

allegro

ESG Report
2022

#SustainableAllTogether

raportesg.allegro.pl



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Key data & results for ESG

Great place to work

7,840

people working in Group (Polish Operations and Mall Segment)

82%

of the employees said they would recommend Allegro as a great place to work

1,159

employees engaged in volunteering

Equal pay:

the gender pay gap is under 5% (women's remuneration against men's (men=100%) is 95.12%)

85%

of employees perceive Allegro as a workplace where everyone is respected regardless of gender, age or any other dimension of diversity

almost 14.4 thousand

development activities (e. g. internal and external workshops, webinars, e-learning, conferences, coaching sessions etc.) and 92% of employees who participated in at least one training course

Best shopping experience

80.8

rNPS in the customer satisfaction survey

14.1 million

Active Buyers on Allegro

90%

of customers who consider shopping on Allegro safer or just as safe as on other platforms

Over 133 thousand

professional merchants on Allegro

almost 480 thousand

unique users (sellers) who visited the Allegro Academy e-learning platform

approximately 96%

of One Boxes were accessible according to ours accessible standards

30% YoY

raised the number of active offers on Allegro Lokalnie

Management of the environmental impact

10.4%

YoY lower emission in the whole value chain (Scope 1, 2 and 3) emission

28%

YoY lower emission intensity for the whole value chain (Scope 1, 2 and 3) emission in relation to revenue (market-based)

23%

of energy consumption from RES by Guarantee of Origins

12.2%

YoY decreased Scope 3 GHG emissions

3.7 million

sustainable packaging introduced to the market by Allegro

98%

of waste was recycled in warehouses and depots

Support for the society

PLN 56 million

donations made by Allegro's customers thanks to the charity platform - Allegro Charytatywni

338

NGOs' users on Allegro Charytatywni

Over 750 thousand

charity offers and 541 charity goals on Allegro Charytatywni

PLN 11.7 million

has already been collected for Ukrainian refugees



1. Allegro Outlook

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Relations with customers (buyers and sellers)	24

GRI Standards	[GRI 3-3], [GRI 2-1], [GRI 2-6] [GRI 2-12] [GRI 2-13] [GRI 2-14] [2-17] [GRI 2-18][GRI 2-24] [GRI 207-1] [GRI 207-2] [GRI 207-3] [GRI 207-4]	KPI	[KPI 1] [KPI 2] [KPI 3] [KPI 4]
SDGs Sustainable Development Goal	  		

Business Model

Scope of business activity



Allegro is one of the largest e-commerce players of European origin and the most popular shopping platform in Poland.

Allegro is the go-to commerce platform for European customers and has delivered strong revenue growth, profitability and cash flow at scale. The Group operates a leading online marketplace in Poland, Allegro.pl, and the price comparison platform in Poland, Ceneo.pl (Source: OC&C). On April 1st 2022, Allegro completed the acquisition of Mall Group a.s., a leading e-commerce platform across Central and Eastern Europe and WE|DO, a last mile delivery expert, bringing logistics expertise. The transaction established the enlarged Group as a leading region-wide e-commerce platform, bringing a range of popular brands – including Allegro, Allegro Pay, Ceneo, eBilet, One as well as Mall, Mimovrste, CZC.cz and WE|DO – under one roof.

After the recent acquisition, the Group now operates on the territory of Europe mainly in Poland, Czech Republic, Slovakia, Hungary, Croatia and Slovenia. The Group’s most significant operating entities are: Allegro Sp. z o.o. (previously Allegro.pl Sp. z o.o. or ‘Allegro’), Ceneo.pl Sp. z o.o. (‘Ceneo’), eBilet Polska Sp. z o.o. (‘eBilet’), Allegro Pay Sp. z o.o. (‘Allegro Pay’), that account for the “Polish Operations” of the Group, as well as CZC.cz s.r.o. (‘CZC’), Internet Mall a.s. (‘Mall.cz’), Internet Mall Slovakia s.r.o. (‘Mall. sk’) and Mimovrste, spletna trgovina d.o.o (‘Mimovrste’) that are included in the “Mall segment”.



Table 1: Group Structure ▶

Entity name	Registered office
Allegro.eu S.A.	Luxembourg
Allegro Treasury S.à r.l. (previously Adinan Midco S.à r.l.)	Luxembourg
Allegro Sp. z o.o. (previously Allegro.pl sp. z o.o.)	Poland
Opennet.pl Sp. z o.o.	Poland
eBilet Polska Sp. z o.o.	Poland
Allegro Finance Sp. z o.o.	Poland
SkyNet Customs Brokers Sp. z o.o.	Poland
WE DO s.r.o (CZ)	Czech Republic
WE DO s.r.o (SK)	Slovakia
Mall Group a.s.	Czech Republic
Internet Mall a.s.	Czech Republic
Internet Mall Hungary Kft.	Hungary
Mimovrste, spletna trgovina d.o.o.	Slovenia
Internet Mall Slovakia s.r.o.	Slovakia
Internet Mall d.o.o.	Croatia
Netretail Sp. z.o.o. w likwidacji	Poland
m-HU Internet Kft.	Hungary
E-commerce Holding a.s.	Czech Republic
CZC.cz s.r.o.	Czech Republic
AMG Media a.s. (previously LGSTCS a.s.)	Czech Republic
Uloženska s.r.o.	Czech Republic
Digital Engines s.r.o. v likvidaci	Czech Republic
Rozbaleno.cz s.r.o. v likvidaci	Czech Republic
Allegro Pay Sp. z o.o.	Poland
Ceneo.pl Sp. z o.o.	Poland
Adinan Super Topco Employee Benefit Trust	Jersey

Rozbaleno, Uloženska and Digital Engines were disposed of on 27 October 2022, while the E-commerce Holding a.s. merged with the Mall Group a.s. on 31 December 2022.

Polish Operations remain the core of Allegro business and account for the majority of the Group's operations. Allegro is the most recognised e-commerce brand in Poland (Source: Gemius¹), with 85% spontaneous brand awareness. As of 31 December 2022, the Group's e-commerce marketplace had nearly 14.1 million Active Buyers who connected with over 133 thousand merchants. Allegro.pl attracts visits from an average of 22.4 million internet users per month, which is equivalent to 70% of Polish residents aged 15 and above², and around 75% of all internet users in Poland. In December 2022 Allegro.pl ranked no. 104 in the SimilarWeb global ranking of most popular websites.

Merchants on the Group's e-commerce marketplace sell across a variety of categories including automotive, home and garden, books, media, collectibles and art, fashion and shoes, electronics, kids, health and beauty, sports and leisure, and supermarket. Merchants primarily sell new products to buyers on the Group's e-commerce marketplace in the business-to-consumer business model („B2C”), while Consumer-to consumer („C2C”) transactions and classifieds is a relatively small, but important element of operations as it helps to drive user engagement.

The Group's e-commerce marketplace generates revenue primarily through facilitating 3P transactions between buyers and merchants and charging merchants commissions and other related fees. The Group provides a range of supporting services to merchants to grow their sales using the platform, such as tools to monitor sales performance and manage offer competitiveness, integration with a range of payment

providers, standardised delivery solutions in cooperation with national delivery service partners, and free-delivery programs, sales incentives for quality performance, marketing campaign support, and merchant finance solutions.

In addition, the Group earns advertising revenue by providing various types of advertising opportunities to brands and merchants on the platform. In Poland, the Group also has its own limited-scale, 1P (own shop) retail operations that generate revenue by selling products directly to buyers on the e-commerce marketplace. The Group's 1P retail business is intended to be a supplement to the 3P business, representing around 1% of the Group's gross merchandise value („GMV”) for the year ended 31 December 2022, used mainly to remedy important missing selection and uncompetitive price points among the offers available from independent merchants.

The Group also operates its own proprietary FinTech consumer finance subsidiary, Allegro Pay, which cooperates closely with the marketplace to advance consumer loans to active buyers to facilitate their purchases on the Allegro marketplace, providing further support to user engagement.

Ceneo.pl is the multi-category price comparison site in Poland. Ceneo.pl is an established brand that attracted an average of 17 million monthly users in 2022 (Source: SimilarWeb). As of December 2022, information on around 16 million products and on 34 million product offers was available to consumers using the price comparison service.



The Group also operates eBilet, which is the event ticket sales site in Poland, facilitating sales of a broad range of entertainment, cultural, family, and sports events. After most of 2020 and 2021 had been severely disrupted by COVID-19 related restrictions on public events, eBilet began to rebuild its sales from the second half of 2021 and throughout 2022, with ticket sales up 134% versus 2021 and 34% higher than the pre-covid result from 2019.

The Group also operates a number of other entities, including Allegro Pay - a consumer finance and lending solutions provider, Opennet.pl - a technology solutions provider for logistics, including APMs and SkyNet Customs Brokers - a customs broker agency. In addition, the Group generates revenue from data processing, hosting and related activities; other information technology and computer service activities; computer facilities management activities; software-related activities and computer consultancy activities.

Apart from the Polish Operations described above, from 1 April 2022, the Group includes also the Mall Group, a leading e-commerce platform across Central and Eastern Europe and WE|DO, a last mile delivery business as well as their subsidiaries. Mall Group operates as an online retailer and marketplace across multiple shopping verticals in Czechia, Slovakia, Slovenia, Hungary and Croatia. WE|DO provides last mile distribution services in Czechia and Slovakia, counting the Mall Group as one of its key customers.

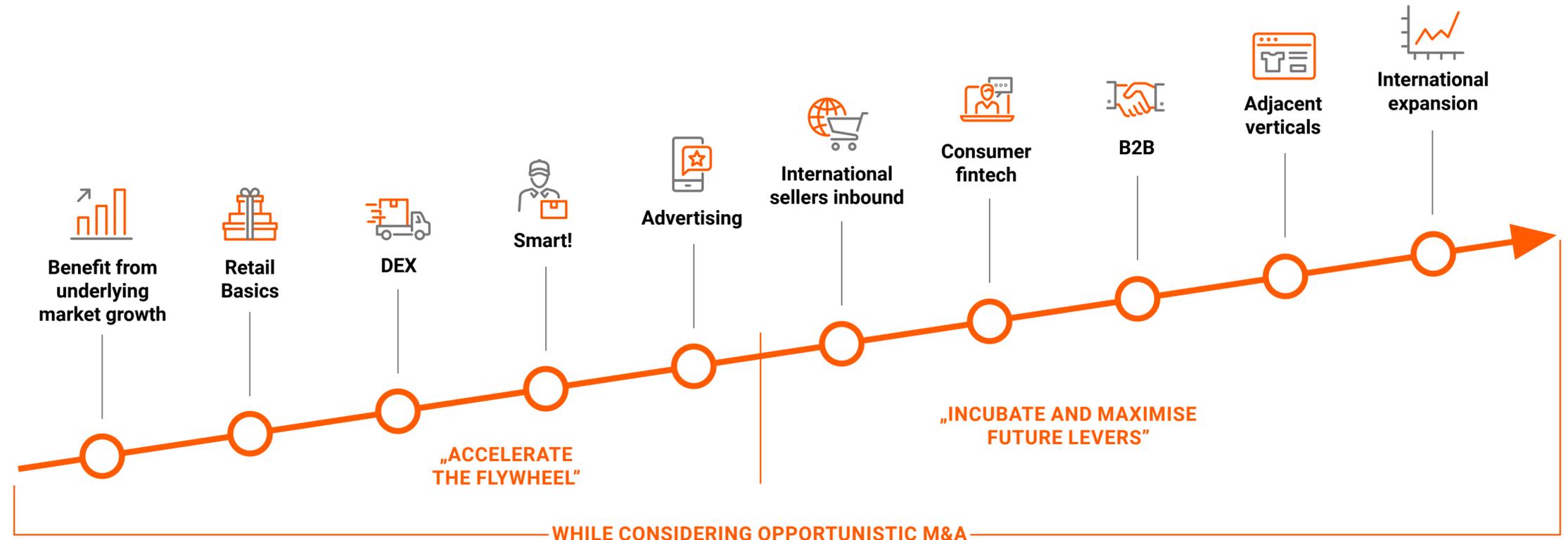
Key brands of the Mall Group include MALL, a leading horizontal e-commerce site in Czechia and Slovakia, with further early stage operations in Hungary and Croatia, currently operating predominantly in a 1P model; CZC.CZ – a specialist consumer online electronics retailer in Czechia, and Mimovrste – one of Slovenia’s most popular e-commerce portals, operating mainly as a retailer. In addition to its 1P retail sales, Mall has been developing a 3P marketplace capability and has built relationships with several thousand Czech merchants over the past few years, who sell their products on the Mall website and ship directly to the consumer via Mall’s distribution partners and infrastructure. Although owned by the same group of investors as Mall Group prior to its sale to the Allegro Group, WE|DO has historically operated separately from the Mall Group with its own management team, seeking customers unrelated to Mall as well as counting Mall Group as a key customer. Courier last mile infrastructure and operations, including access to >1,100 pick up points and lockers, are operated under the WE|DO brand. Mall Group and WE|DO have built some of the leading e-commerce and logistics businesses in the CEE region, combining a large customer base, strong traffic, experienced cross-country teams and brands that are highly popular across the region. Both Mall Group and WE|DO have been acquired as 100% subsidiaries of Allegro. Together with their subsidiaries they form the Mall Segment of the Group’s operations.

1 'E-commerce in Poland 2022' report by Gemius
 2 Gemius Mediapanel

Mission and vision

Our vision is to make Allegro the leading platform in Central and Eastern Europe and beyond. We want to offer customers the best shopping experience (choice, price and convenience), the best and most convenient place to grow business for merchants and the best place to work and grow for the best international specialists.

Allegro's mission is focused on providing consumers with the best shopping experience possible and effectively supporting merchants. We focus on ensuring the widest choice of products at the best prices and shopping convenience.



The flywheel, or how it spins

The Group's superior value proposition benefits from the flywheel effect that is underpinned by an unparalleled focus on retail basics.

The Allegro platform creates powerful network effects that benefit both buyers on the demand side as well as merchants on the supply side, which the Group refers to as the „flywheel.“ As more merchants join the platform, the breadth of the products offered increases and price competitiveness

improves, which in turn leads to increases in the number of buyers browsing and purchasing on the Group's e-commerce marketplace. Conversely, as more buyers browse for and buy products, merchants become increasingly attracted to the Group's e-commerce marketplace.

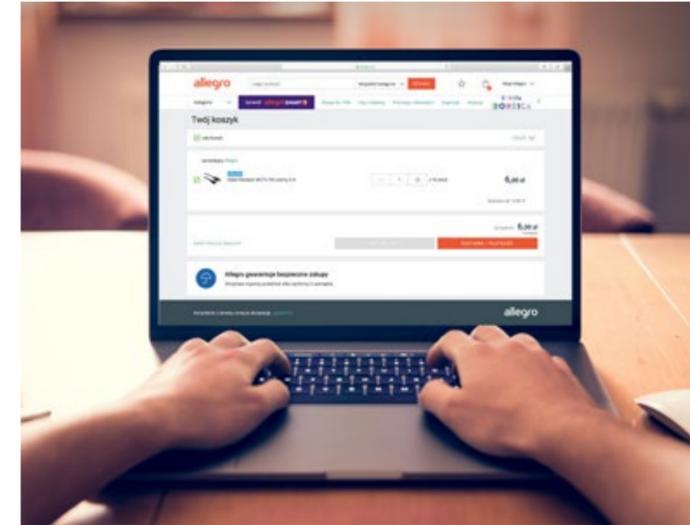
The flywheel effect is powered by the Group's relentless focus on improving and actively stimulating key retail basics – namely, breadth of product assortment, price competitiveness, and superior shopping and delivery experience. It is accelerated by platform innovations that make it easier to shop online and drive improved sales conversion, such as the utilization of machine-learning based recommendations and personalizations, the development of mobile entry points to the platform, the use of mass-scale testing on consumer usage preferences, improvements to the speed of product

delivery and access to convenient delivery innovations, the development of on- and off-platform marketing tools, the addition of new seamless payment options, and providing consumer finance products.

On the supply side, the Group is a leading online opportunity for merchants in Poland and a popular route for merchants to nearly 14.1 million Active Buyers (as of 31 December 2022). The Group serves a large proportion of the total merchant base in Poland thanks to its unique value proposition

that includes: access to a large buyer base; the SMART! loyalty program; ease-of-use; compelling economics; a comprehensive range of merchant tools and value-added services (including marketing tools and support, free classroom and webinar trainings, courses through Allegro Academy (a digital entrepreneurship education program launched in 2020) and trade analytics tools to monitor sales performance and manage offer competitiveness); access to a range of payment providers; unique delivery solutions; incentives for quality performance; and merchant finance. The Group's merchant base ranges from large brands to small and medium sized enterprises, the majority of merchants are Polish SMEs. The Group believes that this wide variety of merchants allows it to offer the broadest assortment

of products at attractive prices, without dependence on any individual merchants. The Group has significantly professionalized its merchant approach over the past six years, developing a dedicated account management team of product category specialists for the largest merchants and focusing on the improvement and automation of key merchant processes. These investments and initiatives have been successful in growing the active offer base on the marketplace to over 300 million offers and the Group aspires to further increase the number of offers as selection continues to broaden and the internationalization of the Group's operations leads to more international sellers onboarding, attracted by the opportunity to sell across multiple markets.



The Group aims to offer buyers and merchants continuously improving, unparalleled value. The Group will seek to achieve this through a combination of a focus on retail basics relating to its platform in Poland, supported by complementary strategic initiatives, and potentially supplemented by international expansion.

The Group continues to develop and invest in the buyer and merchant experience. In particular, the Group is focusing on a number of initiatives, including:

- further automating and optimizing key merchant processes, as well as developing and enhancing merchant tools and value-added services;
- creating a product catalogue to simplify back-end operations for merchants and provide a basis for enhancement of search and alternatives to offer-based shopping for buyers;
- advancing the Group's search, discovery and sales conversion, including leveraging productised search based on the Group's expanding product catalogue;
- improving engagement with the Group's mobile web and app users;
- expanding product assortment breadth with a focus on bringing more Polish and international merchants onto the platform;
- improving price competitiveness by reducing the number of products where the Allegro platform does not offer the lowest price either offline or online; and
- enhancing SMART! and improving delivery experience for buyers.



14.1M ACTIVE BUYERS

On the supply side, the Group is a leading online opportunity for merchants in Central and Eastern Europe and a popular route for merchants to approximately 14.1 million Active Buyers (end of year).



Over the years, the Group has built a successful financial services business using a third-party model offering a range of buyer and merchant products through partnerships and other forms of collaboration with leading financial players. The Group believes that there is significant upside potential in integrating the Group's financial services with its e-commerce marketplace, which is expected to drive both buyer and merchant engagement, improve conversion rates and further accelerate the flywheel. The Group believes there is significant potential in integrating its financial services with its core platform to better address the market opportunity in Poland.

In 2022, the Group continued to develop Allegro Pay, its own proprietary fintech offer. Allegro Pay's offer allows for postponed payments (known as "Buy Now Pay Later", or "BNPL" loans) or splitting loans into convenient 3, 5, 10 or 20-month installments, giving greater financial flexibility to Active Buyers and ensuring safer and easier buying online. Allegro Pay provides a simple user experience for buyers (less than one minute to sign-up, one click to pay and less than 15 seconds to buy) driving conversion, data-driven credit decisions, and has been built on top of the existing Allegro platform. Buyer reaction to Allegro Pay has been very positive with sector-leading NPS scores of 93.5 as of Q4 2022.

