5%</b>	<b>29.8%</b>	<b>21.6%</b>	<b>18.7%</b>	<b>26.8%</b>	<b>21.1%</b>
<b>including BEST S.A.</b>									
<i>aged below 30</i>	46	16	62	38	17	55	18	12	30
<i>aged 30-50</i>	49	23	72	45	34	79	8	11	19
<i>aged over 50</i>	2	2	4	4	0	4	1	1	2
<i>Gdynia</i>	50	35	85	40	45	85	14	20	34
<i>Elbląg</i>	47	6	53	47	6	53	13	4	17
<i>Milan (Italy)</i>	0	0	0	0	0	0	3	1	4
<b>Total</b>	<b>97</b>	<b>41</b>	<b>138</b>	<b>87</b>	<b>51</b>	<b>138</b>	<b>27</b>	<b>24</b>	<b>51</b>
<b>%*</b>	<b>20.0%</b>	<b>27.7%</b>	<b>21.8%</b>	<b>17.8%</b>	<b>30.5%</b>	<b>21.0%</b>	<b>19.6%</b>	<b>30.9%</b>	<b>22.7%</b>

Note: Only includes Employees who were hired in a given year and remained employed as of 31/12/2023

401-1

Employees who left  
the company

	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>BEST Group*</b>									
<i>aged below 30</i>	26	19	45	38	9	47	15	8	23
<i>aged 30-50</i>	53	19	72	51	23	74	51	20	71
<i>aged over 50</i>	5	1	6	5	1	6	2	1	3
<i>Gdynia</i>	33	28	61	38	25	63	24	24	48
<i>Elbląg</i>	49	10	59	56	8	64	46	6	52
<i>Milan (Italy)</i>	2	1	3	2	0	2	1	1	2
<b>Total</b>	<b>84</b>	<b>39</b>	<b>123</b>	<b>94</b>	<b>33</b>	<b>127</b>	<b>68</b>	<b>29</b>	<b>97</b>
<i>turnover ratio</i>	16.6%	23.8%	18.4%	18.3%	17.3%	18.0%	14.6%	15.3%	14.8%
<b>including BEST S.A.</b>									
<i>aged below 30</i>	26	19	45	38	9	47	15	8	23
<i>aged 30-50</i>	50	17	67	50	23	73	51	20	71
<i>aged over 50</i>	5	0	5	5	1	6	2	1	3
<i>Gdynia</i>	32	26	58	37	25	62	22	23	45
<i>Elbląg</i>	49	10	59	56	8	64	46	6	52
<b>Total</b>	<b>81</b>	<b>36</b>	<b>117</b>	<b>93</b>	<b>33</b>	<b>126</b>	<b>1</b>	<b>1</b>	<b>2</b>
<i>turnover ratio</i>	16.7%	24.3%	18.5%	19.0%	19.8%	19.2%	68	29	97

\* This year's report also includes employment at BEST Italia in the data for BEST Group for 2019-2020

401-3

**Ratio of Employees who returned to work and remained employed after a parental leave, by gender**

	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>BEST Group</b>									
<i>Number of Employees who were entitled to a parental leave and exercised this right in the year in which their child was born</i>	22	8	30	39	14	53	40	8	48
<i>Did not exercise their right in the year in which their child was born</i>	0	0	0	0	0	0	0	0	0
<i>Number of people whose contract was terminated during a parental (the contract was terminated after the period for which it was concluded)</i>	0	0	0	2	0	2	1	0	1
<b>including BEST S.A.</b>									
<i>Number of Employees who were entitled to a parental leave and exercised this right in the year in which their child was born</i>	22	7	29	38	14	52	39	7	46
<i>Did not exercise their right in the year in which their child was born</i>	0	0	0	0	0	0	0	0	0
<i>Number of people whose contract was terminated during a parental (the contract was terminated after the period for which it was concluded)</i>	0	0	0	2	0	2	1	0	1

404-1

**Average hours of training per year per Employee, by gender and Employee category\***

	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>BEST Group</b>	18	22	19	16	15	16	14	20	16
<i>directors</i>	49	28	44	29	8.75	27	31	13.5	28
<i>leaders and managers</i>	21	21	21	27	22	25	33	41	36
<i>specialists</i>	17	22	19	14	14	14	12	15	13
<b>including BEST S.A.</b>	19	25	21	16	16	16	14	21	16
<i>directors</i>	49	28	44	29	8.75	27	31	13.5	28
<i>leaders and managers</i>	23	24	24	28	25	27	32	41	36
<i>specialists</i>	18	25	20	15	15	15	12	17	13

\* The above data are estimates. For the calculations, the employment situation as of 31/12/2023 was taken. In 2023, some of the training took place as part of purchased access to online training platforms. The data does not include mandatory OHS training, first-day adaptation training, employer-subsidised postgraduate studies, Employees' participation in free webinars held during working hours and training received under the online training platform licences purchased for 2023 (4 training platforms for the IT and analytics area, 1 language learning platform for all and 1 for the HR area). Also not included is the training of associates under civil law contracts, Members of the Boards of Directors and General Partners in BEST Group.

405-2

## Ratio of average remuneration of women to men, by category\*

	2021	2022	2023
<i>specialists</i>	75.53%	76.26%	82.45%
<i>IT specialists</i>	81.00%	104.96%	96.35%
<i>directors</i>	85.11%	71.34%	83.01%
<i>leaders, coordinators and managers</i>	74.05%	74.38%	85.72%
<i>assistants</i>	99.11%	98.60%	101.94%

\* The statistics are subject to a high risk of error due to the low number of categories and their heterogeneous nature. On the one hand, a given category may include only several or a dozen or so people of either gender. As a result, sometimes a higher or lower salary strongly affects the average value for a given gender and the result. On the other hand, the groups are not entirely homogeneous, i.e. among 'specialists' there are both lower paid positions with a more general specialisation as well as highly specialised experts with a narrow field of specialisation. Although formally both groups are referred to as 'specialists', their remuneration differs considerably.

