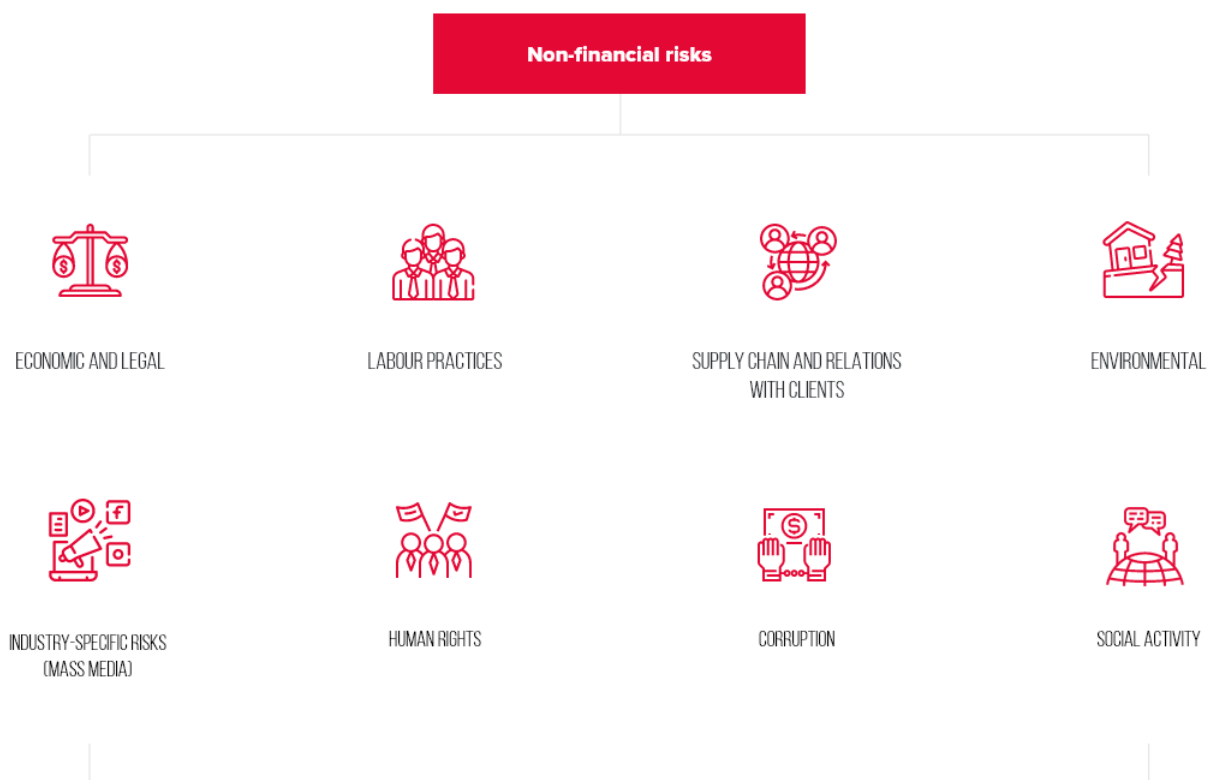


NON-FINANCIAL RISKS

Agora Group regularly monitors and evaluates risks involved in current operations. The table below presents key non-financial risks:



Measures to mitigate the above risks are discussed in relevant sections of Agora Group Responsibility Report 2019 and in the section **STRATEGIC APPROACH TO CSR**.

Map of non-financial risks

Map of non-financial risks

RISK	MAP OF RISKS	MANAGEMENT
<p>ECONOMIC AND LEGAL RISKS</p>	<p>Key risks in this are:</p> <ul style="list-style-type: none"> • macroeconomic risk - dependent on the economic situation at large, demand for products and services, • seasonality of advertising and cinema spending and revenue, • changes in the advertising market structure, • changing global media consumption trends, • risk resulting from changing preferences of consumers and advertisers, • risk involved in conducting concession-based operations (radio), • risk of breaches of the law or internal codes, • risk of abrupt changes in relevant legislation. 	<p>Agora Group actively tracks and analyses market trends and our habitat, develops regular analyses of the business environment, advertising and media markets for strategic planning of operations.</p> <p>Operations of Agora Group are determined by a business strategy that is monitored and regularly verified.</p> <p>In their licensed and other media operations, the media of Agora Group committed to complying with relevant regulations, industry standards and self-imposed internal codes.</p> <p>More in sections: <u>ETHICS AND COMPLIANCE</u> <u>TRANSPARENCY</u></p>