The Group has significant reach due to the high level of user engagement with, and visits to, its marketplace platform and this has underpinned strong growth in the Group's advertising revenues. The Group believes that there is significant potential to increase advertising revenue through



further monetization of that broad reach, improvements in ad technology and favorable online advertising market trends. The Group believes that it is well positioned to capture a large share in digital advertising via scalable, automated and AI-driven advertising solutions leveraging the Group's traffic, data and product catalogue. Some of the Group's key Allegro Ads initiatives include sponsored offers (to increase penetration of the service among merchants on the Group's e-commerce marketplace); internal digital display (to drive GMV on the platform); data-driven campaigns or „DMP" (development of data-driven tool enabling highly targeted CPM campaigns); external

network ads (further scalability of the Group's integration with Google and Facebook Ads to drive traffic to the Group's e-commerce marketplace) and other content-based solutions (to create branded content as a self-service). Advertising services mostly resell content that is created at minimal cost through the process of providing visiting consumers with shoppable offer listings that meet their search criteria. Opportunities to monetize this content therefore grow in line with growth in the marketplace and there is minimal incremental cost, resulting in advertising producing high margin revenue streams that can be reinvested in the further development of the marketplace.

Allegro's international expansion

The Group has the ambition to grow outside of Poland in the medium term as the Group believes that the introduction of a shared and more diverse buyer and merchant pool would further increase the product assortment breadth on the Group's e-commerce marketplace and the price competitiveness of products available to buyers both locally and internationally, and also allow for seamless access to multiple geographies from a Polish and non-Polish merchant perspective.

The acquisition of Mall Group WE|DO, completed in April 2022, was a significant step for Allegro in its strategy of international expansion, allowing the expanded group to accelerate growth across Europe. The transaction will allow both groups to accelerate growth and expand customer and merchant bases across the region in a combined platform, which should significantly accelerate growth in Mall's GMV through expanded selection and improved user engagement in the third-party marketplace model. The ongoing integration of Allegro, Mall Group and WE|DO should strengthen the companies' joint status as a leading marketplace platform for CEE customers and merchants. The group's combined merchants pool in Poland and across Eastern Europe will benefit from the ability to 'list once, sell everywhere' and gain wider access to a PLN 1.14 trillion addressable retail market of 70 million people. The tie-up should improve the shopping experience and provide the best prices, broadest offer selection and maximum convenience for an 18 million-strong existing combined customer base across the region.



KPI and results

Allegro.pl is the most recognised e-commerce brand in Poland (source: Gemius). As of 31 December 2022, the Group's e-commerce marketplace had approximately 14.1 million Active Buyers, who connected with over 133,000 merchants. In December 2022, Allegro.pl ranked 104 in the SimilarWeb global ranking of the most popular websites. Over 20.2 million internet users in Poland visited the Allegro platform

in January 2023 according to the Mediapanel research by Gemius/Polskie Badania Internetu.

Allegro's app is the most popular e-commerce app in Poland, with more than 11 million average monthly active users, cumulative download, and total time, at a as of Q42022 by data.AI.

Table 2: Allegro.eu key performance indicators ▼



ALLEGRO.EU KEY PERFORMANCE INDICATORS	2022	2021	2020
Total number of employees	7,840	4,848	3,289
GMV (PLN in millions)	52,495.7	42,601.7	35,110.9
Revenue (PLN in millions)	9,004.9	5,352.9	3,997.8
Operating expenses (PLN in millions)	4,446.1	1,139.1	785.4

KPIs (unaudited)	FY 2022	FY 2021	Change %
Active Buyers (millions, for Polish Operations¹)	14.1	13.5	4.1%
GMV per Active Buyer (PLN, for Polish Operations¹)	3,514.9	3,157.8	11.3%
GMV (PLN in millions)	52,495.7	42,601.7	23.2%
of which Polish Operations	49,388.8	42,601.7	15.9%
of which Mall segment	3,106.9	N/A	N/A
Polish Operations LTM GMV (PLN in millions)¹	49,388.8	42,601.7	11.8%
Take Rate (%)²	10.83%	10.23%	0.60pp
of which Polish Operations	10.82%	10.23%	0.59pp
of which Mall segment	12.04%	N/A	N/A
1P Gross Margin	10.62%	(2.18%)	N/A
of which Polish Operations	3.11%	(2.18%)	5.3pp
of which Mall segment	12.27%	N/A	N/A
Adjusted EBITDA (PLN in millions)	2,152.7	2,068.5	4.1%
of which Polish Operations	2,309.4	2,068.5	11.6%
of which Mall segment	(156.8)	N/A	N/A
Adjusted EBITDA/revenue (%)	23.91%	38.64%	(14.74pp)
of which Polish Operations	34.75%	38.64%	(3.89pp)
of which Mall segment	(6.63%)	N/A	N/A
Adjusted EBITDA/GMV (%)	4.10%	4.86%	(0.75pp)
of which Polish Operations	4.68%	4.86%	(0.18pp)
of which Mall segment	(5.05%)	N/A	N/A

◀ Table 3: Key financial and operational results

Notes:

1) LTM measures for the Mall segment are not yet available, as it is consolidated for the first time since Q2 2022

2) Blended average take rate

For more financial and operational indicators, see the Group Annual Report available at Allegro.eu.

Contribution to the economy

PLN 450.3M

Group's income tax paid in FY 2022
(source: Allegro.eu Annual Report)



The tax policy of Allegro.eu and its subsidiaries is based on adherence to all obligations arising from tax regulations. The Group pays taxes when due and in the required amount and submits due tax statements and information. In particular, the amount of tax due is defined according to actual economic events. The actual tax strategy of the Group results from a number of internal procedures in individual companies, and strategy implementation reports are publicly available on corporate websites at Allegro.pl³ and Ceneo.pl⁴ in compliance with applicable Polish law.

The Group's tax reporting promotes the credibility of its entities among investors and other stakeholders and builds confidence in Group companies. The Group's tax operations are consistent with the business strategy, and its image of a responsible taxpayer fits into a broader context of the organisation's sustainability.

The Group's tax strategy is regularly reviewed by the Tax Team in close partnership with the board. Compliance, internal control and risk management systems, including tax risk management systems, and the reliability of financial reports within the Group are overseen by the Audit Committee. The Audit Committee also conducts an independent effectiveness review of those systems.

Given the scale and scope of the Group's operations, it is impossible to avoid all tax risks, e.g. due to frequent changes in tax regulations and the level of their complexity. The companies are trying to minimise tax risk by following the

letter and the spirit of tax law and working with reputable tax consultancies and law firms.

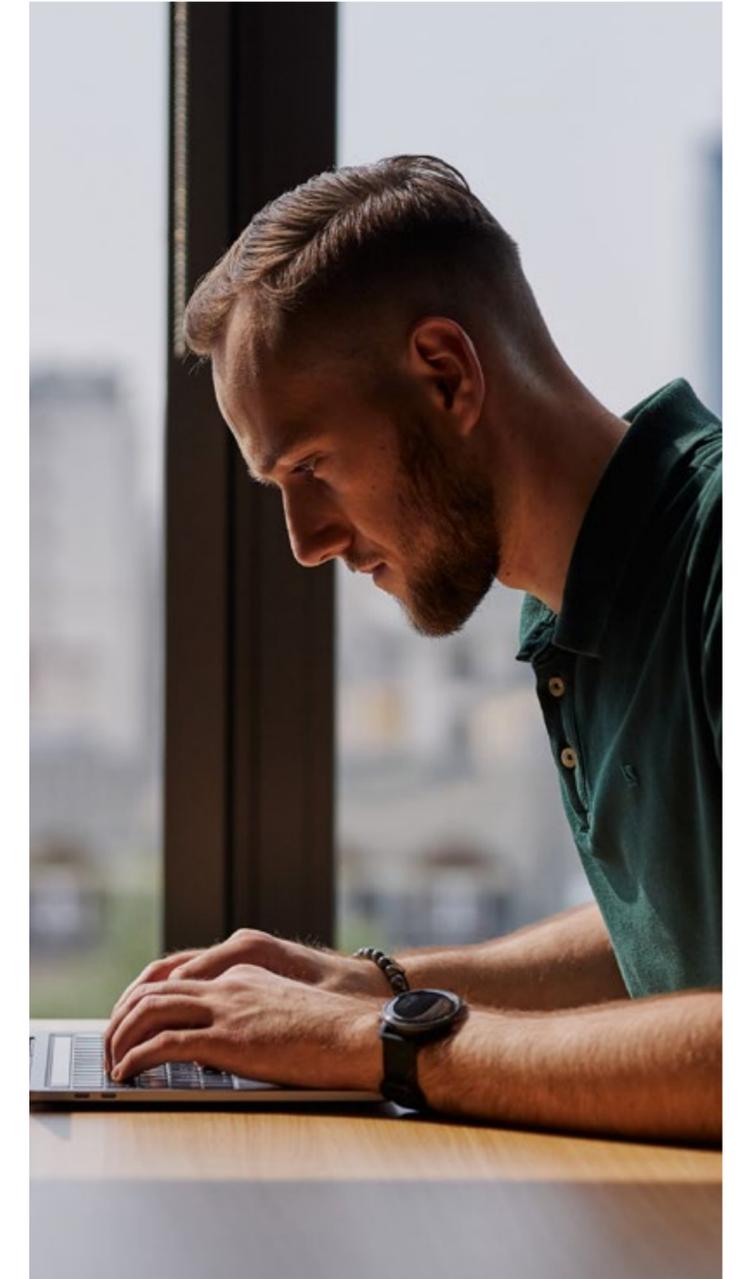
If there are any doubts about how to apply tax regulations, the Group consults professional third-party tax and legal advisers and uses the institution of tax interpretation. The Group is also obliged to undergo an annual audit of accounts conducted by an external and independent authorised entity.

As members of trade associations and on their own behalf, Group companies participate in the Polish and EU legislative process and issue opinions on draft amendments to tax regulations at the stage of public consultation.

All employees can report concerns regarding the organisation's unethical or illegal tax behaviour using a whistleblowing system. The system guarantees confidentiality and safety of the whistleblowers, including protection from retaliatory action. It is open and accessible for everyone in the company (reports can also be submitted anonymously via a special form available online).

The Group cooperates with tax authorities to the full extent provided for by the law. The companies provide tax authorities with complete information regarding tax settlements and provide additional information at the request of tax authorities in a timely manner.

The Group submits information on its taxes due in periodical financial reports. The Group does not carry out a fiscal policy in countries considered as tax havens.



³ <https://allegro.pl/zobacz/informacja-o-realizacji-strategii-podatkowej>

⁴ https://info.ceneo.pl/Brands/infoceneo/Ceneo_informacja_o_strategii_2020.pdf, https://info.ceneo.pl/Brands/infoceneo/Ceneo_informacja_o_strategii_2021.pdf

Achievements and awards

Our social activity and the rapid growth of our platform that you can read about in this report have been recognised and appreciated by industry representatives, the business community and, most importantly, consumers. This has earned us a number of awards and accolades of which we are very proud! They were awarded for various areas of our operations: excellent customer service, building a friendly workplace and, naturally, our sustainability efforts.

Sustainability / ESG / CSR Awards

The Ranking of Responsible Companies / Koźminski University

- Allegro as leader in the retail category
- 3rd place Allegro in the overall ranking

Sustainability Reports Awards / Responsible Business Forum

- Allegro's ESG Report for 2021 with Internet Users/ People Choice Award

Ethical Company / "Puls Biznesu" daily & PwC Legal Award

- Allegro received the award for "actions aimed at building and strengthening an organizational culture based on

ethics and principles of corporate social responsibility, standing out from other companies in Poland."

Benefactor of the Year 2022 / Akademia Rozwoju Filantropii

- Award for Allegro in the social and charitable assistance of large companies category for the activities within the initiative of the Noble Parcel (Szlachetna Paczka) with Stowarzyszenie Wiosna
- the special 25th Anniversary Award for Allegro Charity

CSR Leaves Awards "Polityka" Magazine & Responsible Business Forum

- Golden Leaves awards for Allegro (Best one) as well as Green Leaf Award for sustainable initiatives

Stena Circular Economy Awards - Circular Economy Leader competition

- "Packaging good by nature" (Opakowania dobre z natury) was awarded in the category Enterprise - Promotion

GOZpodarz 2022 by Employers of Poland

- In November 2022 Allegro received a recognition for its work towards promotion of recycled materials in e-commerce during the "GOZpodarz 2022" gala organised by Employers of Poland (Pracodawcy RP).

IR Awards

Best IR Program in Technology, Media & Telecommunications Sector Award in EMEA in 2022 by Institutional Investor Survey.

Workplace & People Awards

Diversity Leaders recognised by the Financial Times

- Allegro as 1st company in the retail category and among companies from Poland, as well as 6th place in the general ranking among 850 companies from 16 countries according Methodology The FT-Statista

Employer Branding Excellence Awards competition 2022

- Award in the Key Visual category and distinction in the Offline Campaign category

IT Manager of Tomorrow competition

- Allegro was awarded the title of Technology Leader and People Leader as well as The Audience Award

The Most Desirable Employer Ranking in Poland

- Allegro as the winner with leading position in the e-commerce sector

Poland's Best Employers 2022 announced by Forbes Polska and Statista

- Allegro with 1st place among employers in the Retail category of Poland's Best Employers ranking and among the #TOP10 of all the companies included in the list.

The Best Employers Ranking by Polish Institute for Quality Research (PIBJA)

- Allegro, as an Employer, was rated 5 stars by young professionals and 4 stars overall in the category of telecommunications and IT companies

The Most Influential Women of the Polish Payment Industry Ranking by Cashless.pl

- Two women employees from Allegro, and one from Allegro Pay were included in the ranking (on 6th, 19th place as well as 8th on debut rank)

Friendly Workplace award organised by Business Partner - Manpower Group

- Allegro warehouse as „Friendly Workplace”

European Property Awards - part of the International Property Awards

- The design of Allegro's office in Poznan has won in the Office Interior category at the European Property Awards

Customers Experience Awards

Polish Contact Center Awards

- 4 awards for Allegro: Customer service in social media, Effect WOW, honorable mention in the category The best team supporting quality improvement of contact center, Grand Prix award for the highest mark for all the representatives of Allegro together taking part in the contest.

Star of Customer Service Quality Award

- Allegro received the 6th year in a row Star of Customer Service Quality Award (since 2018)

Loyalty Heroes, II Forum Loyalty Planet April 2022

- Allegro Gadane with the main prize in the category „The best use of social media in loyalty”

The Polish National Sales Awards (PNSA)

- Recognised for the Deaf hotline project in the Technological Innovator category

The PNSA is the most prestigious competition of the sales and customer service sector in Poland, which every year recognises participants for outstanding achievements and high ethical standards.



Marketing & Communication Awards

The Effie Awards

- The „Let’s show each other what matters most” campaign targeting Power Generation/Silvers has been awarded a bronze Effie Award.

The KTR Awards

- Bronze award for the ad “Let’s see in each other what matters the most”, which was part of Allegro’s Christmas campaign

Annual Sotrender Ranking Most Attentive brands in Poland on Facebook

- Allegro is 3rd Most Attentive Brand in Poland on Facebook

Branch Awards

E-commerce Polska Awards / The Chamber of Digital Economy (Izba Gospodarki Elektronicznej)

- Best marketplace for Allegro and Best in the category e-finance. Best award in e-payment solution for Allegro Pay

Technology Awards

Digital Excellence Awards by CIONET Polska

- Digital Excellence of the Year prize in the category of Digital Customer Experience for Allegro

Awards from Heureka Group

- The best mobile application in the region for mall.hr (Croatia)
- Shop of the year for CZC.CZ
- Gold certificate Verified by customers for CZC.CZ
- MASTERCARD MERCHANT OF THE YEAR with home appliances and electronics: 3rd place for CZC.CZ



ESG management

Sustainability & ESG strategy

Environmental, social and governance issues are a part of Allegro's daily business operations as well as its long-term strategic plans. **Consequently, in 2020 Allegro developed its ESG and Sustainability Strategy for 2020-2023** that defines Allegro's long-term priorities in this area.

ESG is a key element in our business decisions. We consider ESG factors to be equally important as other business indicators. Our ESG Strategy is implemented through cooperation in all areas, incl. Technology, Commerce, Operations (Customers & Delivery Experience), Human Resources, Compliance & Risk, Investor Relations, Procurement, Marketing, PR, CSR and ESG Teams. We are managing ESG comprehensively, involving the Exec Team Members and Board Members, and embracing all important stakeholders: clients (consumers and merchants), employees, and society as well as investors, ESG rating agencies, business partners and regulators.

By setting ambitious goals, i.a. climate targets, the company becomes a trendsetter and leader on the CEE market. We continuously work on diversity and inclusion, being

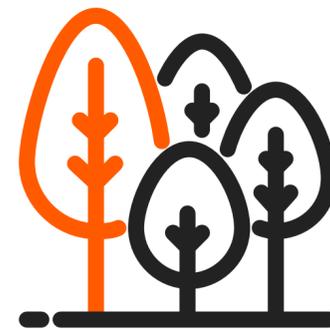
considerate of different groups of clients: gender-based, seniors, young generation and people with disabilities etc.

We have already set long-term climate and governance targets:

Climate targets

38%

*reduction of GHG emissions (scope 1 and 2) by 2030, in line with the Paris Agreement 1.5°C pathway and engaging at least 73% of the largest suppliers to determine their science-based targets for Scope 1 and 2 within 5 years by 2027**



Governance targets

over 50%

ensure that independent members constitute at least a majority (over 50%) of the Board of Directors by 1 September 2026



We are working on a set of principles for product managers to adhere to when creating products with an impact on ESG.

We aim to raise awareness of the best practices in sustainable packaging and logistics, giving both merchants and buyers the knowledge and tools to promote the circular use of resources across our entire value chain. We intend to encourage more merchants to use sustainable packaging. We educate our merchants and customers on the Allegro Academy e-learning platform.

The strategy was approved and adopted by the Board of Directors. The results of the strategy are monitored continuously, presented to the management and published in the annual ESG report.

The Board of Directors discussed ESG topics whilst approving various Policies (eg. Climate, Human Rights, and Anti-discrimination) and their approach to ESG during their meetings in March, June, September and November 2022.

The Remuneration and Nomination Committee of the Board of Directors reviews on regular basis Diversity, Equity and Inclusion (DE&I) metrics and initiatives, as well as takes the DE&I objectives into account in benchmarking and shaping the Group remuneration policies.

Sustainable Development Goals pursued as part of Allegro's Sustainability & ESG Strategy for 2020–2023



Table 4: Sustainable development goals pursued by Allegro ▲

ESG STRATEGY ALLEGRO FOCUSES ON:

Environmental impact



go-to-place for sustainable e-shopping



the place for merchants (SMEs) for sustainable development and growth



sustainable leader on the market with the climate targets in the whole value chain

Social impact



the best place for employees to develop where diverse people can thrive



accessible, reliable, trustworthy and safe platform



responsible for the supply chain*



good citizen with real impact on tech education and charity support

Good governance



strong and comprehensive ESG management



recognised as an ethical company



leader in transparency and reporting

*network of companies (vendors) that are involved in the production and delivery of a services for Group

Short-term ESG goals and implementation progress

As part of a strategy review, we prioritised the main ESG goals that we present below.