202-1

## Ratios of standard entry level wage\* by gender compared to minimum wage

	2021	2022	2023
<i>women</i>	101.55%	106.54%	108.66%
<i>men</i>	102.38%	106.87%	106.6%

\* The calculation includes persons employed as call centre consultants. In BEST Group, positions with a base salary include, for example, cleaning staff and office support staff (drivers, maintenance technicians), but there are few of those positions and they are not by any measure representative for the entire organisation. It should also be stressed at the same time that the presented figures refer to the base salary without bonuses, premiums, etc., while consultants, on an similar basis to other call centre employees, receive a significant part of their remuneration in the form of a performance bonus. The slight differences between men and women result from the fact that basic salary in BEST Group is increased upon return to work in the case of Employees on long-term leaves (e.g. maternity and parental leaves). As a result, individuals on a leave may have a formally lower salary, which affects the ratio in a given group.

301-1, 302-1

## Consumption of materials, raw materials, fuel and energy\*

	Unit of measurement	2021	2022	2023
<b>BEST Group<sup>11</sup></b>				
<i>key materials</i>				
paper	kg (reams)	15,018.70 (6,020)	18,424.10 (7,385)	13,222.44 (5,300)
<i>water and waste water</i>				
water consumption (from the municipal network)	m <sup>3</sup>	265.77	254.69	415.49
<i>fuel and energy</i>				
petrol	GJ (litres)	814.02 (25,332.50)	1,197.90 (37,278.94)	1,319.12 (41,051.41)
Diesel	GJ (litres)	263.54 (6,978.68)	340.83 (9,025.38)	303.12 (8,026.83)
electricity*	GJ	2,520.58 (700,160 kWh)	2,648.07 (735,574 kWh)	2,690.97 (747,492 kWh)
heat**	GJ	1,309.92	2,320.75	2,449.90
cold	GJ	8.53	67.82	297.25
<b>Total energy consumption</b>	<b>GJ</b>	<b>4,916.58</b>	<b>6,575.36</b>	<b>7,060.37</b>

\* Depending on the supplier at each site, between 36.72% (Gdynia) and 40.2% (Elbląg) of electricity was produced from RES.

\*\* A part of the energy consumed by air conditioning systems is not disclosed separately, but shown in the consumption of electricity.

11 The electricity consumption figures for 2021 do not include the Italian market. The figures for 2022 have been adjusted relative to the previous report for energy consumption for the Italian market. The 2023 figures include energy consumption data for the Italian market. The other figures do not take into account the Italian office and are negligible (e.g. the Italian office does not have any cars).

	Unit of measurement	2021	2022	2023
<b>including BEST S.A.</b>				
<i>key materials</i>				
paper	kg (reams)	14,906.43 (5,975)	18,349.25 (7,355)	13,014.52 (5,217)
<i>water and waste water</i>				
water consumption (from the municipal network)	m³	243.14	233.47	380.87
<i>fuel and energy</i>				
petrol	GJ (litres)	629.21 (19,581.37)	965.80 (30,056.00)	1,105.62 (34,407.32)
Diesel	GJ (litres)	232.28 (6150.93)	340.83 (9,025.38)	303.12 (8,026.83)
electricity*	GJ	2,433.71 (676,031 kWh)	2,519.14 (699,762 kWh)	2,567.56 (713,211 kWh)
heat**	GJ	1,283.01	2,295.41	2,426.29
cold	GJ	7.80	62.16	272.48
<b>Total energy consumption</b>	<b>GJ</b>	<b>4,586.01</b>	<b>6,183.35</b>	<b>6,675.07</b>

\* Depending on the supplier at each site, between 36.72% (Gdynia) and 40.2% (Elbląg) of electricity was produced from RES.

\*\* A part of the energy consumed by air conditioning systems is not disclosed separately, but shown in the consumption of electricity.

[305-1, 305-2, 305-3]

#### Estimated GHG emissions (Scope 1, Scope 2, Scope 3)

[kg eCO2]	2021	2022	2023	[kg eCO2]	2021	2022	2023
<b>BEST Group<sup>12</sup></b>				<b>including BEST S.A.</b>			
<i>Scope 1</i>				<i>Scope 1</i>			
petrol	55,567.35	80,591.48	86,104.23	petrol	42,952.13	64,976.56	72,168.43
Diesel	17,532.75	23,085.48	20,163.91	Diesel	15,453.17	23,085.48	20,163.91
<i>Scope 2</i>				<i>Scope 2</i>			
electricity (Poland)* (electricity, Poland – location-based)	585,564.81	610,395.52 (480,087.17)	595,867.91 (396,825.25)	electricity (Poland)* (electricity, Poland – location-based)	565,383.49	589,077.12 (462,325.08)	574,733.94 (377,488.33)
electricity (Italy)	n/a	3,912.02	3,004.52	heat	123,810.21	295,029.69	460,267.29
heat	126,407.28	298,285.71	464,746.45	cold	n/a	n/a	n/a
cold	n/a	n/a	n/a	<i>Scope 3</i>			
<i>Scope 3</i>				paper	13,704.92	16,870.24	11,849.44
paper	13,808.13	16,939.05	12,038.74	water	36.23	34.79	67.29
water	39.60	37.95	73.41	waste water	66.13	63.50	76.68
waste water	72.29	69.28	83.65	commuting	61,886.78	151,194.33	148,149.36
commuting	64,222.13	160,914.80	159,158.09	<b>Total</b>	<b>823,293.05</b>	<b>1,140,331.71</b>	<b>1,287,476.34</b>
<b>Total</b>	<b>863,214.34</b>	<b>1,194,231.28**</b>	<b>1,341,240.91</b>	<b>(scope 1-3)</b>			

