



DISCLOSURE MATERIALS

Certified B Corporations must complete a Disclosure Questionnaire to identify potentially sensitive issues related to the company (e.g. historical fines, sanctions, material litigation, or sensitive industry practices).

This component does not affect the company's score on the B Impact Assessment. If the company answers affirmatively to any items in the Disclosure Questionnaire and B Lab deems them to be material, the company must:

- 1) Be transparent about the disclosure issues identified on the company's public B Impact Report
- 2) Describe how the company has addressed this issue.
- 3) Demonstrate that management systems are in place to avoid similar issues from arising in the future.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to background checks by B Lab staff. Background checks include a review of public records, news sources, and search engines for company names, brands, executives/founders, and other relevant topics.

Sensitive issues identified through background checks may or may not be within the scope of questions in the Disclosure Questionnaire, but undergo the same review process and are subject to the same possible review by the Standards Advisory Council, including ineligibility for B Corp Certification, required remediation, or disclosure.

This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company.

DISCLOSURE QUESTIONNAIRE

Company Name: Benefit Systems
 Date Submitted: 02/16/2023

Industries & Products	Yes	No
Please indicate if the company is involved in production of or trade in any the following. Select Yes for all options that apply.		
Animal Products or Services		✓
Biodiversity Impacts		✓
Chemicals		✓
Company Explanation Of Disclosure Item Flags		✓
Disclosure Alcohol		✓
Disclosure Firearms Weapons		✓
Disclosure Mining		✓
Disclosure Pornography		✓
Disclosure Tobacco		✓
Energy and Emissions Intensive Industries		✓
Fossil fuels		✓
Gambling		✓
Genetically Modified Organisms		✓
Illegal Products or Subject to Phase Out		✓
Industries at Risk of Human Rights Violations		✓
Monoculture Agriculture		✓
Nuclear Power or Hazardous Materials		✓
Payday, Short Term, or High Interest Lending		✓
Water Intensive Industries		✓
Tax Advisory Services		✓

Supply Chain Disclosures	Yes	No
Please indicate if any of the following statements are true regarding your company's significant suppliers.		
Business in Conflict Zones		✓
Child or Forced Labor		✓
Negative Environmental Impact		✓
Negative Social Impact		✓
Other		✓

Outcomes & Penalties	True	False
Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply.		
Anti-Competitive Behavior	✓	
Breaches of Confidential Information		✓
Bribery, Fraud, or Corruption		✓
Company Explanation Of Disclosure Item Flags		✓
Company has filed for bankruptcy		✓
Consumer Protection		✓
Financial Reporting, Taxes, Investments, or Loans		✓
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)		✓
Labor Issues		✓
Large Scale Land Conversion, Acquisition, or Relocation		✓
Litigation or Arbitration		✓
On-Site Fatality		✓
Penalties Assessed For Environmental Issues		✓
Political Contributions or International Affairs		✓
Recalls		✓
Significant Layoffs		✓
Violation of Indigenous Peoples Rights		✓
Other		✓

Practices	True	False
Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No."		
Animal Testing		✓
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)		✓
Company Explanation Of Disclosure Item Flags		✓
Company prohibits freedom of association/collective bargaining		✓
Company workers are prisoners		✓
Conduct Business in Conflict Zones		✓
Confirmation of Right to Work		✓
Does not transparently report corporate financials to government		✓
Employs Individuals on Zero-Hour Contracts		✓
Facilities located in sensitive ecosystems		✓
ID Cards Withheld or Penalties for Resignation		✓
No formal Registration Under Domestic Regulations		✓
No signed employment contracts for all workers		✓
Overtime For Hourly Workers Is Compulsory		✓
Payslips not provided to show wage calculation and deductions		✓
Sale of Data		✓
Tax Reduction Through Corporate Shells		✓
Workers cannot leave site during non-working hours		✓
Workers not Provided Clean Drinking Water or Toilets		✓
Workers paid below minimum wage		✓
Workers Under Bond		✓
Other		✓

B Corp Certification - Disclosure Questionnaire Documentation

PROVIDED BY:

Benefit Systems

UPDATED AS OF:

02/16/2023

DISCLOSURE QUESTIONNAIRE CATEGORY	Disclosure Outcomes Penalties
ISSUE DATE	January and December 2021
TOPIC	Anti-Competitive Behavior
SUMMARY OF ISSUE	<p>The antitrust proceedings against Benefit Systems S.A. (and other entities) were initiated by the President of the Office of Competition and Consumer Protection on June 22nd 2018 in connection to the suspicion of certain activities potentially restricting competition on the domestic market of sports and recreational services packages/fitness clubs.</p> <p>The investigation was concerning three alleged breaches:</p> <p>(1) Company's participation in a market-sharing agreement between 2012 and 2017 as a practice restricting competition in the domestic market for the provision of fitness services in clubs, which would constitute an infringement of Article 6(1)(3) of the Act on Competition and Consumer Protection and Article 101(1)(c) of the Treaty on the Functioning of the European Union;</p> <p>(2) Company's concerted practices with respect to exclusive cooperation arrangements with fitness clubs;</p> <p>(3) Company's concerted practices to restrict competition in the market for sports and recreation package services.</p>
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	Fines were imposed on the parties to the proceedings, including: on the Company in the amount of PLN 26,915,218.36 (taking into account the succession resulting from the merger of the company with those of its subsidiaries which are also named in the proceedings) and on its subsidiary (es to Move sp. z o.o., formerly: Fitness Academy sp. z o.o.) in the amount of PLN 1,748.74.
IMPACT ON STAKEHOLDERS	Restricting competition in the domestic market constitutes an infringement of Article 6(1)(3) of the Act on Competition and Consumer Protection and Article 101(1)(c) of the Treaty on the Functioning of the European Union and a violation to the Polish Art.12.1 of the Act on Competition and Consumer Protection of February 16th 2007.
RESOLUTION	<p>On January 4th 2021, the Benefit Systems received a decision (Decision I) concerning the first alleged breach. The President of the Office of Competition and Consumer Protection recognised the Company's participation in a market-sharing agreement between 2012 and 2017 as a practice restricting competition in the domestic market for the provision of fitness services in clubs, which constitutes an infringement of Article 6(1)(3) of the Act on Competition and Consumer Protection and Article 101(1)(c) of the Treaty on the Functioning of the European Union. Fines were imposed to the company.</p> <p>The Benefit Systems does not agree with the Decision and has therefore filed an appeal against the decision within the period prescribed by law.</p> <p>With respect to the two other alleged breaches, on December 8th 2021 the company received the notification (Decision II) that the company was obliged to:</p> <p>(CONTINUED ON NEXT PAGE)</p>

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RESOLUTION (CONTINUED)	<p>(i) To offer at least one entrepreneur from outside the Issuer's Capital Group, which in 2018 offered sports and recreation packages in the B2B channel (the "Counterparty") and, if the parties agree, to provide to the holders of packages issued by the Counterparty on non-discriminatory terms sports and recreation services in 11 fitness clubs located in cities with more than 200,000 inhabitants and having at least 700 m2 of surface area. The obligation is to be fulfilled by the Issuer within 36 months from the Decision Date, for a period from 12 to 15 months; where the duration will depend among others on whether the Issuer decides to fulfil the obligation in clubs owned prior to the Decision Date or in clubs acquired as part of a share/asset purchase transaction.</p> <p>(ii) To make available, within a period of 24 months from the Decision Date, on its website all criteria required for inclusion of a fitness club in the MultiSport programme and other similar schemes operated by Benefit Systems, in the same manner as prior to the Decision Date.</p> <p>(iii) Within a period of 24 months from the Decision Date, within the MultiSport programme and other similar programmes operated by the Issuer, undertake cooperation with fitness clubs meeting the criteria for inclusion in the MultiSport programme and other similar programmes operated by Benefit Systems. The above obligation does not apply to fitness clubs belonging to the Issuer's competitors, offering sports and recreation packages in the B2B channel.</p> <p>No additional financial penalties were imposed to the company in Decision II.</p> <p>The Decision II was issued in the form of "Binding decision", which means that the OCCP renounced from ruling on the alleged breaches. However, since it considered the allegations probable, it imposed on the Company temporary obligations described above and terminated the proceedings with respect to two of the three alleged breaches. The company accepted such resolution and implements the decision.</p>
RELATED INCIDENTS (YES/NO)	No