PRIORITIES FOR GROUP FOR THE 2023 YEAR:

Environmental impact

go-to-place for sustainable e-shopping

the place for merchants (SMEs) for sustainable development and growth

- Develop a sustainable product base (Allegro Naturalnie)
- Develop sustainable packaging in 1P and fulfillment center

sustainable leader on the market with the climate targets in the whole value chain

- Implement **environmental management system (ISO 14001)** in Polish operation
- Monitor GHG emission (Group) and continue **decarbonisation strategy**

Social impact

the best place for employee to develop where diverse people can thrive

- Improve **Diversity, Equity and Inclusion**. The top 4 priorities in DEI are currently related to **gender** (pay gap and development/career opportunities), **nationality** (English first communication, access to various unified processes and mechanisms), **age/generation** representation employees, as well as consumers and **neurodiversity**

accessible, reliable, trustworthy and safe platform

- Create more **accessibility** services and platforms for all customers, incl. customer support for other minority groups

responsible for the supply chain (Group's suppliers)

- Include ESG indicators into **Supply Chain (Group's suppliers)**

good citizen with real impact on tech education and charity support

- **Develop the Allegro Foundation**
- Further grow of **employees's volunteering**
- Continue **charity activities and education programmes (incl. Charytatywni Allegro)**

Good governance

strong and comprehensive ESG management

recognised as an ethical company

- **Integrate processes and development of ESG** in Mall Group operations
- **Refresh ESG Strategy** for Group

leader in transparency and reporting

- Prepare for introduction of **new EU regulations - CSRD** (Corporate Sustainability Reporting Directive) and **Taxonomy** (ESG and sustainability reporting)



KPI's and long-term ESG targets

Table 5: KPI's and long-term ESG targets ▼

	GOALS	2022 - POLISH OPERATIONS
Environmental	Greening our operations: further reduction of GHG emissions: Goals aligned with the SBTi (Polish Operations):	
	<p>Scope 1+2: 38% reduction of GHG emissions by 2030, in line with the Paris Agreement 1.5°C pathway</p> <p>Scope 3: engaging at least 73% of the largest suppliers to determine their science-based targets for their Scope 1 and 2 within 5 years by 2027.</p>	<p>↗ Scope 1+2 (market-based)⁵ ↗ 26% In 2022 over 23% of electricity consumed by company was generated from RES, comparing to 15% in 2021 (Polish Operations).</p> <p>↘ Scope 3 GHG emissions decreased by 12.2% in 2022 YOY. Categories in which emissions have decreased the most are purchased goods and services and capital goods. The highest increase was recorded in the category downstream transportation and distribution.</p> <p>Total (Scope 1 & 2 & 3) emissions (market-based) in relation to revenue (PLN in millions) is ↘ 28% lower than last year</p>
Social	Employer of choice for top talents	
	Employee engagement index at a minimum of 75%	↘ 67% at Allegro (74% 2021) BAZA engagement score
Corporate governance	Board of Directors independence	
	The goal to ensure that independent members constitute at least a majority (over 50%) of the Board of Directors by 1 September 2026	↗ In 2022, the Board had nine members, of which three were considered independent - 33%. Two of eight members were considered independent in 2021 - 25%.

5 In market-based method, emission factors for energy suppliers were used.

KPI's	Unit	2021	2022	2023 Target
Accessibility for Clients Share of APMs with accessibility (Polish Operations)	%	-	96%	97%
Sustainable packaging Share of sustainable packaging in 1P and fulfillment centre in (Polish Operations) (reuse and recycled packaging (excluding Heavy and Bulky))	%	71%	75%	↗ increase
Sustainable for Clients and Merchants Numbers of products with sustainable labelling (Allegro Naturally)	actual number	nd	12,500	↗ increase
Diversity & Inclusion Decreasing gender pay gap Salary Ratio = Average woman salary/Average man salary (%) (Q) Weighted average for group size at each level of the corporate structure and in a given business area	%	94.3%	95.1%	96%

◀ Table 6: ESG KPI's for 2023

KPI description	2022	2021	2020
rNPS in customer satisfaction survey [KPI 1]	80.8	78.9	76.1
professional ("B2C") merchants on Allegro [KPI 2]	Over 133 thousand	Over 133 thousand	128 thousand
Active Buyers on Allegro [KPI 3]	14.1 million	13.5 million	13 million
unique users who visited the Allegro Academy e-learning platform [KPI 4]	471.4 (sellers)	1 million (sellers and buyers)	962 thousand (sellers and buyers)
donations made by Allegro's customers on the charity platform - Allegro Charytatywni [KPI 5]	PLN 56 million	PLN 39.3 million	PLN 19.4 million
Sustainable packaging introduced to the market by Allegro [KPI 6]	3.7 million	571,000	n/a
% of employees who perceive Allegro as a workplace where everyone is respected regardless of gender, age or any other dimension of diversity [KPI 7]	85%	87%	n/a

◀ Table 7: Year-to-Year KPI's from previous ESG Report

Responsible oversight

As Sustainability and Climate are strategic issues for Allegro, the responsibility for defining strategic directions in this area lies with the Board of Directors. The Sustainability Team, supported by dedicated managers and employees from the various departments within the organisation, is responsible for the operational management of this area.

The management team oversees matters of sustainable development and climate, especially by monitoring and supervising the company's Sustainability & ESG Strategy. At the same time, since climate and environmental risks are subject to risk management and the Risk Management Policy, all Group employees are responsible for risk identification and reporting. The role of the Board of Directors is to supervise corporate risk, define the scope of risk management, define directions for the development of the risk management system and determine risk appetite levels.

Management Committee for ESG & Sustainability

- approves strategic directions and goals and recommends changes/activities
- approves reports on the implementation of the Allegro ESG & Sustainability Strategy
- supervises the integration of the ESG & Sustainability Strategy and initiatives with Allegro's business goals
- selects priority areas and formulates long-term strategic plans

Board of Directors

Allegro.eu's highest governing body, the Board of Directors, takes ESG-related matters into account when performing its supervisory duties. ESG is discussed at Board of Directors' meetings. The Company has established the ESG & Sustainability Management Committee, composed of General Counsel and Corporate Affairs Director, Communications Director and Chief Security Officer. The Steering Committee includes the CEO and the members of the Executive Team. The duties of the Committees are described above. ESG issues are also raised at meetings of the Board and are taken into account in the business decisions that are made.

Allegro's Sustainability & ESG team consists of several experts in the field of ESG and sustainability, additionally supported by investor relations, compliance and HR experts. The Sustainability of Delivery Experience team includes professionals dealing with sustainable development in fulfillment, deliveries and logistics services, including last mile. All of them work closely together to meet the ESG strategy goals and are also involved in reporting.

Implementing the SDGs / UN 2030 Agenda

In 2021, Allegro.pl joined the UN Global Compact, an initiative of the Secretary-General of the United Nations that brings together companies and institutions which consider sustainable development important. By joining the UN Global Compact, the company pledged to implement policies and global UN initiatives, focusing on environmental protection and counteracting the climate crisis. It is also a commitment to the Sustainable Development Goals, as defined by the United Nations in its 2030 Agenda. Joining the UN Global Compact is a testament to our genuine commitment to the Sustainability & ESG strategy and our environmental pledge.

Global Compact brings together over 12,000 companies and 3,000 institutions from 160 countries. This means that Allegro is joining a large international community, for whom the conversation about sustainable development is extremely important. Link: <https://www.unglobalcompact.org/>

In 2021, Allegro joined the Ethical Standards Committee of UN Global Compact Network Poland and in 2022, Allegro continued its activity in the Ethical Standards Committee and Climate Positive Programme of UN Global Compact Network Poland.

◀ Table 8: Management and leadership role

Solidarity with Ukraine

The war across our Eastern border has shocked many of us. We stand in solidarity with Ukraine, our hearts are with its citizens. As Group we focus to help our Ukrainian employees and support them, as well as provide assistance and psychological help for all employees. We also engaged our clients and together we supported refugees from Ukraine. We blocked Russian and Belarusian products and merchants. Moreover, we translated and provided our platform in the Ukrainian language to give Ukrainians convenient access to our offers.

PLN 11.7 million

has been collected for Ukrainian refugees

Actions taken by Group

We support our employees and contractors - Ukrainian citizens:

- Each employee was given an additional 7 days of paid leave to take care of their families
- Each employee was paid an allowance in the amount of PLN 2,500
- Each employee can take advantage of free legal advice and psychological support
- We stay in touch with all employees and try to provide individual help if we can.
- We organised a collection of first aid and emergency supplies

For all employees and contractors

- Psychological help in Polish, Ukrainian or English for employees, contractors and relatives.
- Legal assistance provided in the following languages: Ukrainian, Russian and Polish.
- Additional support - special email alias or contact with HR Business Partner.
- We organised a series of 10+ trainings and webinars for all employees and contractors on how to deal with the current conflict situation (incl topics like how to deal with emotions, how to talk to children, how to support a team, etc.), as well as "How to support yourself and others?" or „Stress,

- fear, uncertainty. How to take care of your own and your employees' emotions"

For customers (buyers and sellers)

- **Allegro launched its Ukrainian language version to facilitate access to its offers to a growing group of Ukrainians living in Poland.**
 - The translated user interface enables Ukrainian-speaking customers to conveniently use the website and manage their accounts and payments.
 - The new language version may be selected from the menu in the top section of the website, after clicking



Wspólnie pomóżmy ofiarom wojny w Ukrainie

the flag at allegro.pl, or the dedicated address for international sales at allegro.com.

- Additionally, Allegro offers support to buyers in Ukrainian on [the contact page](#) and translated articles in [the Help Center](#) (about 30 most important articles for a start). Customers may also contact Allegro via e-mail. A new language version will also be available on Allegro's iOS and Android apps soon.

- Merchants from Ukraine - we contacted all our merchant from Ukraine and offered them our help
- We have withdrawn all Russian and Belarusian products from the Official Allegro Store

- We blocked the accounts of all merchants from Russia and Belarus at Allegro.pl and Ceneo.pl.
 - We excluded all Russian and Belarusian products from co-financing programs.
 - We have suspended merchants from Russia and Belarus.
 - We block the possibility of issuing new offers for Russian and Belarusian products based on sanction lists and well-known brands

For refugees from Ukraine

- Group has taken action to support organisations providing humanitarian aid. The company has also involved its customers, giving them several opportunities to support selected initiatives. In total, more than PLN 11.7 million has already been collected in 2022.
- The company has provided in-kind (food, cleaning supplies, Allegro vouchers), as well as non-material and financial assistance
- Allegro employees are also actively engaged in helping. Their enthusiasm for developing bottom-up initiatives has turned into local charity collections and volunteering involvement. To facilitate them in developing their initiatives, **the Allegro Foundation** dedicated the 3rd edition of the #we_help_because_we_can charity grant competition to support Ukraine, among others. 19 charity initiatives were selected, and the maximum grant amounted to PLN 15 thousand for each initiative accepted.
- More in the Part "Social and charity work".

Relations with customers (buyers and sellers)

Polish Operations:

We are committed to the best shopping experience at Allegro. We operate a platform that guarantees simple and convenient shopping. A vast majority of transactions are successful, and in the rare instances when there is an issue, we enable customers to easily reach the merchant and offer assistance using an innovative mediation system. If the parties fail to reach an agreement or in case of problems with platform functions e.g. registration or payment, they can ask Allegro employees for support. We offer both merchants and buyers fast and easy access to 24/7 assistance.

Unless stated otherwise, data in this section refers to the Polish Operations, ie. ex Mall segment.

Key data & results for customers

23.9 million

number of Active Service Recipients⁶

80.8

rNPS in customer satisfaction survey (as of end of 2022)

14.1 million

Active Buyers on Allegro (as of end of 2022)

90%

90% of customers who consider shopping on Allegro safer or just as safe as on other platforms

Over 133 thousand

professional ("B2C") merchants on Allegro (as of end of 2022)

Almost 480 thousand

unique users (sellers) who visited the Allegro Academy e-learning platform (as of end of 2022)

96%

approximately 96% of One Boxes were accessible

Over 290 million

active offers

⁶ As of 02.2023. This number is published solely for the purposes of the Digital Services Act and is based on the methodology provided therein. It was calculated based on a leading market metric provided by Gemius and additionally includes the number of active service recipients from other EU countries estimated by Allegro.

High results of customer satisfaction

At Allegro, we regularly survey customer satisfaction. Every customer who interacts with us may complete an online survey, in which they can share their opinion about the quality of service and about how their specific issue was resolved.

The high satisfaction of buyers earned us the best-in-class relational Net Promoter Score (rNPS) of 80.8 at the end of 2022 vs 78.9 at the end of 2021 and 76.1 at the end of 2020.

Over **20.2 million internet users in Poland visited the Allegro platform in January 2023** according to the Mediapanel research by Gemius/Polskie Badania Internetu.

Allegro's app is the most popular e-commerce app in Poland, with more than 11 million average monthly active users, cumulative download, and total time, as of Q4 2022 according to data.AI.

Allegro received Start of Customer Service Quality Award for 6th consecutive year (since 2018)



Star of Customer Service Quality - awarded based on customers' opinion survey, carried out by the Polish Quality Program

The process is standardised and consists of 4 steps: analysis of customer feedback left on the website throughout the year, nominations of companies based on the highest number of positive opinions, CAWI survey (online) on a representative group of consumers from all over Poland, selection of companies with the highest results in the industry. Giving

Allegro this award for the sixth time in a row is proof that the company is not slowing down and consistently delivering the best customer experience.

Our priority is to maintain a trustworthy environment for both sides of transactions, supported by a set of clear rules. We constantly monitor merchants and offers and examine all issues as they are reported. Examples include the Allegro Protect (previously Buyer Protection Programme), the feedback system or starting a Discussion with the merchant (using a communication platform where the buyer and the merchant can solve a problem directly with each other or, at the customer's request, also with the assistance of an Allegro employee).

▼ Table 9: Number of discussions

Discussions	2022	2021	2020
Number of opened discussions	4.3 million	4.8 million	3.9 million
% of discussions resolved successfully	98.2%	98.1%	96.9%

The Customer Experience team remains available to customers at all times, quickly and efficiently answering questions and providing support. The team communicates using various channels:

- site with Help articles and Contact Form that allows communication via written message,
- chat supported by bot,
- social media,
- call-back or
- traditional hotline in case of urgent problems (e.g. technical problems with Allegro One Box).

Allegro is launching a contact channel for the Deaf: online connection with Migam Interpreter. The contact channel allows deaf users to have a video chat with online assistance from a Polish sign language interpreter. In addition to shopping support, the platform has also prepared dedicated contact channels for users with visual or hearing loss collecting parcels from One Box by Allegro parcel machines. Allegro is introducing another innovation to make online shopping even more accessible. Seniors who would like to create an account or find out more about shopping on Allegro can call a dedicated Hotline for Seniors.



Allegro Gadane - community platform

Allegro Gadane is a community platform where buyers and merchants are offered access to insights and feedback submitted by other users. Allegro Gadane recorded over 3.9 million visits, and thanks to the content posted by the community, as many as 810,000 issues were resolved. Thanks to gamification (e.g. ranks, rankings, etc.) and friendly interactions with others, several hundred committed users answering questions have formed into a group that devotes time to helping others.

Accessibility for all

It is our priority to ensure that our platform can be used by everyone. That is why we care about accessibility of our services at every stage of the procurement process.

Available services

Our platform and services are created to be intuitive and easy to use, to make the shopping process more comfortable, but also to be more accessible for people who do not use online shopping on a daily basis. We are also taking a number of actions to make our services accessible for people with specific needs.

Raising awareness and solving specific problems

Accessibility Hackathons are programming marathons, open for all employees, during which volunteers from our organisation work on changes that will make it easier and more convenient for people with specific needs to use Allegro. Thanks to four hackathons, organised from 2019 till the end of 2022, over 60 changes were deployed, helping Allegro to improve accessibility on the platform.

Aim of it was also to raise awareness in the organisation about the special needs of our clients. During each hackathon there is a presentation showing particular problems people with disabilities may face using our platform. Thanks to these events Allegro established cooperation with non-for profit organisations like migam.org or widzialni.org. Recording of these events are also available for employees who are interested in the topic.

There is also a specific space to share knowledge and report problems about accessibility which are gradually being solved. We also organised training on accessibility for web-developers and designers to improve the awareness about accessibility there. Most initiatives in the accessibility area come from our workers, who see it as an important part of their job.

Allegro as a founding member of Business Accessibility Forum

Allegro became a founding member of Business Accessibility Forum (BAF) - a partnership initiative of the Widzialni

Foundation, Allegro, Microsoft Polska, Orange Polska and Santander Bank Polska. The Forum will be a platform for discussion and exchange of good practices to better respond to the obligations under the European Accessibility Act.

Until June 2025 Poland is obliged to adopt new regulations on the accessibility of goods and services of commercial entities. It extends the obligations to adapt products and services to accessibility standards to new business areas including e-commerce, which means Allegro also will implement these requirements.

The purpose of the BAF is to cooperate and inspire each other in developing and promoting best standards and good practices. The goal is to implement them in accessing services offered via the Internet for people with individual needs, and education in this regard. This is important because new companies will join the BAF - including the leaders of the various market sectors covered by the EAA.

<https://baforum.pl/>

Polish sign language hotline

To make online shopping more accessible Allegro implemented a video chat with online assistance from a Polish sign language interpreter. A Polish sign language interpreter has elevated our service to customers with hearing loss, who so far had access to channels such as email or traditional chat. Video conferencing allows us to offer them support faster, which we believe increases customer satisfaction.

Deaf hotline project recognised by Polish National Sales Awards

Allegro was awarded with the "Leader Deaf hotline" in the Technological Innovator category. The Polish National Sales Awards is the most prestigious competition of the sales and customer service sector in Poland, which every year recognises participants for outstanding achievements and high ethical standards.

Support for silver generation

To make our services more accessible to people aged 65+, Allegro maintained its additional contact channel "Allegro Hotline for Seniors," launched in 2020. The Hotline is a convenient addition to the existing 24/7 contact channels for both consumers and merchants, which already include an online contact form, popular instant messenger and chat services, a call-back service and the Allegro Gadane



community feature. The hotline can be reached every day from 8:00 am to 8:00 pm. Seniors can use this tool to receive advice on online shopping and receive assistance from consultants at every stage of the purchase process – from setting up an account to helping with choosing the most convenient payment and delivery option, including free delivery with Allegro Smart!

Seniors can also use information materials that help using online tools and enable them to shop safely from home. The materials were prepared as a part of "To proste" (It's Easy) campaign, in partnership with the Polish National Institute for Silver Economy.