Methodology: The calculations use, among others, the emission data for electricity generation published by KOBIZE (for 2021, 2022 and 2023), the emission data for heat generation published by the Energy Regulatory Office (ERO) (2019, 2021 and 2022) and the emission data for fuels, travel by different means of transport, water distribution, waste water collection, disposal of waste electrical and electronic equipment and paper production, prepared and published by the UK government. (UK Government Conversion Factors for greenhouse gas (GHG) reporting (2023)). The emissions from the combustion of fuels, electricity and heat were estimated not only for CO<sub>2</sub>, but also for other greenhouse gases and expressed in eCO<sub>2</sub>. Therefore, the emission factors published by KOBIZE were increased by emissions of nitrogen oxides converted to the corresponding mass of CO<sub>2</sub>. Similarly, from 2022, the emission factor for thermal energy was increased by the value resulting from nitrogen oxides emissions. Published by the Energy Regulatory Office These conversions used Global Warming Potentials (GWP) values from the most recent IPCC Fifth Assessment Report, 2014 (AR5).

\* The above figures were calculated using averaged data for Poland published by KOBIZE (market-based approaches). After taking into account the emission data published by the suppliers of the energy purchased by BEST Group at our two locations, the size of the carbon footprint in 2023 would total 396,825 kg eCO<sub>2</sub> (BEST Group) and 377,488 kg eCO<sub>2</sub> (BEST S.A.) respectively (location-based method).

\*\* The result presented in the previous statement has been supplemented here with the previously unaccounted for Scope 2 emissions estimates for our Milan office.

## ABOUT THE REPORT

## Nature of the report

[2-1, 2-2, 2-3, 2-4, 2-5]

The presented report concerns non-financial data and is the sixth non-financial (ESG) report of BEST and BEST S.A. Capital Group. The document has been prepared with reference to GRI Standards 2021. It covers the period from 1 January 2023 to 31 December 2023. However, similarly to the principles of financial reporting, the report discusses activities and events which took place after the balance sheet date and before the publication of the report, and which may be relevant to the fair and comprehensive presentation of non-financial results of the organisation.

The report has been prepared to meet the requirements associated with the obligation on selected entities and capital groups to publish non-financial data, according to the Accounting Act of 29 September 1994 (complete text, Journal of Laws of 2019, item 351, as amended). Accordingly, the report includes, for instance, environmental impact aspects, even though this impact, in the Company's opinion, is not significant as of today and is not expected to become crucial from the point of view of the Company's impact and performance in the foreseeable future, despite its growing importance.

The report was not subject to an additional verification by an independent statutory auditor beyond the existing requirements. At the same time, the process of defining the content and collecting the data was supported by an external expert.

The report covers all BEST Group companies consolidated in financial reporting, i.e. BEST S.A., BEST Towarzystwo Funduszy Inwestycyjnych S.A., Kancelaria Radcy Prawnego Rybszleger Sp. K., BEST Capital Italy, BEST Italia S.r.l., BEST Capital FIZAN, BEST I NFIZW, BEST II NFIZW, BEST III NFIZW and BEST IV NFIZW. In addition, the report includes separate figures for BEST S.A.

The company has started preparing to report from next year on the non-financial aspects of the business based on the European Sustainability Reporting Standards (ESRS). Some of the information that is not yet required, but meets future reporting obligations, is already included in the current report.

## Contact person:

Please send all queries, opinions and feedback on the issues discussed in this report to:



**Anna Olejczuk-Ficek**  
Communication & CSR Officer  
e-mail: [anna.olejczuk-ficek@best.com.pl](mailto:anna.olejczuk-ficek@best.com.pl)



BEST S.A.  
ul. Łużycka 8A  
81-537 Gdynia  
[www.best.com.pl](http://www.best.com.pl)



## Report defining process

[2-29, 3-1]

In the last year, there were no changes in the economic environment or in BEST Group's business model that were material enough to significantly affect the nature of our organisation's interaction with its social or natural environment. In the Company's opinion, there were no circumstances leading to a change in the areas considered to be material.

At the same time, the extent to which the report published for 2022 met stakeholders' expectations was assessed in a 2023/2024 survey. 84.6% of the stakeholders surveyed describe the timing of the report's publication as appropriate, the information contained in the report as credible and its format as attractive. As many as 92.3% of those surveyed agreed with the statement that the information included in the report is sufficiently accurate, it is easy to find and the report itself is comprehensible to them. The same respondents confirmed the relevance of ESG-specific disclosures in the report. These results demonstrate the very good reception of the report by its readers and justify retaining this form of reporting later this year. Due to the legal obligation, the next report will be produced according to the new rules, i.e. the European Sustainability Reporting Standards (ESRS).

The approach to CSR management is in line with the suggestions of the standard PN-ISO 26000 and the GRI Standards. The Group believes that defining the scope of the report using internationally recognised standards and the UN Sustainable Development Goals (SDG) as well as referring to stakeholder opinions contributes to BEST Group, including BEST S.A., upholding the principle of materiality and preserving the sustainability context. The approach adopted to collect data, supplemented by interviews with representatives from individual departments and companies, and the presentation of data are intended to observe utmost diligence in complying with the principles of balance, comparability, accuracy, punctuality, transparency and reliability.