RISK	MAP OF RISKS	MANAGEMENT
<p>LABOUR PRACTICES</p>	<p>Labour practices represent one of responsible business priorities to Agora Group. Agora takes measures to minimize the following risks in this area:</p> <ul style="list-style-type: none"> • risk of losing key employees and loss of competence, • employee turnover risk (cost of recruiting new employees), • risk of unequal treatment of employees (remuneration, training and promotion opportunities, etc.), • risk of collective grievances and labour - management conflicts. 	<p>Anti-discrimination and Anti-mobbing Policy and Whistleblowing System were introduced by Agora to reduce discrimination-related risks. Management Board of Agora appointed a plenipotentiary for contacts with trade unions and Anti-mobbing and Anti-discrimination Officer. Employees are consulted on all employee-related matters as they arise. Agora Code of Ethics lists principles that apply to all employees and collaborators of Agora in selected areas and contexts.</p> <p>More in sections: <u>FRIENDLY WORKPLACE</u> <u>DIVERSITY AT WORK AND IN SOCIETY</u> <u>ETHICS AND COMPLIANCE</u></p>

RISK	MAP OF RISKS	MANAGEMENT
<p>RISKS RELATED TO HUMAN RIGHTS</p>	<p>Agora Group also has internal solutions in place: policies, rules and codes, that regulate issues related to the protection of human rights. We monitor their application on a regular basis. Key risks in the area are:</p> <ul style="list-style-type: none"> • risk of misconduct (discrimination, mobbing), • risk of reduced freedom of association and collective bargaining or lack thereof, • drastic violation of human rights among Agora’s suppliers. 	<p>Anti-discrimination and Anti-mobbing Policy and Whistleblowing System were introduced by Agora to reduce discrimination-related risks. Management Board of Agora appointed a plenipotentiary for contacts with trade unions. The employees are consulted on all employee-related matters as they arise. Agora S.A. adopted Code of Conduct for Suppliers and Contractors of Agora to ensure compliance and responsibility of all suppliers and partners of Agora. Agora Code of Ethics lists principles that apply to all employees and collaborators of Agora in selected areas and contexts.</p> <p>More in sections: <u>FRIENDLY WORKPLACE</u> <u>DIVERSITY AT WORK AND IN SOCIETY</u> <u>ETHICS AND COMPLIANCE</u></p>

RISK	MAP OF RISKS	MANAGEMENT
<p>INDUSTRY-SPECIFIC RISKS (MASS MEDIA)</p>	<p>In the contemporary world, mass media play a vital role in informing and driving opinions. Social and economic change is accompanied by transformations in the mass media and dynamic development of social media.</p> <p>Challenges faced by the media industry:</p> <ul style="list-style-type: none"> - manipulation of communication ('post-truth'), - information source reliability, - independence, - transparency, - reliability. <p>Sector-specific risks:</p> <ul style="list-style-type: none"> • lack of transparency, • loss of public trust, <p>concession-based operations.</p> <p>Risk involved in conducting concession:</p> <ul style="list-style-type: none"> ■ loss of concession, ■ penalties. 	<p>In their licensed and other media operations, Agora Group media are committed to complying with relevant regulations, industry standards and self-imposed internal codes. Agora Group media are committed to educating the industry and offering our journalists in-house opportunities for increasing their competences. Agora Code of Ethics lists principles that apply to all employees and collaborators of Agora in selected areas and contexts.</p> <p>More in sections: <u>FRIENDLY WORKPLACE AND HUMAN RIGHTS</u> <u>ETHICS AND COMPLIANCE</u> <u>RELATIONS WITH CUSTOMERS, CLIENTS AND SUPPLIERS</u></p>