<https://allegro.pl/zobacz/toproste>

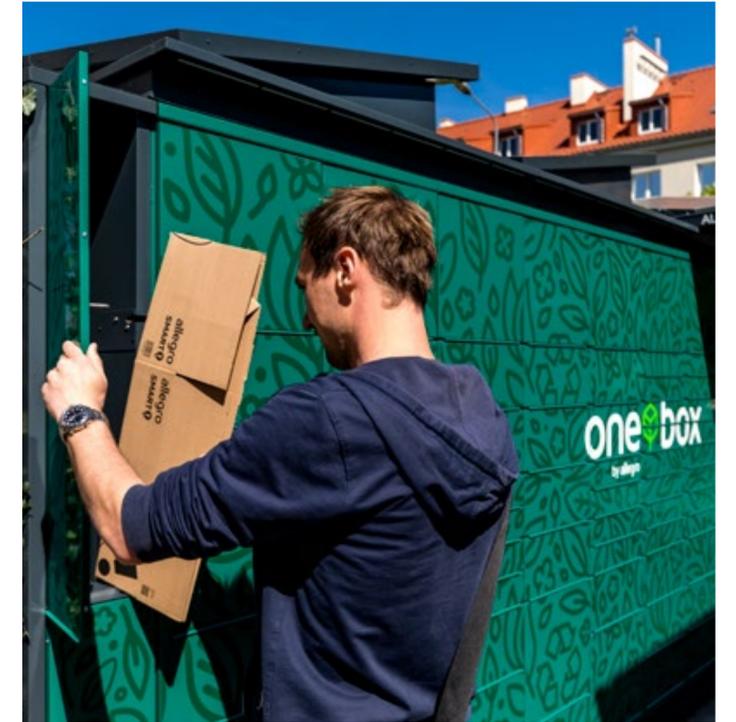
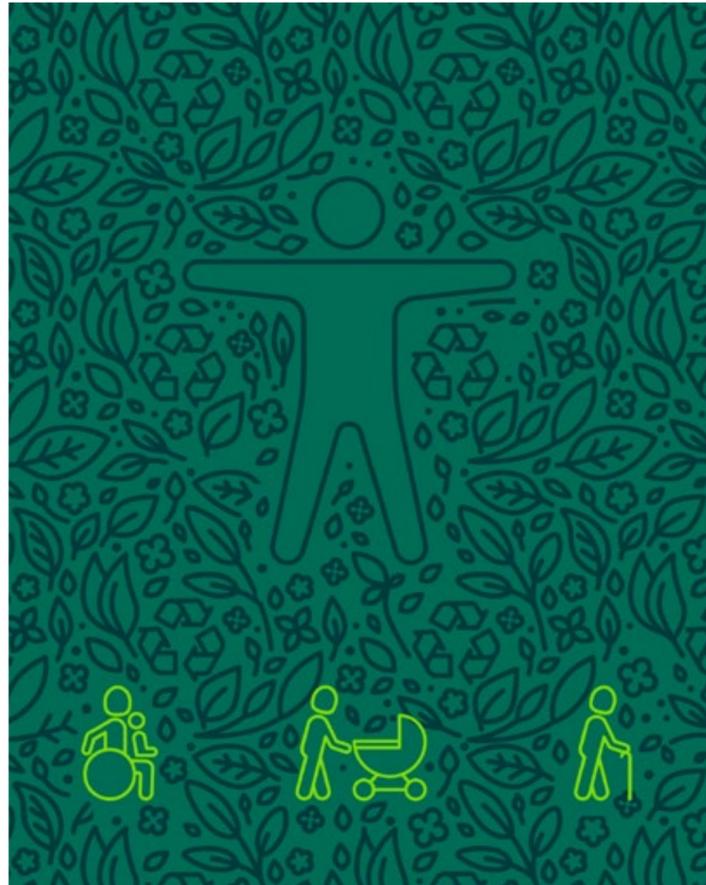
Accessible delivery

Our goal for One Box APM's network is to make it 100% accessible for all. In order to achieve that we cooperate and have consultations with non-governmental organisations, local authorities, communities and representatives of unprivileged groups. One of the effects of such a cooperation was a report "Daj się! czyli jak tworzyć dostępny automat paczkowy" that we created and published jointly with Avalon Foundation.

Our aim and ambition is to eliminate as many infrastructural barriers on our client's way for his parcel as possible. Among many other efforts in that matter we always try to align the APM's pick-up zone to the surroundings level, provide a

paved path to the APM and install wheelchair ramps when it's needed. Our clients can also adjust the level of the locker to which their parcel will be delivered.

Everyone who uses our One Box by Allegro APMs, is also provided with full technical support. Every machine has Braille markings and features a QR code that allows users to connect online with a Migam Interpreter.



Every locker machine is double-checked in respect of its accessibility during the process of product audit. Our personnel is being constantly trained on how to plan the APM locations to make them meet our strict criteria. If necessary we also make adjustments that were recommended and accepted during the regular meetings.

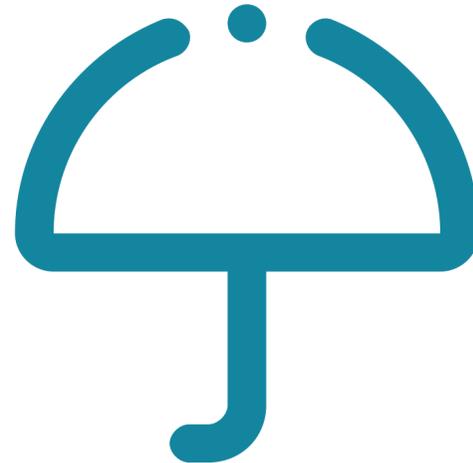
At the end of the year 2022 approximately 96% of One Boxes were accessible according to the criteria we developed with organisations mentioned above. In 2023 we aim to elevate this percentage to 97. Ultimately we will try to eliminate all the barriers on the way to any of our APMs.

Safe shopping

We set an objective to ensure the safety and comfort of our customers and to protect their privacy and consumer rights. The safety and convenience of customers and merchants are of key importance to Allegro. The safety of Allegro customers is ensured by:

- Allegro Protect
- Rights Protection Cooperation Programme
- Preventing the sale of counterfeit items on the platform
- Reporting violations of rights and responding quickly
- Cooperation with government agencies to withdraw products that do not meet certain standards or are not allowed on the market:
 - Signing the Memorandum of Understanding on the sale of counterfeit goods on the internet facilitated by the European Commission
 - Cooperation with the Office of Competition and Consumer Protection (UOKIK) and with municipal and district consumer advocates, including joint consultations, opinions and analyses
 - Joining the Anti-Smog Coalition together with the Polish Smog Alert and the Office of Competition and Consumer Protection

- Rules on Forbidden and Restricted Items
- Safe Online Shopping programme (Bezpieczne z@kupy w sieci)
- MySales Quality – transparent feedback from buyers.



Allegro facilitates online transactions between buyers and merchants and creates a safe environment, in particular by since 2004 providing customer services support and the internal **Allegro Protect** (previously Buyer Protection Program). Product safety is also one of the priority areas where we implemented standards and procedures substantially more sophisticated than the ones required under the existing legal obligations.

Since 2011, Allegro has also been a signatory of the Memorandum of understanding (MoU) on the sale of

counterfeit goods on the internet; and in 2020, we joined the Product Safety Pledge. Furthermore, as we operate predominantly in the Polish market, we collaborate directly with the competent authorities in Poland, mainly the Office for Competition and Consumer Protection. We have also run ad hoc campaigns in response to specific issues, such as those under the anti-smog coalition to fight against the sale of illegal stoves on the internet.

In 2022 we changed the Buyer Protection Programme to Allegro Protect. In addition to the name of the program, we changed its symbol, logo and some provisions of the terms and conditions. We focus on the overall protection and satisfaction from the purchase. We want buyers to feel safe, so we are extending the time to report problems with an order and to request compensation from 6 months to two years. We are also raising the maximum possible compensation from 10,000 to 20,000 PLN. This way, buyers will feel secure even when spending large amounts of money. The new program guarantees the return of funds for two years from the date of purchase.

98%

Our research shows that 98% of those who have reported a problem to the seller are satisfied with the solution offered by the seller and Allegro.

Thanks to the guaranteed seamless shopping experience at every stage of the process, as many as 91% of our customers consider shopping on the Allegro platform safe. They can rely on the recommendations and comments submitted by other customers. To make sure customers can enjoy even better protection, Allegro introduced the Allegro Protect, which guarantees they will recover their money should any problems with their purchase arise.

Protection extends to all offers on Allegro and Allegro Lokalnie where the payment was made by bank transfer or via the platform. Customers who experienced issues with a transaction on Allegro (e.g. did not receive the purchased products or a refund after withdrawing from the contract, or the received product does not fit the description or has arrived damaged) are eligible for a refund of up to PLN 20,000. The reporting procedure is simplified to the bare minimum (e.g. consumers no longer need to enter their bank account number on the Allegro Protect form). It is sufficient to complete an online form, which is made even simpler if the issue was reported in a discussion started on the platform.

In a 2022 NPS (Net Promoter Score) survey carried out among customers using the Allegro Protect, Allegro achieved a result of +79.8 (the highest possible score being 100). The Allegro Protect is the main driver for the Convenience Index of the Post-Purchase Processes (C-Index for the Program is over 9, the highest possible score being 10). This means that most customers recommend Allegro as a safe place to shop, and the Allegro Protect is well received.

Table 10: Allegro Protect

Allegro Protect	2022	2021	2020
% of customers who consider shopping on Allegro safer or just as safe as on other platforms	90.20%	91.39%	93.03%
NPS among Allegro customers using the Allegro Protect	+79.80	+80.02	+71.32
Average number of transactions on Allegro.pl per one Allegro Protect refund	3,800	4,900	7,400
Average time it takes to receive a refund	5 days	5 days	5 days
Average time it takes to receive a refund – SMART! services users	12 h	12 h	12 h

Rights Protection Cooperation Programme

The Rights Protection Cooperation Programme was created to eliminate illegal and dangerous products from Allegro.

On a daily basis, we deal reactively and proactively with violations of:

- industrial property rights (counterfeit items, products infringing design rights etc.)
- copyrights (for example, the use of images without the copyright owner’s permission).

We protect:

- consumers from purchasing goods which violate the law
- merchants, often unaware of violations, from legal consequences of violation of brand owners’ rights

In addition, we want to raise awareness of intellectual property rights, their protection, and violations.

To protect buyers, Allegro works with owners of exclusive rights under the Rights Protection Cooperation Programme, with over 1,700 brands currently on board. We also partner with leading brands by enforcing the Memorandum of Understanding on the sale of counterfeit goods on the internet.

Product Safety Pledge
– European initiative for product safety

Allegro was one of the first European companies to join the Product Safety Pledge. This is an initiative of the European Commission and the largest e-commerce platforms aimed at ensuring consumer safety and educating customers. The Product Safety Pledge supports national and European market surveillance authorities in eliminating dangerous products from the market.

Allegro’s joining this initiative is an important aspect of our presence in Brussels as one of the largest European technology companies and strengthens credibility in our relations with EU institutions that want to leverage our 22+ years of experience in and knowledge of consumer protection on the internet.

As a signatory of the Product Safety Pledge, we have launched a [dedicated website](#), to inform our customers about Allegro’s commitments under this mechanism. We have also provided answers to frequently asked questions such as: Why was my offer removed? Where can I find information on unsafe products? What is the Safety Gate? Who decides if my product is unsafe? We have also provided links to the Safety Gate database and competent national authorities.

Every day, Allegro reviews new listings against the list of dangerous products in the Safety Gate and monitors alerts issued by Polish authorities.



Cooperation with public authorities and other stakeholders

In order to facilitate cooperation with the national authorities responsible for market surveillance, Allegro established a single point of contact for interested parties. We also organised several meetings where we presented our internal policies and procedures.

We continued to work with public authorities by carrying out consultations as part of a dedicated contact path. It is also worth emphasizing that we participated in the International Consumer Scientific Conference “Consumer rights

yesterday, today and tomorrow. 60 years of consumer rights” organised by the Association of Consumer Advocates and the Department of Civil, Economic and Private International Law at Kraków University of Economics held on 9-10 June 2022. During the speeches, our representatives presented the pro-customer method of solving post-transaction problems of Allegro customers and promoted a dedicated path of contact with Allegro.

Enabling merchants to grow

133K

There were more than 133,000 professional merchants on Allegro in 2022.

Our ambition is to build a professional selling space for them. We offer a wide variety of features that facilitate effective sales management on Allegro. We have prepared solutions for both entities - those with extensive experience in selling on our platform as well as newcomers to Allegro so that they can all discover the available tools, learn how to manage their offers and boost their business with our assistance. Our programmes are tailored to specific segments, life cycle and activity” with category on the platform.

Support for merchants, or how we can help

To support merchants Allegro offers the following tools and services to merchants: Allegro Ads, Allegro Finance, Promote Your Offers, Streamline Your Sales, Post Listings, Loans and Leasing for Businesses, My Sales Quality and Free On-line Training. Ship with Allegro is a shipping parcels tool that enables merchants to dispatch orders directly from their Allegro account or via the API. Allegro has also introduced One Fulfillment by Allegro service - an end-to-end logistics service that allows sellers to store their products in Allegro’s warehouses and have Allegro handle the shipping, delivery, and customer service aspects of their orders. One of the main benefits of using One Fulfillment by Allegro is that it can help sellers save time and resources, as they do not need to manage their own inventory or handle the logistics of shipping and handling. Allegro also implemented a new deferred payment service for transactions between businesses. It enables merchants to sell and buy with an extended invoice payment due date.

Another popular feature among merchants is **Trade Analytics**, an analytical tool that allows merchants to find answers to the most frequently asked questions about selling on Allegro. Merchants can also use **My Sales Quality**, an analytical tool designed to manage sales and monitor trends in sales. My Sales Quality displays precisely calculated metrics and information about the quality of the merchants’

sales. That way, they are able to quickly identify strengths as well as weaknesses they need to work on. The available information helps merchants grow their business on Allegro.

Sales rating serves as feedback about a transaction and is posted by the buyer. Ratings can be submitted with a descriptive comment. The sales overview enables merchants to see which areas of their business are received well by buyers and which require additional effort. Most Allegro processes are automated, which makes it possible to achieve economies of scale and to personalize the educational or advertising services to meet and exceed the merchants' expectations.

Allegro Academy - courses, tutorials, webinars, podcasts

Allegro Academy is a free of charge online education platform available in Polish, English, and Chinese. It was created in 2020 and for the first two years was dedicated to Allegro sellers as well as buyers. Since 2022 Allegro Academy has been dedicated only to Allegro merchants. Allegro Academy includes courses, tutorials, webinars, and podcasts. It is created by Allegro employees and external experts.

Allegro Academy was established to share knowledge and help the businesses selling on Allegro grow. With the great variety of topics, input from internal and external experts, and



an attractive format, users, mainly small and medium-sized businesses from all across Poland, can find out how to grow their business and boost their sales.

The Academy is also a space for merchants where they can interact with each other. Merchants can share their opinions or doubts and discuss them with an expert. The meetings organised by Allegro Academy are based on a sense of partnership, help us build new solutions and, most importantly, give merchants confidence that their voice is being heard.

Table 11: Allegro Academy ▶

Allegro Academy	2022 (sellers only)	2021 (sellers+buyers)	2020 (sellers+buyers)
Number of Allegro Academy courses	97	72	50
incl. courses in English	35	18	7
Number of tutorials for merchants and buyers	150	95	60
incl. tutorials in English	34	40	-
Number of webinars	492	454	177
Number of webinar participants	40,879	51,962	18,791
Number of unique users	471,373	1,080,996	962,087
YouTube channel views	56,039	3,400,000	876,700
Hours of videos on the YouTube channel	28,922	39,800	8,800

Allegro “StartUp Asystemt”

With “StartUp Asystemt”, aspiring online merchants receive expert assistance in getting started. The program offers free support as early as at the stage of registering and then opening a new business. All you need to do is book a free consultation. Starting a business with Allegro also involves a range of additional benefits, including the Welcome Package and commission-free sales on the platform for up to the first 90 days.

“StartUp Asystemt” is Allegro’s innovative programme offering entrepreneurs step-by-step support from day one of their business. It is the first initiative in this area, set-up by an Online Marketplace Platform. Run in partnership with CashDirector, it provides assistance in registering a new business, setting up a business bank account, as well as registering for VAT and insurance (ZUS) with the help of company experts. The programme also offers day-to-day accounting assistance and guidance on how to operate a new business, all free of charge and without leaving home.

StartUp Asystemt also gives new Allegro merchants a range of additional benefits. The welcome package for programme members includes up to 100% discount on sales commission for the first 90 days of the new business. It also ensures access to dedicated Allegro services for small and medium-sized enterprises, including Allegro Pay Business and One Fulfillment. The former offers up to PLN 10,000 in revolving

funds for business-related purchases, with the option to defer payment by 30 or even 60 days. One Fulfillment provides end-to-end logistics services for new businesses, from product storage to order fulfillment.

For more information about the programme, visit <https://allegro.pl/kampania/startup>.

Sustainable and responsible solutions for clients and merchants

Allegro Naturalnie (Allegro Naturally)

On Allegro, we want to give everyone a chance to find the products they are looking for and give them the maximum choice. We have created Allegro Naturally for people who are primarily looking for products that are healthy and have limited impact on the environment. You can find there mainly cosmetics and hygiene products, products for children, cleaning products or food (also vegan).

Each product that comes to Allegro Naturally has at least one certificate proving that it meets certain environmental or social criteria. Depending on the type of certification, it can originate from places where organic cultivation or



responsible forest or water management is used, they may provide a guarantee of the absence of substances hazardous to health, or they may ensure decent working conditions for the people who produce them.

In cooperation with the Buy Responsibly Foundation, we have selected more than 50 certificates awarded by well-known institutions and NGOs from all over the world. They can be obtained after fulfilling certain conditions and passing an appropriate procedure or an audit carried out by independent bodies.

Thanks to our approach, consumers can be sure that Allegro Naturally features only tried and tested products whose quality is confirmed by independent experts.

Examples of certificates: EU Organic Label, FairTrade, Rainforest Alliance.

<https://allegro.pl/zobacz/naturalnie>



Allegro Lokalnie

Allegro Lokalnie makes it easy to buy and sell second-hand goods, find unique items at attractive prices and be confident that shopping online is safe. An added value is the fact that these are often second-hand items, given a second life by Allegro Lokalnie in line with the 're-use' principle (one of the six core principles of a circular economy, along with reduce, recycle, repair, remanufacture and recover). Allegro Lokalnie mobile apps reports an increase in visits of 51% YoY. The number of active offers on Allegro Lokalnie increased by 30% YoY.

Our survey ("Online resale in Poland", PMR July 2022) revealed that over 56% of the respondents decide to buy resold products over the last year. The most popular categories are: Fashion, Electronics, Home&Garden, Culture&Entertainment. Poles buy online in the resale market because, above all, it is cheaper; the products have lower, more attractive prices. Respondents also pointed to non-financial aspects: environment protection, reduction of waste, and lack of support for large corporations. For another group, it was important that unique products, collector's or rare items unavailable basically anywhere else, can be bought in the resale market.

Allegro Lokalnie is consistently developed. In 2022 we launched Allegro Smart! on Allegro Lokalnie. Customers with an active Allegro Smart! membership are able to take advantage of free deliveries to parcel lockers across the country.



Charity Platform - Allegro Charytatywni

Allegro has been active in charitable activities since its inception, proving that technology can help solve many social problems. As part of Charity Platform - Allegro Charytatywni, customers of the platform can bid on and buy items listed for charity offers during their daily shopping. Merchants, on the other hand, can easily list any item for charity and thus support the NGO of their choice.