## Scope of the report

[3-2]

As a result of the materiality assessment of the various ESG aspects, the following were considered to be of key importance for BEST Group, including BEST S.A.:

	Topic	Materiality	GRI Standards indicator	Aspect of the Accounting Act
1	Direct and indirect economic value (economic impact)	high	203-2	Social
2	Wage level compared to local market	moderate	202-1	Employee-related
3	Terms of employment (types of contracts, turnover, wages, additional benefits)	high	401-1 / 401-2 / 401-3	Employee-related
4	Development and training	high	404-1 / 404-2 / 404-3	Employee-related
5	Human rights: respect for fundamental rights of customers, credibility assessment of the claim seller	high	412-1 / 412-2	Human rights
6	Anti-corruption and anti-bribery	high	205-1 / 205-2 / 205-3	Anti-corruption
7	Market behaviours affecting fair competition	high	206-1	Social
8	Safety of products and Customer health	moderate	416-1 / 416-2	Social
9	Ethical marketing communication	high	417-1 / 417-2 / 417-3	Social
10	Privacy of Customer personal data	high	418-1	Human rights
11	Financial education of Customers/the public	high	413-1	Social
12	Consumption of fuel, energy and raw materials	low (non-material)	301-1 / 302-1 / 305-1 / 305-2 / 305-3	Natural environment
13	Community engagement	short (non-material)	413-1 / 413-2	Social

The scope of the statement is therefore analogous to that of the statement for the previous reporting period. The previous statement was reviewed by stakeholders (online) who, in principle, confirmed the relevance of the issues included in the report.

Irrespective of the conducted materiality analysis, due to the requirements of the Accounting Act, the report includes aspects with a low materiality level, such the impact of BEST Group and BEST S.A. on the natural environment, including climate. For the same reason, the report also includes aspects related to pro-community activity and social engagement. Due to the non-material (purely supplementary)

nature of these aspects, a detailed management approach as per the GRI Standard (GRI 3: Material Topics 2021, 3-3 Management of material topics) was abandoned, and we focused on the requirements of the Accounting Act.

The disclosure in the report of information related to the scenario analysis of climate risks, which are also not of particular relevance to the impact of the organisation, meets the requirements of future ESRS.

## SUPPLEMENT: NON-FINANCIAL RISKS ASSOCIATED WITH DEBT COLLECTION ACTIVITY

[102-15]

Non-financial risks count among the key categories of BEST Group's business risks. Each risk category has a business owner who manages it on the operational level and makes decisions to reduce the risk to an acceptable level. The relatively flat organisational structure allows the Management Board to monitor all of the risks to which BEST Group, including BEST S.A., is exposed.

Environmental issues are of marginal significance, and the main risks are of social nature:

### Risk of losing key Employees

Understood as a situation where the loss of experienced managers or key Employees may adversely affect the progress and extent of achieving business goals.

 (see: BEST's approach to its Employees)

### Cybersecurity risk

Understood as a situation where, as a result of a cyber-attack, the continuity of the Company's operations is disrupted, the Company loses access to data assets or where the confidentiality, availability and integrity of data is compromised, with a consequent negative impact on, among other things, the Company's image and, in extreme cases, an impact on its performance.

 (see: Effective protection of personal data)

### Risk of changes in the legal environment

Understood as a situation where changes in legislation, good practices, opinions of authorities or courts have a significant impact on the Company's operations due to the necessity of incurring high costs related to adapting the Company's activities to them or making it necessary to discontinue some of the Company's operating activities, which may significantly affect the Company's financial performance.

 (see: Compliance management)

### Compliance risk

Understood as a situation where the Company acts contrary to legal regulations, good practices, opinions of authorities or courts, the consequence of which may be, inter alia, a fine imposed by a regulator (Polish Financial Supervision Authority, Office of Competition and Consumer Protection, Personal Data Protection Office), loss of a licence for claim management, an unfavourable judgment or any other unfavourable ruling, an order or a ban issued by an authorised body.

 (see: Compliance management)

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**Risk of personal data security breach**


The risk associated with the possibility that the confidentiality, integrity or availability of personal data may be compromised, including as a result of deliberate action, error or negligence on the part of individuals or entities with whom the Company works, and the risk that the processing of personal data may be considered unlawful. The consequences of breaching regulations related to the protection of personal data, in particular breaches of the confidentiality, integrity or availability of personal data, may be criminal or administrative sanctions and liability for damages (e.g. in relation to infringement of moral rights), potentially negatively affecting the Company's image.

 (see: Effective protection of personal data)

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**Risk of confidentiality breaches**

Risk of unauthorised access to confidential information, information representing a business or professional secret. One of the possible consequences is the imposition of criminal or administrative sanctions or contractual penalties on the Company by its counterparties.

 (see: Compliance management, Effective protection of personal data)

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**Risk of negative PR (reputational risk)**

Refers to the loss of the Company's credibility in the eyes of its customers, investors, employees or the public following the publication of unfavourable or false information regarding the Company as well as the activities of other entities in the industry, giving the impression that all entities in the debt collection industry act unethically. In the long term, this may affect financial performance.

 (see: Market environment of BEST, BEST'S approach to its Customers, BEST'S social commitment)

## ATTACHMENT: BEST GROUP AND BEST S.A. AND THE EU TAXONOMY

# Legal basis and qualification of activities

Article 8(1) of Regulation (EU) 2020/852 requires companies subject to Article 19a or 29a of Directive 2013/34/EU of the European Parliament and of the Council<sup>(2)</sup> to disclose information on how and to what extent the activities of a company are related to environmentally sustainable economic activity. As BEST S.A. is obliged to publish a non-financial report on an annual basis, it is also required to present the information referred to above.

Article 8(2) of Regulation (EU) 2020/852, which imposes reporting obligations on companies and, for non-financial companies, specifies the obligation to disclose information on the percentage of sales, capital expenditure and operating expenses ('key performance indicators') in their assets or processes related to environmentally sustainable business activities, does not specify key performance indicators for financial companies, i.e. credit institutions, asset managers, investment firms as well as insurance and reinsurance undertakings. As a result, the regulation required clarification of the reporting obligations of individual businesses. Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 *supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation* closed this gap by clarifying the scope and form of presentation of results relating to the environmentally sustainable business activities of companies. Disclosure obligations vary depending on the type of activity conducted by the company, and companies have been divided into:

- non-financial companies
- asset managers
- lending institutions
- investment firms
- insurance and reinsurance undertakings.