RISK	MAP OF RISKS	MANAGEMENT
<p>ENVIRONMENTAL RISKS</p>	<p>Due to the character of the company's operations (predominantly services), environmental aspects are not perceived by The Agora Group as priority risk areas. Nevertheless, the company is aware of the risks associated with its operations, predominantly with the printing, cinema, food services, outdoor advertising and building administration. The main risk areas are :</p> <ul style="list-style-type: none"> • operational risk related to current operations and negative environmental impact, • increased operational costs. 	<p>Agora regularly estimates and introduces measures to reduce our impact on the environment. In 2019 Management Board of Agora adopted Environmental Policy, a document that outlines the company's approach to the management of environmental impact and applies to all employees and collaborators. It specifies Agora's environmental impact plans. More in section: <u>CARE ABOUT ENVIRONMENT</u></p>

RISK	MAP OF RISKS	MANAGEMENT
<p>RISKS RELATED TO SUPPLY CHAIN AND RELATIONS WITH CLIENTS</p>	<p>Key areas of product responsibility relevant to Agora Group are marketing communications, complaint procedures and protecting customer privacy and personal information. Key areas of risk are:</p> <ul style="list-style-type: none"> • breaches of relevant laws or self-imposed internal regulations, such as data leaks or unauthorised use of data or content. Risks involved in such situations are financial (fines, penalties) and reputational, • risk related to responsibility in the entire supply chain, • risks related to failure to provide proper protection of customers' personal data. 	<p>Agora S.A. introduced a set of procedures for suppliers and contractors, to ensure compliance and responsibility of all suppliers and business partners of Agora.</p> <p>User and client satisfaction is monitored and the customer complaint system is expanded and streamlined. Agora introduced new procedures, monitors the processing of complaints and makes necessary improvements whenever necessary.</p> <p>Agora printing plants adopted Quality Management System to continue quality improvement through meeting the requirements and expectations of clients, while maintaining profitability increase and financial security of Agora.</p> <p>A set of protocols and activities was introduced for personal data protection. Agora Code of Ethics lists principles that apply to all employees and collaborators of Agora in selected areas and contexts.</p> <p>More in sections: <u>ETHICS AND COMPLIANCE RELATIONS WITH CUSTOMERS, CLIENTS AND SUPPLIERS</u></p>

RISK	MAP OF RISKS	MANAGEMENT
<p>RISKS RELATED TO SOCIAL ACTIVITIES</p>	<p>Supporting local communities in all locations where the company conducts its operations and involvement in social, cultural, sports and charity projects are the key activities in the social impact area. Due to the intensity of the company's activity in the area, the company faces the following risks:</p> <ul style="list-style-type: none"> • lack of transparency in the distribution of funding, • failure to do due diligence in choosing social partners, • risk of conflicts of interests, • risk of insufficient returns on invested resources. 	<p>Agora Group has described its social and sponsoring policy in a document that outlines the directions and principles of the company's activities in the area of social responsibility. Additionally, Agora introduced protocols such as Procedure of Accepting and Publishing Charity Adverts in Gazeta Wyborcza and its supplements, web services and magazines that determine how such ads are classified, verified and published. Agora S.A. adopted Code of Conduct for Suppliers and Contractors of Agora to ensure compliance and responsibility of all suppliers and partners of Agora. Agora Code of Ethics lists principles that apply to all employees and collaborators of Agora in selected areas and contexts.</p> <p>More in sections: <u>WORK FOR SOCIETY</u> <u>CARE ABOUT ENVIRONMENT</u></p>

RISK	MAP OF RISKS	MANAGEMENT
<p>RISK OF CORRUPTION</p>	<p>Managing risk of corruption is of key importance to Agora Group. In this area primary risks are:</p> <ul style="list-style-type: none"> • risk of conflict of interest, • risks of fraud involved in relations with business partners and suppliers, • risk of corruption (also among suppliers and business partners). 	<p>W „Kodeksie etyki Agory” zostały wskazane główne zasady, które dotyczą wszyAgora Code of Ethics lists principles that apply to all employees and collaborators of Agora in preventing corruption and fraud. A confidentiality-based system for reporting cases of misconduct was implemented. Compliance audit was conducted to identify areas for improvement and change, also in the aspect of preventing corruption and fraud. Agora also established the post of Compliance Officer to supervise the ethics and compliance systems.</p> <p>More in sections: <u>ETHICS AND COMPLIANCE</u> <u>RELATIONS WITH CUSTOMERS, CLIENTS AND SUPPLIERS</u></p>

To mitigate the above risks Agora adopts policies and regulations to optimise the organization’s management. Approach to Management sections of this report present procedures and policies developed by Agora to eliminate non-financial risks.