Allegro does not charge any fees or commissions on the sale of charity offers, and all proceeds go directly to the account of the verified organisation running the given fundraiser.

allegro CHARYTATYWNI



Sustainable logistics

We develop available shipment capabilities by facilitating everyday sales on our platform and reinforcing our innovative approach to swift and responsible deliveries.

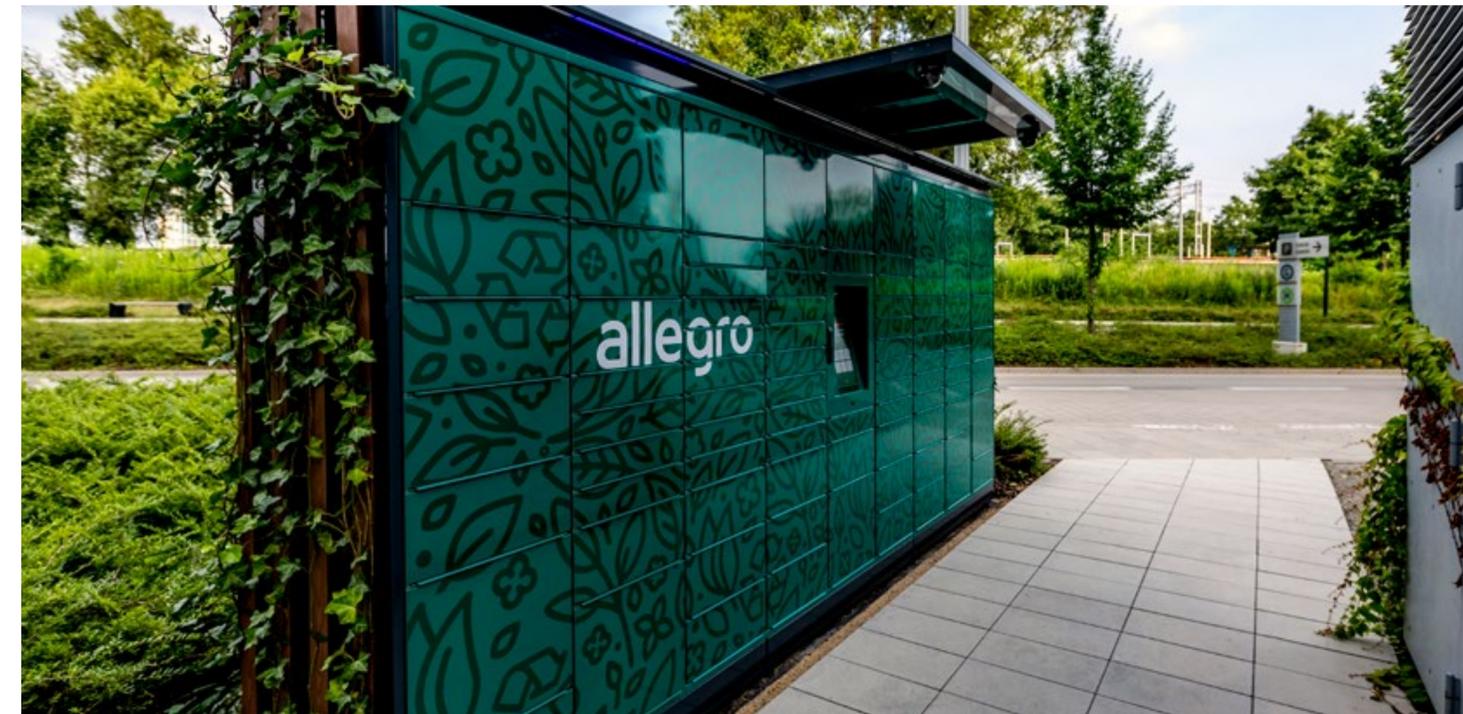
In November 2021, we unveiled our new logistics brand, One by Allegro, which includes One Fulfillment service for merchants, One Box APMs, and One Punkt pick-up points.

One Fulfillment by Allegro is a comprehensive service for merchants that includes sating, packaging and delivering products, as well as customer service throughout the delivery process.

From January 24, 2022 the One Fulfillment by Allegro service has been constantly evolving to better help sellers save time and resources, as they do not need to manage their own inventory or handle the logistics of shipping and handling. With One Fulfillment by Allegro service we help significantly reduce delivery times thanks to faster dispatch, provide high-quality customer service and take care of environmental impact, in particular by using sustainable packaging materials and consolidating orders to one parcel.

One Box APMs

In 2021, we also launched our network of APMs One Box, which already spanned over 2500 in December 2022. Our project addresses the needs of local communities, social activists and experts. We create sustainable solutions that meet the needs of local residents and seamlessly blend in with the urban space. Moreover, have purchased a guarantee of origins for energy used in all parcel machines to confirm that the same energy volume as we use in AMPs is coming from renewable resources. Up to 100% of the plant support constructions can be recycled as it is made out of a mix of wood and HDPE.



Cause-related marketing

Allegro One offers a tree planting program for the customers where Allegro funds tree planting for each 10th order placed by the customer in the span of the calendar year to One Box and One Punkt. Until now, customers generated over 150.000 trees (end of 2022) and all of them were already planted across multiple locations of Lasz Państwowe (The Polish National Forestry Commission) during spring and autumn planting seasons in 2022. Customers can place virtual dedication that allows them to track where the tree is planted and what is the tree species.



One Courier by Allegro

In October 2021, the Group also acquired X-press Couriers, a local same-day delivery company, to complement fulfillment and APM services in driving faster deliveries. The acquisition of XPC added same-day delivery, collection and distribution capabilities to Allegro.

On April 1, 2022, a full legal merger of X-press Couriers with Allegro was made. We presented the new Allegro One Kurier brand to the market, offering delivery on Saturdays, SameDay delivery from Monday to Saturday, Nextday delivery, One box delivery, SameDay delivery to One box - unique delivery on the market, between 20 cities, with delivery guarantee (from 31.08.2022).

Innovations at Allegro

New products for customers and retailers are always the result of close collaboration between our business teams and engineers who design specific solutions based on advanced, state-of-the-art technologies. Allegro engineers care about the development, security and stability of the platform, and our ranks also include teams dealing with e.g. artificial intelligence and machine learning.

28K

More than 28 000 Allegro.pl implementations in 2022!

The Allegro platform is changing all the time. An average of 77 implementations and several tests of new solutions are carried out every day.

The most important ones included: Allegro Analytics tool, commercial launch of One Fulfillment, internationalisation of allegro.pl - including Czech and Ukrainian language, as well

as an additional entry-way through allegro.com, biometric authorisations in our apps, paid return process, requirement of 100% of new offers connected with Allegro Product Catalogue, same-day deliveries to Allegro One Boxes, deliveries to customers done by Allegro One Courier and the launch of Allegro Care program just to name a few.

As there is a constant flux of matters, we care about regular and transparent communication with sellers. We engage them in discussions about changes to the platform and inform them in advance. Thanks to this, they can prepare as best as possible, well in advance. In total, more than 700 communications have been sent in 2022.

Responsible communication

Aspect: Marketing and labelling

Allegro prioritises sustainability and measures to reduce its environmental impact. To address the increasing communication concerning the issue, Allegro has developed **The Good practices in green / sustainability / ESG / CSR marketing and communication at Allegro**. The document set rules of presenting environmental issues in external communication to help formulate correct and truthful messages and was adopted in the beginning of 2023 following internal consultation. This document outlines the rules of environmental and green / eco / sustainability /

CSR communication and is primarily addressed to creators of such messages, including PR, CSR/ESG, employer branding, Marketing and Communication employees, Allegro Life members, and creators of external presentations and speeches. The rules should be followed by everyone preparing environmental-related content and graphics concerning Allegro, including third-party suppliers, companies and agencies providing services for Allegro. The document takes into account applicable regulations and recommendations on communicating environmental issues⁷. The aim of the document is to provide transparent and reliable communication based on facts and easily understandable for end consumers.

We are ensuring safety to buyers, we make sure that our marketing messages are always clear, unambiguous and true. We also require the same from companies that advertise their goods on our platform. Everyone must comply with the Terms and Conditions of Selling and Displaying Ads on Allegro.pl, and our Ads Service is regulated by the Ads Service Terms and Conditions.

Selling and displaying advertisements is regulated by:

- Terms and Conditions for the Sale and Display of Advertisements on Allegro.pl
- Ads Service Terms and Conditions

The company ensures the message stays clear and unambiguous across all channels of communication with the customer, including marketing materials, and the company's

business model has been designed with the best interest of the customer in mind.

In December 2022 Allegro received one complaint for a Christmas ad from The Advertising Council. The case is pending, we have submitted clarifications and we are waiting for The Advertising Council response. In 2022, we did not report a single case of non-compliance with regulations or voluntary codes regulating marketing communication.

Explanatory Proceedings Related To Allegro One Marketing

On 28th October 2022 Allegro received a decision to launch explanatory proceedings and questions from the OCCP regarding the marketing claims of Allegro's logistic service Allegro One. The OCCP is trying to establish whether a violation of collective consumers' interest may have taken place. Earlier this year, on 7th February, the OCCP asked Allegro several questions on the same matter in an informal request to provide information on how ecological aspects are being used by Allegro to promote its parcel locker services. The OCCP did not regard Allegro's explanations as sufficiently backing the claims within the marketing strategy and is now investigating further. These explanatory proceedings are a preliminary step that does not have to lead to the initiation of formal proceedings against Allegro.pl. If the UOKiK President decides to pursue the matters covered by the explanatory proceedings, he must open proceedings regarding the violation of collective consumer interests against Allegro (the scope of the explanatory proceedings does not indicate a precise charge).

⁷ Draft Directive of the European Parliament and of the Council amending Directive 2005/29/EC [on unfair commercial practices] and 2011/83/EU [on consumer rights] as regards empowering consumers for the green transition through better protection against unfair practices and better information (COM(2022) 143 final, 30.03.2022); the European Commission Guidance on the interpretation and application of Directive of the European Parliament and of the Council amending Directive 2005/29/EC concerning unfair business-to-consumer commercial practices in the internal market (in particular 4.1.1 "Environmental claims").



2. People and Culture

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GRI Standards	[GRI 2-7] [GRI 2-8][2-20][GRI 3-3][GRI 2-23][GRI 2-24] [GRI 404-1] [GRI 404-2] [GRI 404-3] [GRI 401-1] [GRI 401-2][GRI 403-2][GRI 403-3][GRI 403-5] [GRI 403-7] [GRI 403-6] [GRI 403-9][GRI 406-1] [GRI 405-1] [GRI 405-2]	KPI	[KPI 7]
UN Global Compact	[UNGC 4] [UNGC 5] [UNGC 6]	SDFR	[SFDR 12] [SFDR 13]
GPW / EBOR	[GPW S-P1] [GPW S-P2] [GPW S-P3]	TCFD	
SDGs Sustainable Development Goal	   		

Responsible workplace

Key data & results



7,840

people working in Group (Polish Operations and Mall Segment)

82%

of the employees said they would recommend Allegro as a great place to work

1,159

employees engaged in volunteering

Equal pay:

we have already met the 5% target for gender pay gap indicated in the Pay Transparency directive*

85%

of employees perceive Allegro as a workplace where everyone is respected regardless of gender, age or any other dimension of diversity

92%

of employees who participated in at least one training course

*Women's remuneration against men's (men=100%) in Polish Operations is 95.12%

Our strategic goal is to provide the best place for diverse employees to develop their full potential and thrive. The top 4 priorities in Diversity & Inclusion are currently related to gender pay gap and career opportunities, nationality (access to various unified processes and mechanisms in English), age/generation representation, and neurodiversity.

Our Gender pay gap index for Polish Operations shows an improvement in closing the pay gap, from 5.7% in 2021 to 4.88% in 2022. We continue to review our internal processes to ensure fairness and transparency.

As Allegro acquired MALL Group and WE | DO in 2022, it was extremely important to focus even more on HR



communication and align this process in all six countries that we operate in. The majority, 66.8%, of our employees in Poland are between 30 and 50 years old, 36.9% are below 30, and only 1.3% are over 50. We continue to take actions aimed at diversifying our workforce so that different generations are represented.

In the summer of 2022, we piloted a Neurodiversity Programme designed to increase organisational knowledge about neurodiversity and how to best respond to various needs of neurodiverse employees and customers. Our intention is to further develop the programme to roll it out across the organisation.

Allegro supports employee volunteering. In August 2022 the company introduced an extra day off for employee volunteering. 272 employees engaged in various social activities (total of 2,176 hours) during the first 5 months of the program (August-December 2022). Our employees engaged in various social activities such as organising classes for scouts, planting plants with ecological foundations, tidying up animal shelters, helping refugees, preparing gifts for disadvantaged families, organising activities for educational facilities, or sorting food for people in need in food banks.

In the latest survey (2022) performed in Polish Operations, 82% of the employees said they would recommend Allegro as a great place to work.



Allegro team

We create a demanding but caring working environment, support the professional and personal development of our employees and create equal opportunities in what we do. The table below presents our employment structure.

7,840

At the end of 2022, the entire Group team consisted of 7,840 people, exactly 2,992 more than a year ago, as Allegro acquired the Mall Group and WE | DO. The Polish operations consisted of 4,986 people (141 more than last year).

To integrate the companies within the Group, we examined our cultural differences through a global Culture Survey. More than 7 thousand Allegro employees took part in the survey that showed we share similar values and ways of working. Differences in the organisational culture between regions are visible in the prioritisation of our common values. Transparency and flexibility are the most appreciated elements of our culture in all countries.

Allegro ranks seventh among the best employers in Poland, and first in the retail category, in Forbes' Poland's Best Employers 2022 ranking. Allegro has been also recognised by the Financial Times & Statista among Diversity Leaders. We are all the more pleased with our success because we owe it largely to the votes of our employees.

Types of contract	Group		Polish Operations					
	2022		2022		2021		2020	
Contract of employment	6,366	75.6%	4,054	81.3%	3,613	74.5%	2,721	82.7%
incl. women	2,691	45.4%	1,798	44.5%	1,545	42.8%	1,133	41.6%
incl. men	3,239	54.6%	2,256	55.5%	2,068	57.2%	1,588	58.4%
Contractors (B2B)	684	8.7%	543	10.1%	535	11.0%	240	7.3%
Work agencies & outsourced service	1,226	15.6%	389	7.8%	700	14.4%	328	10.0%
TOTAL	7,840	100%	4,986	100%	4,848	100%	3,289	100%

Table 12: Workforce structure⁸

Form of Employment	Group		Polish Operations					
	2022		2022		2021		2020	
Permanent employment contracts	87.68%	5,191	85.4%	3,462	85.4%	2,868	79.4%	2,162
Fixed-term employment contracts	12.31%	729	14.6%	592	14.6%	745	20.6%	559
Permanent employment contracts - women	37.0%	2,191	36.7%	1,489	36.7%	1,200	33.2%	874
Fixed-term employment contracts - women	6.4%	381	7.6%	309	7.6%	343	9.5%	264
Permanent employment contracts - men	50.7%	3,000	48.7%	1,973	48.7%	1,669	46.2%	1,286
Fixed-term employment contracts - men	5.9%	348	7%	283	7%	401	11.1%	297

Table 13: Form of employment broken down by gender

⁸ The data include active and suspended workers.



Table 14: **Workplace** ▼

Workplace	2022	2021	2020
Poland	4,022	4,839	3,281
Czech Republic	2,254	-	-
Hungary	24	-	-
Slovenia	475	-	-
Slovakia	56	-	-
Croatia	44	-	-
Other	32	9	8
Total	6,907⁹	4,848	3,289

9 No information about location contractor workers in Poland.

Table 15: Legal entities of the Group ▶

Legal entities of the Group	2022	2021	2020
Allegro.eu	7	7	6
Allegro Finance	10	10	3
Allegro Treasury	2	2	2
Allegro	4,421	4,212	2,933
Ceneo.pl	233	219	198
Allegro Pay	161	126	61
eBilet	69	59	56
Opennet	79	67	30
Xpress Couriers (until 1.04.2022 when merged with Allegro)	-	141	-
Skynet Custom Brokers	4	5	-
Mall Group a.s.	6	-	-
Internet Mall a.s.	1,525	-	-
Internet Mall Hungary Kft.	24	-	-
Mimovrste, spletna trgovina d.o.o.	475	-	-
Internet Mall Slovakia s.r.o.	53	-	-
Internet Mall d.o.o.	44	-	-
Netretail Sp. z.o.o. v likvidaci	1	-	-
CZC.cz s.r.o	326	-	-
WE DO CZ s.r.o	391	-	-
WE DO SK s.r.o	6	-	-
LGSTCS a.s. - AMG Media a.s.	3	-	-
Group	7,840	4,848	3,289

Allegro Factors and Allegro Essentials

Career Levels is a system that classifies all roles at Allegro. Its purpose is to introduce transparency, organise our internal structure, and to provide employees with a clear vision of their career path within the company. We have defined 10 Career Levels. 5 important competencies were selected, which we call Allegro Factors. These include five competencies that are desired at Allegro: impact on the Allegro business, ability to manage complex problems, leadership skills, ability to communicate clearly and effectively, and professional knowledge. The number of factors verified during recruitment depends on the career level. All recruitment processes involve evaluation of the candidate's Allegro Factors.

Allegro Essentials are the values that accompany us in our daily work. They define a consistent set of attitudes and behaviours shared by all Allegro employees. These are:



Allegro Essentials are a signpost pointing to what builds our unique corporate culture and creates an atmosphere of success that pushes us forward. In other words, Allegro Essentials represent a consistent view of what makes us successful at Allegro. They are described clearly so that everyone can recognise and apply them.

Trainings and development

We want Allegro to be a place full of challenges and opportunities for our employees. We provide support in professional development to everyone, guarantee equal opportunities in all aspects of employment and offer competitive salaries and benefits. In return, we expect professional ambition and willingness to develop, the ability to cope with a rapidly changing and complex environment, and the awareness that our work, innovations and solutions affect the daily purchases of millions of consumers.

The professional development of employees is crucial for the development of the Group. We have prepared a large selection of programs, workshops, webinars, conferences, etc., for them, in cooperation with external and internal trainers, available through dedicated development platforms such as MindUp. It includes training in the so-called soft skills, technical training, managerial programmes and development tools such as mentoring, coaching, diagnostic tools, etc.

In 2022, in Polish operations we conducted 14 425 development activities (e.g. internal and external workshops, webinars, e-learning, conferences, coaching sessions etc.) with a total of 27 468 participations (3 713 unique participants). An average employee received 36 hours of training, compared to reported 6.2 hours in 2021. This rapid growth results from including into reporting, as of 2022, the full scope of development activity, which was limited until 2021. In 2022, the average number of training hours was 38.48 per woman and 33.29 per man.