While for most companies obliged to publish non-financial data, including information on how and to what extent the company's activities are related to environmentally sustainable business, categorisation is something obvious, additional analysis was required for companies such as BEST. BEST S.A., the parent company of BEST Group, holds a permit from the Polish Financial Supervision Authority (FSA) to manage securitised claims of a claim fund, issued based on Article 192 of the Act on Investment Funds and the Management of Alternative Investment Funds, which would indicate that it is not a non-financial company. As BEST S.A. falls under Article 29a of Directive 2013/34/EU, it was necessary to conduct the analysis from that company's perspective and not from the perspective of the entire group for which it is the parent company. BEST S.A. does not meet the criteria of an investment firm, because in order to conclude

transactions for its own account in transferable securities, BEST would need to hold a licence to provide brokerage services under the Act on Trading in Financial Instruments. In the company's opinion, it is also not an asset manager as defined by the delegated act in question, as it is not:

1. an AIFM as defined in Article 4(1)(b) of Directive 2011/61/EU of the European Parliament and of the Council<sup>(4)</sup>;
2. a management company as defined in Article 2(1)(b) of Directive 2009/65/EC of the European Parliament and of the Council<sup>(5)</sup><sup>13</sup>;
3. an investment company that has been authorised in accordance with Articles 27, 28, 29 of Directive 2009/65/EC and has not designated, for management purposes, a management company authorised in accordance with Articles 6, 7 and 8 of that Directive.<sup>14</sup>

Considering the foregoing and given that BEST S.A. is not an investment fund company or alternative investment company and does not meet the criteria of a management company, as adopted in the act in question, in the Company's opinion, it is classified as a non-financial entity and the disclosures indicated for a non-financial entity apply to it.

In addition, the aspect related to the form of presentation of data, among others for non-financial companies, has been updated in Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 *supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems and for determining whether that economic activity causes no significant harm to any of the other environmental objectives and amending Commission Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities*

This information also refers to Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities.

<sup>13</sup> 'management company' means any company, the regular business of which is the management of UCITS in the form of unit trusts/common funds and/or of investment companies (collective UCITS portfolio management)

<sup>14</sup> For the purposes of this Directive and subject to Article 3, a UCITS means an undertaking: a) the sole object of which is the collective investment in transferable securities or in other liquid financial assets, as defined in Article 50(1), of capital provided by the public and which operates on the principle of risk-spreading; and b) the units of which are, at the request of their holders, repurchased or redeemed directly or indirectly out of the assets of those undertakings. An action taken by a UCITS to ensure that the stock exchange value of its units does not differ materially from the net asset value of the units will be deemed to amount to such a repurchase or redemption of units.

## Qualification of activities as environmentally sustainable

According to Article 3 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, an economic activity qualifies as environmentally sustainable where that economic activity:

- contributes substantially to one or more of the environmental objectives
- does not significantly harm any of the environmental objectives
- is carried out in compliance with the minimum safeguards
- complies with technical screening criteria that have been established by the Commission.

Thus, BEST S.A. sought to examine individual economic activities in terms of meeting the above four criteria.

### Step 1:

#### Identification of taxonomy-eligible activities

With this in mind, in 2022, while preparing the previous annual report for 2021, BEST S.A. reviewed its economic activities with a view to identifying economic activities that comply with the taxonomy within the meaning of Article 1 of Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021. The analysis was updated in 2023 while the 2022 statement was being prepared. When preparing the 2023 statement, we again reviewed the identified aspects of our activities that qualify as contributing substantially to climate change mitigation or adaptation, while also carrying out a complementary review with activities relevant to sustainable development. The analysis also takes into account new activities relevant to climate change mitigation and adaptation, added by the Commission during 2023 (sections 3.18-3.21 and 6.18-6.20 of Annex I to Delegated Regulation (EU) 2021/2139 as well as sections 5.13, 7.8, 8.4, 9.3, 14.1 and 14.2 of Annex II to Delegated Regulation (EU) 2021/2139). Similarly, it also includes the technical eligibility criteria published by the Commission (EU) to determine the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and conservation of water and marine resources, to the transition to a circular economy, to pollution prevention and control or to the protection and restoration of biodiversity and ecosystems (Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023).

As regards the identification of taxonomy-aligned activities, revenue, capital expenditure and operating expenses were reviewed. No exclusions were applied at this stage (no materiality level).

In 2024, taking into account the operating activities carried out in 2023, the previously identified areas were reviewed, but this did not result in any changes in the identified activity categories. None of the newly defined activities, i.e. those defined under Delegated Regulation (EU) 2023/2486 and sections 3.18 to 3.21 and 6.18-6.20 of Annex I to Delegated Regulation (EU) 2021/2139 and sections 5.13, 7.8, 8.4, 9.3, 14.1 and 14.2 of Annex II to Delegated Regulation (EU) 2021/2139, were identified in BEST S.A.'s activities.