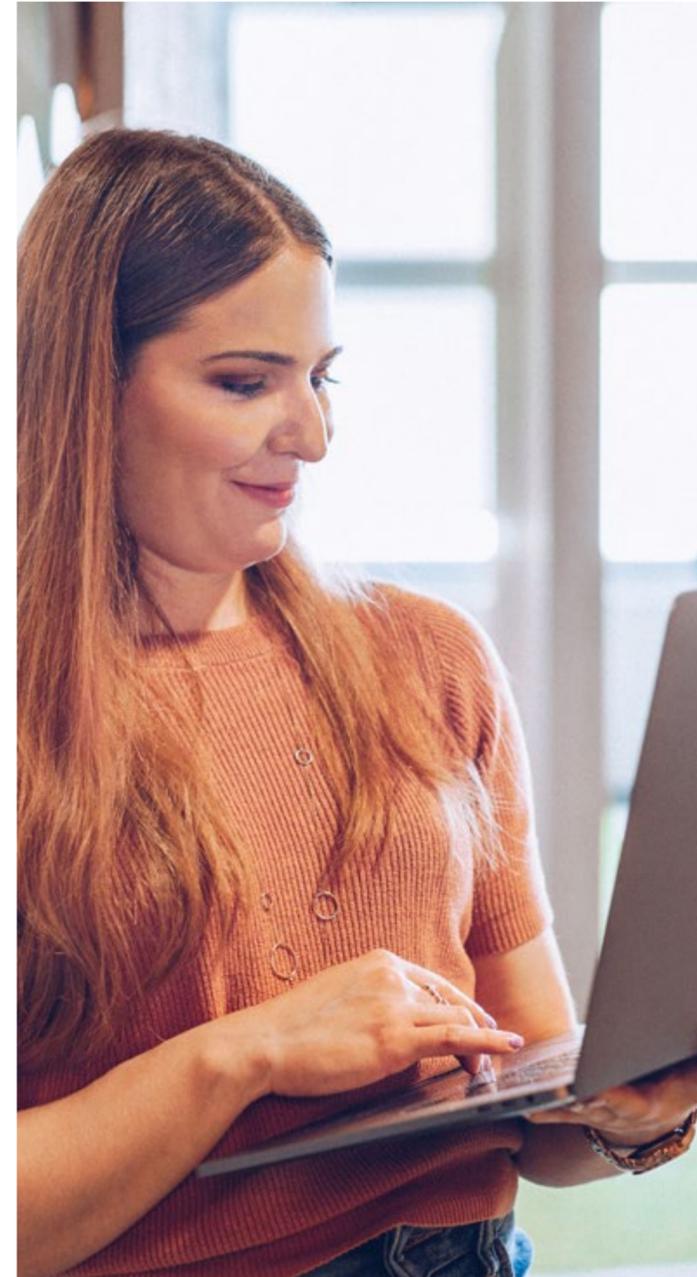
In 2022 in Polish Operations, female employees participated in a similar number of training courses as in the previous year, taking into consideration the increase in employment. 44.35% of Allegro employees in Polish Operations are women, and women constitute 46.71% of training participants.

The data presented covers only Allegro, Allegro Pay, Allegro Finance, and partially eBilet which has limited access to the MindUp platform and Ceneo which collect and manage training data in a separate place. Other companies do not have access to the platform where the data comes from.

<p>Raising the bar</p>	<p>Customer-focused</p>	<p>Agile</p>	<p>Curiosity, learning and growth</p>	<p>Contribution to others' success</p>	<p>Honesty and respect</p>
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The development activities for all employees, include:

- activities categorised into 3 groups: for (1) individual contributors, (2) leaders and team managers, (3) senior managers further broken down into activities dedicated to developing key competencies called Allegro Factors (e.g. Impact, Complexity Management, Communication)
- other development tools, e.g. mentoring, coaching, assessment and development centres and diagnostic tools such as Extended DISC or CliftonStrengths assessment
- short forms of learning, e.g. webinars, e-learning courses, articles
- workshops within business-specific development academies, e.g. Commerce Academy, CX Leader Academy, DEX Academy
- external events, including conferences, training sessions as well as studies, etc.,
- language classes
- onboarding program for new joiners to the organisation



Additionally, we run the JUICE project where we invite inspiring guest speakers, and Health Action - workshops and lectures about general well-being and healthy lifestyle.

Support for knowledge sharing and internal mobility

Allegro runs a mentoring programme and an internal mobility programme where employees temporarily change their team allocation and/or role for two weeks to three months. The main goals of this programme are:

- to support knowledge sharing between teams so that the visiting employees can learn about another area of activity and use this knowledge in their projects when they return to their teams
- to encourage longer-term internal mobility and retain talented employees. If an employee is considering changing jobs within Allegro, they can first check how they would fit into another project before they decide to change the team permanently
- to support changes in the business/organisational unit.

Support for degree programmes and certifications

An important element of professional development we offer is financial support provided by the Company to employees willing to study and gain professional qualifications at renowned universities and institutions, especially if aligned with the business needs. The purpose of these activities is to increase expertise base in specific functional areas, provide

access to the most up to date knowledge, where necessary fulfil legal obligations and support individual professional development of selected employees so they can contribute to our success. The most common certification programs include, but are not limited to: ACCA, globally renowned security certification, counsel legal training, internal auditors certification (CIA), Salesforce certification, etc. In 2022 our employees and leaders pursued postgraduate education, among others, at Stanford University, Warsaw University of Technology, University of Social Sciences and Humanities (SWPS), Koźmiński University, WSB Universities, Poznan University of Economics and Business, etc.

Managerial and leadership development activities

Allegro conducts development activities, programs and training courses, targeted at various managerial levels. These activities include:

- Leadership Programs:
 - for senior leaders - leading teams through transformation and digital disruption (4 editions, 38 participants in 2022)
 - for managers - high impact communication (2 editions, 17 participants in 2022)
 - for first-time leaders - moving smoothly through the transition to the leadership roles (6 editions, 88 participants)
- Coaching & Mentoring

- Training offer:
 - Working with engagement,
 - Continuous feedback,
 - Operational and personal efficiency,
 - Visionary Leader - seller of vision,
 - Stress enemy and friend - how to build the leader's emotional resistance,
 - Successful delegating,
 - Strengths based leadership.

The scope of these training programmes covers Allegro Factors: the impact on business, leadership, managing complex problems, communicating with clarity and positivity and well-being. The participants develop leadership skills: effective communication, communicating complex information, persuasive communication & motivating others to take action, responding to stressful situations & inspiring others to accept change.

A summary of managerial and leadership development activity in 2022:

- 506 unique individual team leaders and managers attended at least one dedicated training session or program, while total attendance in all sessions equated to 4173 participations
- 178 unique individual senior managers and directors attended at least one dedicated session or program, while total attendance in all sessions equated to 996 participations.

The following table presents data for Polish Operations, due to lack of data from the Mall segment. We are integrating our data collection systems. Data for the whole Group will be available in the coming years.

Table 16: Percentage of employees used to assess performance and career development ▼

All Trainings ¹⁰	Group	Polish Operations		
	2022	2022	2021	2020
Total number of training participants	27,886	27,468	4,107	5,247
% Women	47%	47%	45%	45%
% Men	53%	53%	55%	55%
Number of unique participants	4,131	3,713	1,726	1,416
% of employees who participated in at least one training course	67.3%	92%	55%	59%
# Women	N/A	1,608	726	638
# Men	N/A	2,106	1,000	778
Average hours of training per employee	N/A	36	6.2	8.2
Average hours of training per woman	N/A	38.5	6.4	9.4
Average hours of training per man	N/A	33.3	6.0	8.6

10 The data include active employees.

Allegro Tech Meeting (ATM)

For 15 years we have been organising a large internal technological conference - Allegro Tech Meeting. The aim of the conference is to create a space for sharing knowledge and exchanging best practices for all technology teams in the organisation. Originally, the conference was organised with Allegro employees in mind, however since 2021 we've made it available to the public. In 2022 over 1,800 people registered for the event and attended it through online and offline channels. The agenda included 60 presentations and lightning talks in 6 thematic blocks (Big Data & ML, Security & soft Skills, Software, Infrastructure & Cloud, Frontend & Mobile, PM & UX) and a total of 76 speakers were involved in their preparation

All rules and regulations regarding employee development are provided in the Work Regulations, Training Regulations and Terms of Participation in Employee Training Courses in effect at Allegro, Allegro Pay Sp. z o.o. and Allegro Finance Sp. z o.o.; Postgraduate Studies – Terms of Training Contracts.

Performance management

Performance Management is a process where the individual performance of each employee can be assessed consistently based on evidence-based feedback against business goals and demonstrated behaviours. Employees are assessed twice a year.

The promotion path is closely related to employee evaluation and is based on an objective assessment of the level of competencies and skills, based on a set of criteria that are especially relevant to us and reflected in Allegro Factors.

The following data concerning performance and career development reviews is presented only for Polish Operations, due to the lack of data for the Mall Segment. We are working on integration of our structures and data collection systems.

The statistics below does not include Employees on long-term sick leaves, maternity or parental leaves and Employees whose service length is shorter than 3 months.

Table 17: **Percentage of employees receiving regular performance and career development reviews¹¹** ▼

	Polish Operations		
Employee assessment ¹²	2022	2021	2020
% of employees assessed	95.7%	94.7%	93.9%
Women	95.5%	91.3%	86.4%
Men	95.9%	97.0%	99.3%
Experts and specialists	95,9%	95.3%	-
Women - experts and specialists	94.6%	92.2%	-
Men - experts and specialists	96.9%	97.1%	-
Managers	96,1%	96.0%	-
Women - managers	97.2%	92.0%	-
Men - managers	95.6%	97.7%	-



11 The data include active employees on contract of employment.
12 Excluding eBilet employees and employees on a trial period.

Remuneration and benefits

At Group, we strive to attract and retain the most talented people. We recruit the best candidates with great development potential. We offer our employees the opportunity to participate in large and complex projects, extensive development opportunities and a competitive remuneration package. We designed Group organisation and merged some functions across the region after acquisition of Mall Group and WE|DO. As a result we review pay policies and adjust reward tools accordingly. We have started a multi-year journey for alignment.

We are evaluating all job positions based on one of the leading market methodologies. We are using regular benchmarking and based on market data we are conducting the remuneration revisions regularly. We aim for our compensation to be competitive versus market practice. We incentivise employees by both, fixed components and variable parts - using cash bonuses as short-term incentives (STI) and stock-based long-term incentive programs (LTI) for specific short-term and long-term incentivisation. We offer an array of benefits, providing flexibility enabling employees to choose, but also covering basic standards.

Staff costs in Polish Operations increased by PLN 202.0 million, or 36.4%, from PLN 555.2 million for FY 2021 to PLN 757.2 million for FY 2022. This YoY increase resulted from growth in headcount in combination with faster growth in base salaries. Along with FY 2022 staff costs at the Mall segment

of PLN 258.6 million, net staff costs for the consolidated Group reached PLN 1,015.8m for FY 2022.

Company evaluation and remuneration audit

At the Group, we conduct an annual review process. An independent internal audit of positions evaluation was carried out in 2021. The Internal Audit observations regarding the: salary benchmarking calculation, a periodical review process and grading/valuation methodology training for all line managers were addressed as of Q3 2022.

The Group ensures the right to a minimum or living wage in line with national labour regulations. The remuneration of each employee of the Group is above the national minimum wage. The Remuneration Policy is part of the Remuneration Regulations.

Employee benefits

In addition to competitive pay, each person employed at Group has access to attractive benefits. In addition to the core benefits (eg., additional healthcare insurance option) we have decided to maintain the local perspective and adjust the benefits menu to local market standards. These can be adapted to individual preferences. We are constantly expanding the list of benefits offered to our teams under cafeterias.

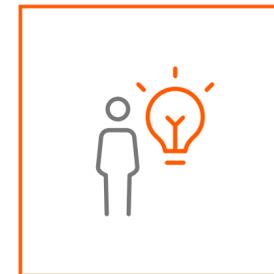
At Polish operations, Employees can choose the most attractive benefits using credit points awarded to them every month:



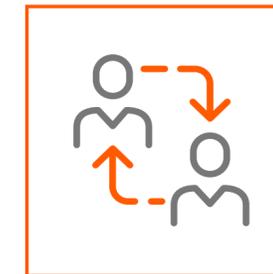
medical care for employees and their relatives



transport allowance or company parking space, season ticket for a bus or petrol



sports cards for employees and their children and possibly their plus ones



a restaurant card to use catering services in the offices or in nearby restaurants



co-financing kindergarten, nursery or childcare



shopping vouchers, cinema tickets and many more



In addition, our employees can take out life insurance at a preferential price not only for themselves but also for their spouse/partner and child.

The benefits that we offer to our employees also include Secret Santa coupons, gifts for Children’s Day and Christmas, Allegro Smart! vouchers, gadgets and gifts at company events, as well as fruit and vegetables delivered to the office.

Every year, we celebrate Children’s Day in all locations together with our employees and their children. The event includes many attractions such as art workshops, games with children’s entertainers, sweets, etc. In 2022, the event was held in all locations where Allegro has offices. Employees working in the warehouse and coworking spaces who could not attend the stationary event were given vouchers. Ceneo and eBilet employees also received vouchers and gifts.

Good Practice

The company’s “WOW” kindergarten and nursery for children of Allegro employees in Poznań has 80 places in three kindergarten groups and 30 in the nursery. The educational programme focuses on the comprehensive development of children, who participate in numerous music and movement activities (eurhythmics, dance, sport, music therapy), language (English) and art activities. The programme is further diversified with theatrical performances and creative workshops on healthy lifestyle, the environment, sustainable development and more.

Recruiting is one of the most important processes impacting Allegro’s ability to achieve business goals and it significantly shapes our culture. Being aware that the recruitment process drives the quality of people in Allegro we standardise the process among the Group ensuring a coherent and highly selective recruitment process in Allegro, Mall and WeDo. The recruitment process is supported by the so-called Hiring Squad, i.e. a group of specialists from various fields and at various levels of their careers, whose task is to make the final selection of the person who will be employed. Members of Hiring Squad ensure the objectivity of the recruitment process by a collective decision on hiring. The recruitment processes differ depending on the position but most of them include a standardised competency-based behavioral interviews, online assessment tools and/or adequate technology competency test.

We make the best effort to create a positive candidate experience during the recruitment process. We believe that by actively listening to our candidates’ needs and opinions we are becoming a more attractive employer. Regardless of the outcome, each person applying to work at Allegro receives feedback. We place particular emphasis on information provided to those whom we have decided not to hire. We point out gaps in their competencies and suggest educational materials that may help fill in those gaps, should the candidate decide to re-apply in the future (technology area). We measure candidates’ (74 in 2022) and hiring managers’ NPS (78 in 2022) and actively improve our processes and candidate experience thanks to the feedback.

One of the best incentives to take up a job in our organisation is the testimonials of people who already work for us. 82% of our employees would recommend Allegro as an excellent place to work (internal data).

New joiners

In 2022, 1,168 people took part in the two-day onboarding process, including 56 people returning after a long absence.

The following tables present data for Polish Operations, due to lack of data from the Mall segment. We are integrating our data collection systems. Data for the whole Group will be available in the coming years.





Table 18: New joiners ▼

New joiners	Group		Polish Operations					
	2022		2022		2021		2020	
Women	690	46.2%	45.19%	456	42.4%	506	42.3%	289
Men	802	53.8%	54.81%	553	57.6%	687	57.7%	394
Aged <30	724	48.5%	46.38%	468	54.7%	652	60.6%	414
Aged 31–50	741	49.7%	52.53%	530	44.4%	530	39.4%	220
Aged >50	27	1.8%	1.09%	11	0.9%	11	0%	0
Total	1,492	100%	100%	1,009	100%	1,193	100%	683

Polish Operations

Employee turnover rate	2022	2021	2020
Total	16.33%	14.2%	8.9%
Women	13.42%	13.5%	9.3%
Men	18.58%	14.7%	8.5%

Polish Operations

Average number of years of employment in the company	2022	2021	2020
Total	3.6	3.46	3.56
Women	3.45	3.23	3.40
Men	3.71	3.62	3.66

Employee engagement survey

We create a friendly workplace and regularly check the level of engagement of our employees which represents the levels of enthusiasm and connection employees have with the organisation.

Every year we conduct an engagement survey (from 2022 one bigger: BaZa and smaller: BaZa Pulse Check), which we treat as the basic source of information about our company as a workplace. By analysing the survey results, we can better understand what translates to employee engagement, as well as identify areas we should work on. The company tracks performance over time and implements the recommendation and conclusions.

The survey is confidential, and we benchmark the results against those of the best technology companies in the world. In 2022, we achieved an engagement score of 67% (BaZa) and 64% (BaZa pulse check), noting further drops as compared to 2020-2021 results. Main drivers of the downward trend relate to:

- rapid growth of the organisation in recent years and related need for more formalised processes and solutions,



adequate to our current size and structure but changing the ways of working

- disruption caused by external environment (war in Ukraine, macroeconomic conditions) and internal transitions (post-merger re-alignment and top leadership succession).

Identified root causes led us to creating an action plan, covering three main areas: vision and transparent communication, prioritisation and workload management, talent management and career development - all contributing to increasing certainty about our future, collectively and individually.

At the same time we kept high response rates - 92% for BaZa and 79% for BaZa Pulse Check, showing that our employees do care, remain involved and raise their voices to indicate areas for improvements most important to them. In the last Pulse Check 82% of the employees said they would recommend Allegro as a great place to work and 79% are proud to be working at Allegro. In 2022, the survey covered Polish Operations.

Engagement Survey - BaZa* for Polish Operations¹³

	2022	2021	2020
Engagement score	67%	74%	78%
Performance	83%	91%	89%
Teamwork & Ownership	85%	88%	88%
Learning & Development	78%	85%	85%
Collaboration & Communication	75%	86%	85%
Culture	87%	85%	85%
Management	81%	84%	83%
Alignment & Involvement	86%	79%	79%
Leadership	62%	74%	79%
Feedback & Recognition	76%	72%	75%
BaZa Action	48%	61%	64%
Diversity & Inclusion	85%	87%	n/a
Intra-communication	63%	n/a	n/a
Participation in the survey	92%	93%	94%

Engagement Survey results for Polish Operations

Mall Segment has been also conducting a regular monthly employee satisfaction survey, which allows the Management to better understand the employee engagement, eNPS and other areas affecting overall satisfaction, motivation and loyalty. For 2022, the Mall Segment achieved an engagement index of 76 (vs market benchmark for European companies of 82), while overall atmosphere was stable and reached the 70 index, close to the market benchmark of 76. The survey results are used by the managers to further work with teams and define action steps.

Employee health and safety

The health and safety of our employees at work is not a matter of discussion or compromise at Allegro. The company has an Occupational Health and Safety Policy in place, and strict compliance with its provisions prevents accidents and occupational diseases. We constantly monitor the working environment at all company levels and systematically update our occupational risk assessments. We also involve our employees in OHS-related activities. Safety management is the responsibility of the OHS Department.



* regarding Allegro, AllegroPay, Allegro Finance, Ceneo, eBilet

13 New Tech 2022 survey results: Engagement score: 74%, Leadership 84%, Feedback & Recognition 74%, BaZa Action 64%.



Health services functions include: review of the safety statement with risk assessment, periodic inspection and testing of work equipment, periodic investigation of chemical, physical and biological hazards in the work environment, training of employees for safe work, preparation of fire regulations and evacuation plans, pre-employment medical examination, regular monitoring of employees' health.

At Group, we provide OHS training to all employees, through online platforms or on-site, depending on the demand. We monitor work-related injuries and undertake corrective actions. There were no serious or fatal accidents in 2022, or in the two previous years. Minor accidents are mainly related to improper handling of loads.