Presented in the table below are the results of the analysis of taxonomy-aligned activities:

Taxonomy-aligned economic activity	Specificity of taxonomy-aligned activity in the case of BEST S.A.	Impact on:		
		Revenues (sales)	Capital expenditures (CapEx)	Operating expenses (OpEx)
6.5. Transportation by motorbikes, passenger cars and light commercial vehicles	BEST S.A. has a small fleet of company cars (passenger cars) and incurs both expenses related to the periodic replacement of the vehicles being depreciated and operating expenses related to their ongoing maintenance. However, the scale of these expenses is immaterial to the overall situation of the Company.  (see: <b>BEST and the natural environment</b> )		✓	✓
7.7. Acquisition and ownership of buildings	BEST S.A. earns irregular, in some years even marginal, revenues from the sale of real properties, which, by way of a court decision, are sold during an enforcement auction to satisfy claims. Such situations are rare and the revenues from sales represent an insignificant margin of the total debt collection revenues. During the year, these are individual properties of a very different nature: plots of land as well as residential and non-residential buildings commissioned for use or under construction, sold during an enforcement auction. Due to the nature of its revenues, BEST S.A. does not have any influence on the nature of the property, including its technical parameters in terms of sustainability. BEST S.A. generates revenue from their sale, but does not acquire ownership of the properties.  On more than one occasion, as in 2023, the assigned revenues are generated, to a large extent, following changes in the valuation of individual properties. In 2023, there was also a small amount of revenue related to leases and the aforementioned property sales.  (see: <b>Purchase of claims</b> )	✓		
7.2. Renovation of existing buildings	Although it does not formally own the properties (offices) in which it operates, BEST S.A. uses them on a long-term basis and periodically modernises and renovates them. A major modernisation of space in the building in Elbląg, which was originally scheduled for 2021, was finally postponed to 2022.			✓
8.1. Data processing, website hosting and related activities	BEST S.A. uses IT systems for processing data concerning claim portfolios. These systems support debt collection processes carried out by both call centres and onsite debt collectors.		✓	✓

### Step 2:

#### Allocation of sales, expenditures and operating expenses

In the next step, the Company analysed the scale of the individual activities qualifying for the taxonomy, i.e. it assigned to them the volumes of sales, expenditures and operating expenses, according to the accounting rules set out in *Annex I to Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation*. The figures established based on the accounts were to be the **KPI denominators** referred to in *Article 8 Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088*.

### Step 3:

#### Verification of the technical criteria and compliance with the minimum safeguards

In the third step, the Company analysed, with the involvement of the persons responsible for each of the identified activities, whether and to what extent these activities were carried out in 2023 in a manner that met the technical criteria, i.e.:

- the substantial contribution criteria
- the DNSH criteria (Do No Significant Harm).

For those activities that met the above criteria and were carried out as part of the taxonomy-eligible activities identified earlier, sales, capital expenditures and operating expenses were allocated accordingly. Thus, they were determined for individual activities to the extent that they met the technical criteria.

The sales, expenditures and operating expenses were determined according to the accounting rules set out in *Annex I to Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation*. The figures established based on the accounts were to be the **KPI numerators** referred to in *Article 8 Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088*.

At the same time, irrespective of whether an activity meets the aforementioned technical criteria, it was assessed whether it was performed in a manner ensuring compliance with the minimum safeguards. According to Article 18 of Regulation 2020/852, 'The minimum safeguards referred to in point (c) of Article 3 shall be procedures implemented by an undertaking that is carrying out an economic activity to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights'. At the time of the publication of this statement, to the best of the Company's knowledge, there were no binding regulations in place to clarify the above definition and to define the manner and process for assessing compliance with the minimum safeguards.

As a matter of utmost diligence, the Company used the non-legally binding Final Report on Minimum Safeguards prepared by the Platform on Sustainable Finance in the assessment process, and more specifically the criteria contained therein related to the assessment of the fulfilment of minimum safeguards. In particular, in the company's opinion, its internal regulations and procedures ensure due diligence on human rights, including labour law, corruption, taxation and fair competition to the extent prescribed by national legislation. The four recommended criteria indicating non-compliance with minimum safeguards are:

- Inadequate or non-existent due diligence processes for human rights, including labour law, corruption, taxation and fair competition.
- The company has finally been held liable or found to be in breach of labour law or human rights in certain types of court cases on labour law or on human rights.
- The company refuses to engage with the OECD National Contact Point (OECD NCP) regarding a notification accepted by the OECD NCP.
- The Business and Human Rights Resource Centre (BHRRC) has taken up an allegation against the company, and the company has not answered it within 3 months.

The Company believes that the processes it has put in place are sufficient. Neither the company nor the members of its authorities have been held liable for gross violations of the law, as described in criterion two. The company has not been registered as violating the applicable rules by:

- Business and Human Rights Resource Centre (BHRRRC) (<https://www.business-humanrights.org/en/companies/>).
- OECD National Contact Point (<http://mneguidelines.oecd.org/database/>).

In the Company's opinion, the internal regulations in place at the organisation concerning the hiring of employees are in line with the applicable labour laws and other national regulations which implement into Polish legislation the standards of the International Labour Organisation, which have been ratified by Poland. The Company has not recorded any cases of gross violations of the law, including Labour Law or Human Rights, and the Company is not aware of any such incidents having occurred. There have been no administrative proceedings against the Company or members of its authorities relating to such violations. The internal anti-corruption regulations in force are in line with national legislation. In the reporting period, no penalties related to corruption and bribery were imposed on members of the Company's authorities, nor were they convicted under final judgments for such actions. Neither the Company nor the members of its authorities have been subject to penalties related to violations of laws related to the protection of consumers and competition. The Company is also not aware of having been found in any other way to be in breach of employee rights, human rights and applicable regulations relating to anti-corruption and bribery, tax avoidance and fair competition.

#### Step 4:

##### Summary and presentation of results

The results obtained in the previous steps have been summarised in tables according to the revised template (Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023).

The activities identified and included in this information identified as material to sustainability are not particularly relevant to the Company's picture. This is due to the profile of our business, which mainly involves office work. Other than investments and expenditure related to IT infrastructure, the scale of other activities is rather small. What is more, the revenues associated with the exercise of rights to real properties are at times sporadic, irregular and may be recorded as their valuation changes. Similarly, renovations and modernisation of office space are irregular in nature. The fleet of cars used is small and thus the amounts involved are not significant for the Company's picture.