The aim of the Occupational Safety and Health Policy is to ensure safe and ergonomic working conditions through:

- preventing accidents and occupational diseases
- regularly monitoring the working environment in close cooperation with the administration team
- regularly updating occupational risk assessments
- engaging employees in OHS-related activities, and
- raising awareness of health and ergonomics.

The Group has been monitoring the effects of the Occupational Health and Safety Policy and the number of work accidents. In 2022, only four minor accidents were recorded In 2022,

only four minor accidents were recorded in Polish Operations and 14 in Mall Segments.

The company has updated Health and Safety Instructions (Instrukcje BHP) and the Training Procedure (Procedura Szkoleniowa), as well as the Accident Procedure for both commuting-related and workplace situations. Hybrid work gave the need to adapt the occupational risk assessment to the current situation. We have updated this document with additional points about the home office environment. Occupational risk assessment consists of a detailed identification and analysis of threats to which employees are exposed, depending on their position. It enables us to verify whether sufficient measures have been introduced to reduce or eliminate threats and to determine what still needs to be done. All employees will be acquainted with the new regulations at the beginning of 2023.

There is a special alias and a dedicated channel on the company messenger for communication with the OHS

department. Our offices and warehouses have been designed to be comfortable and safe, and safety procedures allow us to eliminate situations that may pose a threat to the health of our employees. As part of past acquisitions, we took over depots in Poland and abroad that we gradually adapt to Allegro standards. Health & Safety regularly audits all offices, warehouses and depots. As part of the takeover of the Mall/ WeDo group, a program is being conducted to standardise procedures and equalise the level of occupational health and safety in all offices and depots, while maintaining the specificity of local regulations.

Allegro complies with all regulations that concern OHS training. Each new employee undergoes mandatory initial OHS training during their induction period. In accordance with current regulations, we also conduct periodic safety training for selected types of positions. Participation in such training is mandatory, and failing to complete it may result in exclusion from work.

Table 20 ▼

Number of accidents	Group	Polish Operations		
	2022	2022	2021	2020
Minor accidents	18*	4	2	1
Serious accidents	0	0	0	0
Fatal accidents	0	0	0	0

*including 14 from Mall Segment

Employee representation

Incidents within the Group are significantly higher than in the Polish Operations due to the larger scale of warehousing and logistics activities in Mall Group and WE|DO than in the Polish Operations.

We help Allegro employees maintain physical fitness. The Health Action (Akcja Zdrowie), which Allegro has been running for many years, is a series of workshops, consultations and webinars promoting general well-being and a healthy lifestyle. In 2022, The Health Action events were focused on in-person activities, exercises and physiotherapy; it also included webinars and online exercises. Employees received access to the Mindgram platform supporting their mental health and self-development. We have conducted workshops and individual deep interviews with employees representing different backgrounds as a beginning of building a wellbeing strategy for the Group. We have invited our employees to participate in a voluntary preventive flu vaccination. We have trained First Aid Team members to provide first aid. The Health and Safety Team organised in cooperation with the CSR Team, 'spin kilometre' action which promoted physical activity.

In response to the war in Ukraine Allegro launched various means to support our employees. The Health and Safety team invited every employee that needed mental support to use crisis psychological support in Polish, Ukrainian, Russian and English.

Allegro employees are not covered by collective bargaining agreements, and Employee Representation (Reprezentacja Pracowników) is the lawfully elected employee representative body in Poland.

The company does not provide any pension plans other than those required by local labour law. Read more about the Human Rights Policy in the Human Rights Compliance section.

Allegro shareholder culture

As part of the IPO, the Group introduced the **Allegro Incentive Plan (AIP)**, a long-term incentive programme based on Allegro.eu shares, enabling employees to become co-owners of the business. This is a unique programme in CEE in terms of the scale and scope of the shares made available to employees.

We use shares to motivate and reward current and future employees in key management positions, product managers and experts. The status of a public company enables Allegro to use shares to build long-term employee involvement in the company's development. The programme was launched in April 2021.

Engaging employees

One of the priorities in the integration of Allegro.eu Group and Mall Group was to establish a common employer branding strategy based on employees engagement and employees advocacy approach. Elaborating and implementing a new Employer Value Proposition (EVP) was a starting point for all internal and external employer branding activities. EVP is combining **five key messages** in to a joint manifesto:

- #1 Take initiative
- #2 Open your mind
- #3 Be a pro team player
- #4 Create engineering culture
- #5 Be proud

We're Allegro,

For us, creating the future of e-commerce and technology is a journey with many destinations. A journey we're going to take together. A journey full of exciting challenges. A journey in which rather than following our hearts, we will listen to our common heartbeat and set the direction through the most unexpected paths. We'll do it with the people we believe in. The people who have a desire to improve. The people that have space to do their thing, make data-driven decisions, develop themselves, and have a real impact on our journey. A journey that will make us blaze the trail by doing pioneering projects affecting millions of people. That's something to be proud of, so that's what we are.

#goodtobehere

EVP was incorporated in number of employees engagement and employees advocacy initiatives:

- **Internal communication of key People and Culture processes** with the goal of delivering messages to employees about business, policies and procedures but also integration, new organisation excitement building, creating a sense of influence and boosting our brand as an employer.
- **#AllegroLife program** - internal community of social media ambassadors enabling us to showcase our organisational culture, present experts and reach a greater number of potential job candidates through a dedicated platform. In 2022 around **180 ambassadors shared 5,183 publications reaching 13,554,997 users**.
- **THANKSgiving** - celebration with all year summary of employees involvement in employer branding activities like conducting workshops on universities, running Allegro Tech Lives, job fairs or hackathons. Throughout the year **more than 250 employees** helped us to build our image as a desirable employee inside and outside of the organisation.
- **Podcasts** - series of tech and business podcasts with employees about projects, challenges, successes, behind-the-scenes of work at Allegro and reasons why it's #goodtobehere. **24 episodes** published in 2022 reached an estimated number of **36,000 listeners**.
- **Allegro Tech community** designed to help employees and potential candidates from technology and data areas to

increase digital qualifications and skills by knowledge and best practices sharing. Activities prepared and conducted by experienced employees reached tens of thousands people helping company to establish effective tech talent pipeline, e.g.:

- **Allegro Tech Meeting** - 1800 employees participating in 60 presentations and Lighting Talks by 76 speakers (colleagues from the company)
- **Allegro Tech Blog** - 20 articles and 180,497 unique views
- **Allegro Tech Open Source** - 117 projects on GitHub
- **Tech Events** - 90 external events supported by Allegro, 10 Allegro Tech Live meetings, 2 external conferences (UX Research Confetti and Running .NET in Azure)
- **Employees speeches** - 212 speakers on external events, 101 people promoting work at Allegro at promotional stands (online & offline)
- **Hackathons and internal conferences** - Testing hackathon, accessibility hackathon, Machine Learning hackathon, Hacktoberfest or Mobile Dev Days
- **e-Xperience program** - started back in 2015 internship program helped us to hire **84** people last year with almost **half of them staying with us after the program** as employees.
- **University cooperation** within which our employees participated in expert lectures, workshops and meetings with the students. We collaborated with Career Offices, Students Council and Science Clubs in Poland as well as in Europe.

Impact of the war in Ukraine

The Group has taken actions to support our Ukrainian employees in the time of war. All of our employees who are Ukrainian citizens, including contractors and couriers employed on B2B and cooperating persons received an additional 7 days of paid leave to take care of their families, an additional allowance in the amount of PLN 2,500, and access to free legal advice and psychological support. We stay in touch with all employees and try to help if we can, e.g. organising a collection of dressing and sanitary materials for the families of our employees from One Courier (previously XPC).

Employees of all nationalities were invited to a series of training courses and webinars for all employees and contractors, on how to deal with the current conflict situation (how you deal with emotions, how to talk to children, how to support a team, etc.) We provided psychological help in Polish, Ukrainian and English for employees and relatives as well as legal assistance provided in the following languages: Ukrainian, Russian and Polish.

More about engagement: please see the Allegro for Ukraine in ESG management and Social and charity engagement part.



Diversity and inclusion

Key data & results on diversity & inclusion

85%

of employees perceive Allegro as a workplace where everyone is respected regardless of gender, age or any other dimension of diversity (according to the BaZa 2022 Annual Engagement Survey for Polish Operations).

At Allegro, we are committed to equality, diversity and inclusion (DEI) and promote these values in organisational practices. We embrace a culture where everyone, regardless of their personal identity and characteristics, can develop, grow and contribute to Allegro's success. We recognise differences as well as similarities, which help us to achieve competitive advantage



and create an inspiring workplace. We treat everyone with dignity and respect and expect everyone employed by Allegro to embrace and commit to these values. An effective diversity management and non-discrimination policy are an important area of responsibility due to not only the number of employees we have, but also the significance of DEI to our stakeholders.

Diversity & inclusion policy

Our diversity policy defines good practices and processes conducive to the creation of a diverse and creative workplace. We provide opportunities for learning about diversity and inclusion and develop positive working relations between employees by offering training that define expected standards of behaviours and conduct (e.g. anti-harassment and anti-discrimination training).

Programmes to increase workforce diversity

Allegro believes in the power of diversity that brings people together, fosters innovation and creativity and helps everyone grow. We achieve this by:

- adoption of a non-discrimination and anti-bullying policy, implementation of Diversity Policy and Stay Fair approach that enables reporting of any inappropriate conduct and irregularities,
- a programme of DEI webinars and training, which help build inclusive and diverse working environment,
- minimising the risk of biased behaviours in HR recruitment, promotion, pay review processes by underlining the importance of knowledge and competencies in our processes. Our processes

are based on objective and substantive criteria to provide equitable experience to all candidates and employees, regardless of gender, ethnic origin, beliefs, or other criteria,

- considering diversity when selecting members of the Board,
- developing Internal Mobility initiatives to support development and growth of our employees within Allegro,
- developing initiatives to encourage more women choosing careers in technology,
- supporting initiatives related to diversity and inclusion, such as: DareIT, Hackathon Accessibility, Poznań Mentoring Walk,
- monitoring the impact of activities and reporting on their outputs.

We continue to build on the core company DEI principles, implemented and communicated to all employees in 2022:

- Merit and competency based decisions (merit based processes) with the proactive actions to minimise unconscious bias in the decision process.
- Diverse working environment that accepts various ideas and encourage innovative and creative solutions
- Inclusive and diverse workforce that corresponds with our target customer base so that our products/services reflect the broad range of perspectives.
- Balanced organisation in terms of gender representation especially in leadership positions.

Diversity & inclusion Champions

D&I Champions is a group of employees who support Allegro in building an inclusive work environment by listening to employees' voices and feeding back to the group; equally they communicate the progress of DEI activities. D&I Champions provide recommendations and advice on programmes, activities, approaches and strategies to continuously develop Allegro's DEI agenda.

In 2022 Allegro D&I Champions were meeting regularly to discuss DEI priorities, initiatives, approaches and strategies to enhance organisational understanding of diversity and inclusion and embed DEI principles in Allegro's practices.

We continue to grow our DEI educational programme with tailored webinars and workshops where employees not only can share their thoughts and ideas but also learn from the experiences of their colleagues.

- In the summer of 2022 we piloted the Neurodiversity Programme, which met with positive response from our employees. Feedback received from evaluation will support further development of this workshop in order to roll it out across the organisation.
- We continue to address the gender pay gap and implement initiatives that will help us gradually narrow the gap.

Anti-Discrimination, Anti-bullying policies and Whistleblowing Procedure

We create an inclusive work environment, free from discrimination, harassment and prejudice, one that fosters equitable treatment and supports development of everyone. Through our Anti-Discrimination, Anti-bullying policies and Whistleblowing Procedure (implemented in 2016) we promote Allegro's values and expected behaviours underpinned by dignity, respect and principles of ethics. All employees become familiar with those principles as part of the onboarding process and through regular training.



Table 21 ▼

	Group	Polish Operations		
	2022	2022	2021	2020
Employee participation in Anti-discrimination and Anti-bullying Policy training sessions				
Training sessions (annual online workshop for all employees and contractors)	0 ¹⁴	0	73%	88.8%
Onboarding training sessions (monthly training session for all joiners – new employees and contractors)	100%	100%	100%	100%

	Group	Polish Operations		
	2022	2022	2021	2020
Anti-discrimination and Anti-bullying Policy				
Reported cases of discrimination and bullying	5	4	2	5

All reports regarding suspected discrimination and harassment have been thoroughly verified, and if deemed appropriate, were referred to the Ethics Committee. One allegation was confirmed and appropriate steps and penalties have been taken against the person committing irregularities. After the allegations were verified, several improvements were recommended and introduced.

The company supports a confidential reporting channel and whistleblowing system – read more in the Business ethics, Anti-corruption and Anti-bribery Policy and Human Rights Compliance sections. Allegro also provides managers, employees and contractors with training on the handling of reports or instances of bullying or harassment.

¹⁴ Due to the new Law on protection of whistleblowers which should be in force from 17.12.2021 we postponed the training to present new rules, systems etc. but the Polish government postponed the local legislation. The training will take place in April 2023.

Diversity indicators

Table 22 ▼

Some diversity indicators are presented separately for Polish Operations and Group operating in other countries, as the employment structure differs between the entities, making data consolidation impossible. The company does not disclose ethnic minority information about its employees because we do not collect such data as there is no legal basis for us to do so.



Board members	Group					
	2022		2021		2020	
Board members – women	2	22%	2	25%	2	25%
Board members – men	7	78%	6	75%	6	75%
Board members aged <30	0	0%	0	0%	0	0%
Board members aged 31–50	2	22%	3	37,5%	4	50%
Board members aged >50	7	78%	5	62,5%	4	50%

Employees	Group		Polish Operations					
	2022		2022		2021		2020	
Women - total	45.4%	2,687	44.4%	1,798	40.8%	1,416	41.8%	1,133
Men - total	55.6%	3,233	55.7%	2,256	59.2%	2,056	58.2%	1,576
Women in senior management roles	30.9%	280	31.4%	239	28.6%	191	28.2%	122
Men in senior management roles	69.1%	627	68.6%	522	71.4%	477	71.8%	310
Women in executive management roles (Executive Team)	22.0%	2	20.0%	2	20.0%	2	10.0%	1
Men in executive management roles (Executive Team)	80.0%	8	80.0%	8	80.0%	8	90.0%	9

	Group		Polish Operations		
	2022		2022	2021	2020
All employees					
Women	2,687	45.4%	1,798	44.4%	40.8%
Men	3,233	54.6%	2,256	55.7%	58.2%
New joiners – women	690	46.2%	456	45.2%	42.2%
New joiners – men	802	53.8%	553	54.8%	57.8%
% of employees with disabilities	59	1%	41	1.0%	0.7%
% of employees with disabilities – women	32	0.5%	22	0.5%	0.4%
% of employees with disabilities – men	27	0.5%	19	0.5%	0.3%
Aged <30	1,951	33.0%	1,292	31.9%	40.2%
Aged 30–50	3,813	64.4%	2,709	66.8%	58.8%
Aged >50	156	2.6%	53	1.3%	0.8%
Aged <30 – women	885	32.9%	579	32.2%	42.2%
Aged 30–50 – women	1,735	64.6%	1,207	67.1%	57.2%
Aged >50 – women	67	2.5%	12	0.7%	0.6%
Aged <30 – men	1,066	33.0%	713	31.6%	38.8%
Aged 30–50 – men	2,078	64.3%	1,502	66.6%	59.8%
Aged >50 – men	89	2.8%	41	1.8%	1.1%



Polish Operations

All employees	2022	2021	2020
% of foreign employees	56	1.4%	0.9%
% of foreign employees – women	18	0.4%	0.3%
% of foreign employees – men	38	0.9%	0.8%

Polish Operations

Managers	2022	2021	2020
Women	31.4%	28.6%	28.0%
Men	68.6%	71.4%	72.0%
Aged <30	7.2%	11.8%	8.7%
Aged 30–50	90.3%	86.4%	89.3%
Aged >50	2.5%	1.8%	2.0%
Aged <30 – women	9.6%	11.5%	8.8%
Aged 30–50 – women	89.1%	87.5%	91.2%
Aged >50 – women	1.3%	1.0%	0.0%
Aged <30 – men	6.1%	11.9%	8.7%
Aged 30–50 – men	90.8%	86.0%	88.5%
Aged >50 – men	3.1%	2.1%	2.8%



Polish Operations

Experts and specialists	2022	2021	2020
Women	41.9%	36.5%	37.5%
Men	58.1%	63.5%	62.5%
Aged <30	30.3%	39.8%	37.5%
Aged 30–50	69.0%	59.8%	62.3%
Aged >50	0.7%	0.4%	0.2%
Aged <30 – women	24.5%	34.4%	33.6%
Aged 30–50 – women	75.2%	65.3%	66.4%
Aged >50 – women	0.3%	0.3%	0.0%
Aged <30 – men	34.6%	42.8%	39.8%
Aged 30–50 – men	64.4%	56.6%	59.8%
Aged >50 – men	1.0%	0.6%	0.4%

Gender equality

There are a number of factors influencing gender equality including access to employment and/or specific roles, representation of genders across the organisation (sectoral challenges), fairness in policies and procedures with regards to pay, promotion, performance evaluation. We have undertaken a number of steps to address gender inequalities some of which have led to measurable outcomes such as gender pay gap narrowing, steady increase in the representation of women in managerial roles and traditionally male-dominated areas e.g. Tech. Our gender equality action plan involves the following activities:

- more gender-balanced recruitment of external candidates to technology functions, as well as for management positions (both via internal and external recruitment processes)
- ensuring that an objective, fact-based and evidence-based process for evaluating performance and promotions is followed and results in changes in remuneration
- joining external organisations promoting diversity and integration, as well as supporting social dialogue as a significant technology employer in Poland
- continuous education and building the commitment of Allegro employees to diversity, raising awareness and ensuring strong support throughout the organisation.

Differences in pay between men and women

In 2022, the company noted some improvements in the overall balance between average women’s and men’s remuneration. The data presented below relate only to employees on employment contracts.

Polish Operations of the Group have already met the 5% target for gender pay gap indicated in the Pay Transparency directive¹⁵. We monitor gender representation of our workforce and representation of women in leadership and senior leadership positions, we conduct annual pay review and create opportunities for women to meet informally, discuss and share their professional experiences and stories.

Please note the following data is presented only for Polish Operations, as the employment structure, career level and given business area differs between the entities, making data consolidation impossible. Group will prepare the following data for 2023.

15 Directive of the European Parliament and of the Council to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms negotiations of which have been completed. The act will be adopted in 2023.