# Results

## Turnover (revenues)

Economic activities (1)	Year			Substantial contribution criteria			
	Code(s) (2)	Turnover (absolute) (3)	Proportion of turnover, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)
		PLN '000	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
<b>A. Taxonomy-eligible activities</b>							
A.1. Environmentally sustainable activities (taxonomy-aligned)							
—	—	—	—	—	—	—	—
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)	—	0.00-	0.00%	0.00%	0.00%	0.00%	0.00%
Of which enabling	—	0.00-	0.00%	0.00%	0.00%	0.00%	0.00%
Of which transitional	—	0.00-	0.00%				
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)				EL N/EL	EL N/EL	EL N/EL	EL N/EL
Acquisition and ownership of buildings	CCM/CCA 7.7.	10,795.37	3.05%	EL	N/EL	N/EL	N/EL
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)	—	10,795.37	3.05%	0.00%	0.00%	0.00%	3.05%
<b>A. Turnover of taxonomy-eligible activities (A.1+A.2)</b>	—	<b>10,795.37</b>	<b>3.05%</b>	0.00%	0.00%	0.00%	3.05%
<b>B. Taxonomy-non-eligible activities</b>							
Turnover of taxonomy-non-eligible activities (B)	—	343,037.63	96.95%				
<b>TOTAL (A+B)</b>	—	<b>353,833.00</b>	<b>100.00%</b>				

\* The item 'Acquisition and ownership of buildings' excludes revenues attributed due to property revaluation.

DNSH (Do No Significant Harm) criteria											
Pollution (9)	Biodiversity (10)	Climate change mitigation (17)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity (10)	Minimum safeguards (17)	Proportion of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) activities Turnover, year N-1 (18)	Category: enabling activities (19)	Category: transitional activities (20)
Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	Y
—	—	—	—	—	—	—	—	—	—	—	—
0.00%	0.00%	—	—	—	—	—	—	—	0.00%		
0.00%	0.00%	—	—	—	—	—	—	—	0.00%		
		—	—	—	—	—	—	—	0.00%		
EL N/EL	EL N/EL										
N/EL	N/EL								0.00%		
0.00%	0.00%								0.00%		
0.00%	0.00%								0.00%		

## Capital expenditures (CapEx)

	Year			Substantial contribution criteria				
	Code(s) (2)	Capital expenditures (absolute) (3)	Proportion of turnover, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)
Economic activities (1)		PLN '000	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
<b>A. Taxonomy-eligible activities</b>								
A.1. Environmentally sustainable activities (taxonomy-aligned)								
-	-	-	-	-	-	-	-	-
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		0.00–	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Of which enabling		0.00–	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Of which transitional		0.00–	0.00%	0.00%				
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)</b>				EL N/EL	EL N/EL	EL N/EL	EL N/EL	EL N/EL
Transportation by motorbikes, passenger cars and light commercial vehicles	CCM CCA 6.5.	630.82	8.73%	EL	EL	N/EL	N/EL	N/EL
Data processing, website hosting and related activities	CCM CCA 8.1.	675.75	9.36%	N/EL	EL	N/EL	EL	N/EL
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		1,306.57	18.09%	8.73%	0.00%	0.00%	9.36%	0.00%
<b>A. CapEx of taxonomy-eligible activities (A.1+A.2)</b>		<b>1,306.57</b>	<b>18.09%</b>	<b>8.73%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>9.36%</b>	<b>0.00%</b>
<b>B. Taxonomy-non-eligible activities</b>								
CapEx of taxonomy-non-eligible activities (B)		5,916.43	81.91%					
<b>TOTAL (A+B)</b>		<b>7,223.00</b>	<b>100.00%</b>					

\* Activities excluded in 2023 from the verification of taxonomy-alignment

DNSH (Do No Significant Harm) criteria										
Biodiversity (10)	Climate change mitigation (17)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity (10)	Minimum safeguards (17)	Proportion of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) activities Capital expenditures, year N-1 (18)	Category: enabling activities (19)	Category: transitional activities (20)
Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	Y
—	—	—	—	—	—	—	—	—	—	—
0.00%	—	—	—	—	—	—	—	0.00%		
0.00%	—	—	—	—	—	—	—	0.00%		
	—	—	—	—	—	—	—	0.00%		
EL N/EL										
N/EL								7.90%		Y
N/EL								25.15%		
0.00%								33.05%		
0.00%								33.05%		

## Operating expenses (OpEx)

	Year		Substantial contribution criteria					
	Code(s) (2)	Turnover (absolute) (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)
		PLN '000	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
<b>Economic activities (1)</b>								
<b>A. Taxonomy-eligible activities</b>								
<b>A.1. Environmentally sustainable activities (taxonomy-aligned)</b>								
-	-	-	-	-	-	-	-	-
<i>OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)</i>		0.00–	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<i>Of which enabling (E)</i>		0.00–	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<i>Of which transitional (T)</i>		0.00–	0.00%	0.00%				
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)</b>								
<i>Transportation by motorbikes, passenger cars and light commercial vehicles</i>	CCM CCA 6.5.	295.66	2.17%	EL	EL	N/EL	N/EL	N/EL
<i>Renovation of existing buildings</i>	CCM CCA 7.2 / CE 3.2.	47.98	0.35%	EL	EL	N/EL	EL	N/EL
<i>Data processing, website hosting and related activities</i>	CCM CCA 8.1.	4,461.76	32.73%	N/EL	EL	N/EL	EL	N/EL
<i>OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)</i>		4,805.40	35.26%	2.52%	0.00%	0.00%	0.00%	0.00%
<b>A. OpEx of taxonomy-eligible activities (A.1+A.2)</b>		4,805.40	35.26%	2.52%	0.00%	0.00%	0.00%	0.00%
<b>B. Taxonomy-non-eligible activities</b>								
<i>OpEx of taxonomy-non-eligible activities (B)</i>		8,825.01	64.74%					
<b>TOTAL (A+B)</b>		13,630.41	100.00%					

\* Activities excluded in 2023 from the verification of taxonomy-alignment

DNSH criteria (Do No Significant Harm)										
Biodiversity (10)	Climate change mitigation (17)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity (10)	Minimum safeguards (17)	Proportion of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) activities Capital expenditures, year N-1 (18)	Category: enabling activities (19)	Category: transitional activities (20)
Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	Y
-	-	-	-	-	-	-	-	-	-	-
0.00%	-	-	-	-	-	-	-	0.00%		
0.00%	-	-	-	-	-	-	-	0.00%		
	-	-	-	-	-	-	-	0.00%		
N/EL								2.16%		Y
N/EL								0.38%		Y
N/EL								32.50%		
0.00%								35.04%		
0.00%								35.04%		

## Nuclear and fossil gas related activities

BEST S.A. is not engaged in any activities related to nuclear energy or related to energy from gaseous fossil fuels, in particular the activities specified in Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated

Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities.

### Table

#### Activities related to nuclear energy and natural gas

Activities related to nuclear energy		yes/no
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities		yes/no
1	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
2	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
3	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

In view of the above, a simplified presentation has been adopted by abandoning the presentation of the tables included in Annex III to the aforementioned Regulation.



## GRI CONTENT INDEX

Statement of us		BEST S.A. and its subsidiaries reported the following information for 2023 with reference to the GRI standards.	
GRI 1 standard used		GRI 1: Foundation 2021	
Standard	Disclosure	Page	
GRI 2: General Disclosures 2021	2-1 Organisational details	10, 21, 64	
GRI 2: General Disclosures 2021	2-2 Entities included in the organisation's sustainability reporting	64	
GRI 2: General Disclosures 2021	2-3 Reporting period, frequency and contact point	64	
GRI 2: General Disclosures 2021	2-4 Restatements of information	64	
GRI 2: General Disclosures 2021	2-5 External assurance	64	
GRI 2: General Disclosures 2021	2-6 Activities, supply chain and other business relationships	7, 10, 11, 12, 26	
GRI 2: General Disclosures 2021	2-7 Employees	58	
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	16	
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	16	
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body	16	
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	5, 25	
GRI 2: General Disclosures 2021	2-26 Mechanisms for seeking advice and raising concerns	8, 27, 37	
GRI 2: General Disclosures 2021	2-27 Compliance with laws and regulations	53	
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	14, 48, 65	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	65	
GRI 3: Material Topics 2021	3-2 List of material topics	66	
GRI 3: Material Topics 2021	3-3 Management approach	9, 27, 28, 33, 34, 38, 41, 45, 49, 51, 52	
GRI 202: Market Presence 2016	202-1: Ratios of standard entry level wage by gender compared to local	62	
GRI 203: Indirect Economic Impacts 2016	203-2: Significant indirect economic impacts	9	
GRI 205: Anticorruption 2016	205-1: Operations assessed for risks related to corruption	27	
GRI 205: Anticorruption 2016	205-2: Communication and training about anti-corruption policies and procedures	27	
GRI 205: Anticorruption 2016	205-3 Confirmed incidents of corruption and actions taken	27	
GRI 206: Anti-competitive Behaviour 2016	206-1: Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	33, 34	
GRI 301: Materials 2016	301-1: Materials used by weight or volume	62	
GRI 302: Energy 2016	302-1: Direct and indirect energy consumption by primary energy source	62	
GRI 305: Emissions 2016	305-1: Direct GHG emissions (scope 1)	63	
GRI 305: Emissions 2016	305-2: Indirect GHG emissions (scope 2)	63	
GRI 305: Emissions 2016	305-3: Other indirect GHG emissions (scope 3)	63	

Standard	Disclosure	Page
GRI 401: Employment 2016	401-1: Total number and rates of new hires and staff turnover by age group, gender and region	60
GRI 401: Employment 2016	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	41
GRI 401: Employment 2016	401-3: Return-to-work rate and retention rate after maternity/paternity leave by gender	61
GRI 404: Training and Education 2016	404-1: Average hours of training per year per employee	61
GRI 404: Training and Education 2016	404-2: Programmes for upgrading employee skills and transition assistance programmes	46
GRI 404: Training and Education 2016	404-3: Percentage of employees receiving regular performance and career development reviews	48
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	62
GRI 412: Human Rights Assessment 2016	412-1: Operations that have been subject to human rights reviews or impact assessments	37
GRI 412: Human Rights Assessment 2016	412-2: Employee training on human rights policies or procedures	31, 33, 34
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	48, 49, 51
GRI 413: Local Communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	51
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	31, 33, 34
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	31, 33, 34, 37
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	31, 33, 34
GRI 417: Marketing and Labelling 2016	417-2: Incidents of non-compliance concerning product and service information and labelling	31, 33, 34
GRI 417: Marketing and Labelling 2016	417-3: Incidents of non-compliance concerning marketing communications	31, 33, 34
GRI 418: Customer Privacy 2016	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	28

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Krzysztof Borusowski  
President of the Management Board  
of BEST S.A.

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Marek Kucner  
Vice-President of the Management  
Board of BEST S.A.

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Maciej Bardan  
Member of the Management  
Board of BEST S.A.





UL. ŁUŻYCKA 8A  
81-537 GDYNIA  
Phone +49 58 769 92 99  
[www.best.com.pl](http://www.best.com.pl)

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