Differences in pay between men and women at Allegro ▼

Polish Operations

Differences in pay between men and women ¹⁶	2022	2021	2020
Women's remuneration against average remuneration	97.3%	96.7%	95.2%
Men's remuneration against average remuneration	101.8%	102.1%	102.7%
Women's remuneration against men's (men=100%)	95.1%	94.3%	91.9%

Polish Operations

Managers' remuneration ¹⁷	2022	2021	2020
Women managers' remuneration against average managers' remuneration	94.6%	92.8%	93.3%
Men managers' remuneration against average managers' remuneration	101.9%	102.7%	102.1%
Women managers' remuneration against men managers' (men=100%)	92.2%	90.1%	90.8%

16 Weighted average for group size at each level of the corporate structure and in a given business area

17 Weighted average for group size at each level of the corporate structure and in a given business area

Expert & specialist remuneration ¹⁸	Polish Operations		
	2022	2021	2020
Women expert & specialist remuneration against average expert & specialist remuneration	97.5%	96.2%	93.3%
Men expert & specialist remuneration against average expert & specialist remuneration	101.9%	102.4%	102.9%
Women expert & specialist remuneration against men expert & specialist remuneration (men=100%)	95.4%	93.8%	90.1%

Number of employees who returned to work after parental leave	Group*	Polish Operations		
	2022	2022	2021	2020
Employees who took parental leave	132	103	84	79
Employees who returned to work after parental leave	99	87	99	60
Employees who returned to work after parental leave in the previous year and continued to be employed for 12 months after the return	81	70	52	58
Employees who went on parental leave – women	121	100	77	74
Employees who returned to work after parental leave – women	88	84	90	55
Employees who returned to work after parental leave in the previous year and continued to be employed for 12 months after the return – women	68	65	48	52
Employees who took parental leave – men	11	3	7	5
Employees who returned to work after parental leave – men	11	3	9	5
Employees who returned to work after parental leave in the previous year and continued to be employed for 12 months after the return – men	13	5	4	6

In 2022, 77.8% of employees who returned to work after parental leave in the previous year continued to be employed for 12 months after their return (76.5% for women and 55.5% for men).

Diversity & inclusion initiatives

Allegro has been supporting initiatives promoting diversity and openness for years. In the years 2018-2022, representatives of the company took part in a number of events on this subject. In 2022, these included: Women In Tech Summit conference and cooperation with Her Impact - a technological platform that develops, inspires and supports women on the labour market in virtually every position. As part of the cooperation, we recorded a series of women's shortcasts in which 4 experts from Allegro talked about their professional path, challenges they face in everyday work and advice that can help women at the beginning of their careers.

Allegro among Diversity Leaders

Allegro has been recognised in the fourth edition of the Financial Times & Statista Diversity Leaders special report as the highest ranked company from Poland and came in first in the retail category as such.

¹⁸ Weighted average for group size at each level of the corporate structure and in a given business area

* Data for Allegro, Ceneo, eBilet, Opennet and Mimovrste

What's more, Allegro was 6th in the general ranking among 850 companies from 16 countries. This is a huge recognition for Allegro, especially that the study is based on recommendations collected through an independent survey among a vast sample of more than 100,000 employees.

The Diversity Leaders have been identified from among corporations from all industry sectors employing at least 250 people in the following countries: Austria,

Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Poland, Spain, Sweden, Switzerland and the United Kingdom. Additionally, companies had to be publicly committed to diversity in order to be considered for the top-list. The 850 companies receiving the highest total scores were awarded as the Diversity Leaders 2023.

The report is published on the Financial Times website and in its print version. [More](#)

Diversity Charter

In 2021, Allegro signed the Diversity Charter in Poland. The Diversity Charter is an international initiative coordinated by the Responsible Business Forum to promote the policy of equal treatment and diversity management in the workplace.

The Diversity Charter is an international project under the initiative of the European Commission, implemented in almost all European Union countries. Its goal is to promote and popularise the policy of equal treatment, inclusion and diversity management in the workplace. The Polish Diversity Charter is part of the European Diversity Charter Platform at the Directorate General for Justice of the European Commission, which makes it possible for the Signatories to meet regularly, draw from knowledge and experience, and get

to know the good practices of companies from all countries where Diversity Charters are in place.

The charter is a commitment signed by organisations that undertake to ban discrimination in the workplace and introduce initiatives aimed at introducing and promoting diversity and expresses the company's readiness to engage all employees as well as business and social partners in these activities. Organisations that decide to implement this tool support social cohesion and equality.

Signing the Diversity Charter means:

- Joining the international group of organisations under the patronage of the European Commission Diversity Charter Platform
- Underlining the employer's openness and respect towards diverse employees, strengthening the diversity dialogue inside and outside the organisation
- Joining the group of organisations which are leaders in diversity management in Poland
- Becoming involved in setting trends in diversity management and the equal opportunities policy
- Building the image of an organisation that is responsible and committed to equal treatment in the workplace
- Broad inter-sectoral cooperation opportunities (business, public administration, NGOs)
- Putting the language of the Charter into real actions
- Committing to review own policies – Diversity Charter indicators enable the superior monitoring of diversity management at the operational level, as well as auditing and monitoring activities in this area.

Partnership with Her Impact

Last year as part of cooperation with the HerImpact team, we recorded a series of women's shortcasts in which four experts from Allegro talked about their professional path, challenges they face in their daily work and advice that can help women who are at the beginning of their careers. Her Impact is a technology platform that develops, inspires and supports women in the labour market in various positions.

Other initiatives

Moreover, Allegro is engaged in the Gender Pay Gap Group of Business & Human Rights Programm UN Global Compact Network Poland, as well as, Kongres Kobiet (Womens Congress) aimed to discuss and promote the best practise for reducing the gender pay gap.

Compliance with the principles of the UN Global Compact

We comply with the principles of the UN Global Compact initiative and the Guidelines of the Organisation for Economic Cooperation and Development for Multinational Enterprises. In 2022, no actions violating these regulations were identified.



Communication with employees

At Allegro we focus on transparent and regular communication with our employees. In 2022 we strengthened the Internal Communication team (which is a part of the PR structure) to secure better quality of communication with employees.

After a merger of Allegro with Mall Group and WEIDO (April 2022), we coordinate a joint international communication. Most of our communication is in various languages (e.g. English, Polish, Czech) to ensure a good understanding. We use and develop many channels as well as tools of communication with employees to keep them well-informed. Once a month we organise "Let's Talk" - a meeting of Top Management dedicated to all our employees, always providing a business update and time for a Q&A session. We publish a newsletter with integration news among all our employees. Every important message is shared via email by the CEO or other Executive team members.

We use our Intranet, social media platform and corporate communicator for day-to-day communication, securing consistent messages in all our channels. We provide a 'Q&A channel' where employees can ask any question about the company's strategy and employee matters, and get an answer from business owners, including Executive Team members.



We have also developed channels to communicate with specific employee segments - especially People Leaders from all managerial levels. We consider this group critical for transparent, dialogue-based internal communication. We organise monthly webinars and regular information flow via dedicated email aliases and slack channel. This initiative helps to foster a community of engaged leaders and embed desired collaboration culture.

Senior leaders and Executive Team Members are in charge of cascaded communication in their respective business areas, supported by a group of HR Business Partners in case of People and Culture communication.

Employee volunteering programme

Allegro supports employee volunteering.

1,159

In 2022 1,159 employees engaged in volunteering.

They participated both in well-known nationwide initiatives such as The Noble Gift initiative (Szlachetna Paczka) but also in numerous local charitable and educational activities. In 2022, volunteers from Allegro organised mentoring for students, supporting their community projects under Mam Swoje Alle, an educational project developed in partnership with Fundacja Zwolnieni z Teorii. The Company also announced a third edition of the grant programme #pomagamy_bo_umiemy (#we help because we can) implemented by the Allegro Foundation.

Allegro introduced the day off for employee volunteering on 1. August 2022. During the first 5 months of this program (until December 2022) 272 employees engaged in various social activities (total of 2,176 hours). Our employees engaged in various social activities such as organising classes for scouts, planting plants with ecological foundations, tidying up animal shelters, helping refugees, preparing gifts for disadvantaged families, organising activities for educational facilities, or sorting food for people in need in food banks.



Volunteers from Mall Segment, as every year, helped to brighten up the Christmas holidays for those in need.

In 2022 was the third edition of sMALL Baby Jesus Project (MALLí Ježíšek). It is the company's own initiative, but in cooperation with the Nadace Krása (Beauty of Help) foundation, which aims to support seniors to stay at home, even though they have no one to take care of them, so they don't have to move to a retirement home. In the letters to the foundation, written before Christmas, elderly people ask for really basic things: small kitchen equipment, such as cutlery or a microwave oven, some bathroom accessories, but also for food. There is something else volunteers from Mall give them beyond objects: attention and presence. They are usually affected by great loneliness and when someone visits them, talks to them, it is also a real gift to them.



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GRI Standards	[GRI 2-6][GRI 2-9] [GRI 2-11] [GRI 2-17] [GRI 2-23][GRI 2-24][GRI 2-25] [GRI 2-26] [GRI 2-28] [GRI 2-29][GRI 2-30][GRI 3-3] [GRI 205-1][GRI 205-2][GRI 205-3][GRI 308-1] [GRI 418-1] [GRI 414-1]	KPI	
UN Global Compact	[UNGC 1] [UNGC 2] [UNGC 3] [UNGC 4] [UNGC 5] [UNGC 6] [UNGC 7] [UNGC 8] [UNGC 9] [UNGC 10]	SFDR	[SFDR 11]
GPW / EBOR	[GPW G-P1][GPW G-P2] [GPW G-P4][GPW G-P3][GPW G-S1][GPW S-P4][GPW S-P6] [GPW S-P5]	TCFD	[TCFD Risk B][TCDF Risk C]

Corporate governance

Transparency, procedures and the structure

Allegro, as a company operating under the law of Luxembourg, has a one-tier management system in which the Board of Directors includes both Executive Directors (dealing with the day-to-day management) and Non-executive (Supervising) Directors, as opposed to Polish or Czech based listed companies, which have both the management and the supervisory board.

As of 2022 year end, the Board of Directors had nine members, of which three were considered independent. The Board of Directors is vested in the broadest powers to manage the business of the Company and to authorise and/or to perform all acts of administration necessary or useful to implementing the Company's corporate purpose as described in the Articles of Association, except for matters expressly reserved by laws or the Articles of Association to the General Meeting of Shareholders. The Board of Directors has a number of responsibilities, which include approving the Group's annual

budget, overseeing significant acquisitions and disposals, and managing the Group's financial statements.

The Board of Directors meets when required by the Company's business, but at least once per quarter. Its meetings are only valid if a majority of the directors are present or represented. The resolutions of the Board of Directors are passed by a

simple majority of the votes of the voting Directors present or represented, not considering abstentions. The Board of Directors held 7 meetings in 2022.

The table below sets out the name, age, position, year of appointment and the year in which the current term expires for each of the Directors of the Company.

Name	Age	Year appointed for the current term to the Board of Directors	Year term expires	Resigned on	Representing
Darren Huston	58	2020	2026	-	Non-Executive Chairman
Roy Perticucci	60	2022	2028	-	Executive Director, CEO
Jonathan Eastick	56	2020	2026	-	Executive Director, CFO
David Barker	55	2020	2026	-	Non-Executive Director, Cinven
Richard Sanders	51	2020	2026	-	Non-Executive Director, Permira
Paweł Padusiński	46	2020	2026	-	Non-Executive Director, Mid Europa Partners
Nancy Cruickshank	52	2020	2026	-	Independent Non-Executive Director
Carla Smits-Nusteling	57	2020	2026	-	Independent Non-Executive Director
Pedro Arnt	50	2022	2028	-	Independent Non-Executive Director
François Nuyts	50	2020	-	31 August 2022	Former Executive Director, CEO

Board Committees

The Group has the following committees: (i) an audit committee (the “**Audit Committee**”) and (ii) a remuneration and nomination committee (the “**Remuneration and Nomination Committee**”). The committees are described in the Financial Report.

Audit Committee

The duties of the Audit Committee include reviewing: the integrity of financial information reported externally; the effectiveness of internal control and risk management systems; and the independence, objectivity, remuneration and scope of work of the Group’s external and internal auditors. In particular, its tasks and responsibilities include:

- review and approval of the annual audit plan and setting direction for the audit plans for a period of several years,
- discussion of the audit reports with the internal and external auditors as well as with the management, and the monitoring of their implementation,

- the assessment of the performance of the internal and external auditors as well as their cooperation with one another,
- support of the Company’s Board in the nomination of the external auditors to be proposed to
- the shareholders’ meeting for election, particularly with respect to the auditors’ independence from the Group, their qualifications and the share of non-audit fees in their total remuneration,
- checking the independence of the internal audit department from the Group and the units to be audited as well as the approval of the guidelines for the work of the internal audit department,
- the assessment of the consolidated financial statements, the statutory financial statements and the management report of the Company as well as the decision whether they can be recommended to the Company’s Board for submission to the shareholders’ meeting,
- discussion and assessment of ESG and Sustainability reporting going forward,
- the periodical assessment of the internal control system,
- the periodical review of the adequacy and security of the Groups whistleblowing, fraud detection and anti-bribery procedures.

The Audit Committee consisted of David Barker, Nancy Cruickshank (until 21.09.2022), Pedro Arnt (from 22.06.2022) and Carla Smits-Nusteling (who serves as chairperson of the Audit Committee).

Summary of Audit Committee activities in 2022

In 2022 the Audit Committee held 6 meetings held in February, March, May, June, September and November. Key focus areas and discussion points of the Committee were:

- discussion and approval of quarterly, half-yearly and annual investor reporting packages,
- risk management, compliance, ethics, fraud & cybersecurity,
- deep dives on specific focus areas:
 - compliance,
 - whistleblower, anti-fraud & anti-bribery,
 - internal audit,

- risk management,
- liquidity & treasury,
- tax, and
- estimates and judgments prior to the annual closing.
- formalisation of the Internal Controls over Financial Reporting (ICFR) framework,
- past audits’ remediation reporting and monitoring (establishing framework & quarterly updates)
- annual audit plan of the external auditor and the internal audit function,
- performance of the external and internal auditors and (re) appointment of the external auditor for the Group and specific Material Components, as applicable,
- annual assessment of the Audit Committee and the annual report of the Committee to the Board.



Remuneration and Nomination Committee

The tasks of the Remuneration and Nomination Committee consist of (i) the preparation and periodical review of the Group's compensation policy and principles and the performance criteria related to compensation and the periodical review of their implementation as well as the submission of proposals and recommendations to the Company's Board and (ii) the preparation of all relevant decisions of the Company's Board in relation to the nomination of the members of the Company's Board as well as submission of proposals and recommendations to the Company's Board. The Company's Board may delegate further powers and duties to the

Remuneration and Nomination Committee. The chief executive officer and/or the chief financial officer of the Company or any member of the Company's Board may be invited as an observer from time to time to meetings of the Remuneration and Nomination Committee.

The Remuneration and Nomination Committee consists of Nancy Cruickshank, Darren Huston and Carla Smits-Nusteling. In 2022 Darren Huston served as the chairperson of the Remuneration and Nomination Committee until June 22, 2022 when he resigned from the role and Nancy Cruickshank was appointed as Chairperson.



Summary of Remuneration and Nomination Committee activities in 2022

In 2022 the Remuneration and Nomination Committee held 6 meetings in total, on 28 February, 28 March, 8 April, 28 June, 21 September and 28 November. Key focus areas and discussion points of the Committee were:

- review and approval of 2021 annual bonus pool and bonus payout recommendations for Board Members and key managers of Allegro and Ceneo.pl,
- review and approval of 2022 remuneration of Allegro.eu Directors and Allegro/Ceneo.pl Board Members and key managers as well as of Allegro Incentive Plan pool and grants for 2022-2024,
- review and approval of Allegro and Ceneo.pl Board Members and key Managers' remuneration benchmarking,
- review of 2021 Pay Policy and proposed changes to the 2022 Pay Policy,
- review and approval of changes in Allegro Incentive Plan,
- review of 2021 Employee Engagement survey results,
- review and of updates onto Diversity, Equity and Inclusion Policy and initiatives,

- review and approval of compensation packages for newly hired senior managers, adjustments to senior management compensation and leaving arrangements when applicable.



Governance targets

Governance targets: the Board has decided that it will ensure that independent members constitute at least a majority (over 50%) of the Board of Directors by 1 September 2026. This was 25 % in 2021 and 33.3 % in 2022.

Ethics and compliance



Key data & results for ethics and compliance

In 2022, we had 2 notifications concerning our Transparency Policy.

No case of corruption was recorded in 2022.

Code of ethics

Compliance and preventing corruption are core to the activities of Allegro. This extends to our operations as well as all our employees and entities we work with on a daily basis.

We have introduced a governance, risk and compliance management system, which includes standards of conduct, corruption prevention, competition law compliance, prevention of conflicts of interest, information and data protection, prevention of unlawful discrimination and protection of company property and know-how of both Polish and Mall Operations and is being extended to all Group entities.

We approach our risk management system very seriously and have established a compliance framework as shown below to ensure that all necessary measures have been implemented:

Protect	Detect	Response
Regulatory / Public Affairs	Reporting:	Crisis management
Risk Management	anonymously or personally via system to Chief Security Officer ("CSO")	Business Continuity Management
Policies	personally to HR, Legal, CSO, Line Manager	Disciplinary sanctions
Training, communication, awareness sessions	personally via mail to Chairman	Remediation
Process integration	Controls	
Lessons learned	Monitoring and compliance approvals	
Compliance implementation	Review controls and compliance audits	
Established responsibilities	Internal audits	

Guidelines that include the procurement policy, tender procedure, controlling procedure and legal procedure have also been introduced and are intended to minimise all

unauthorised practices, violations of the law, corruption and fraud, especially with regard to purchasing practices or other adverse consequences of non-compliance within the Group.

At Allegro, we operate in a transparent manner and to the highest ethical standards, in particular thanks to our policies and regulations.

The Allegro Code of Ethics consists of:

- Transparency Policy
- Policy of counteracting undesirable phenomena such as discrimination, harassment, bullying and violence
- Whistleblowing Procedures
- Competition and Consumer Protection Compliance Policy
- Anti-money Laundering and Countering Terrorism Financing Policies
- Security Policy.



We have introduced the following regulations and processes:

- | | | | |
|---|---|---|--|
|  | Anti-corruption Rules |  | Training Policy |
|  | Gifts and Benefits Regulations |  | Charity, Social and Sponsoring Activities policy |
|  | Diversity Policy |  | Human Rights Policy |
|  | Inspection Procedure |  | Climate Policy |
|  | Agreements Procedure |  | Business Continuity Management |
|  | Tax Governance Policy |  | Security Policy |
|  | Supplier Verification Procedure and Suppliers Code of Conduct |  | and more |

The Ethics Committee oversees compliance with the Code of Ethics, examining and resolving the reported violations. The composition of the Ethics Committee is as follows:

- HR Director or HR Business Partner designated by the HR Director
- Head of Legal or a designated lawyer designated by the Head of Legal
- Manager of the division the reported violation concerns
- Representative of employees selected by the Employee Representation
- Chief Security Officer.

The Code of Ethics is periodically reviewed and is available to employees.

At Allegro, we operate within the law and we stay abreast of all relevant changes and industry regulations. We keep adjusting our services, policies and processes accordingly.

The Allegro whistleblowing system is available to the company's employees and contractors. It is subject to the guidelines for handling complaints and grievances related to non-compliance with the Code of Ethics.

The company has introduced mandatory training in compliance and ethics. An ethics and compliance training and communication plan has also been developed and is being implemented.

New employees get to know our Code during a session of the mandatory OnBoarding Stay Safe/Stay Fair training. Once a year, our employees participate in training on our Code of Ethics policies (Transparency Policy, Anti-Discrimination and Anti-bullying Policy, Whistleblowing Procedures, Antitrust Compliance Policy, Anti-money Laundering and Countering Terrorism Financing Policies, Security Policy) and personal data protection in order to improve their knowledge, build competence and raise awareness.

▼ *The number of complaints and grievances against non-compliance with the Code of Ethics*

Reporting complaints and grievances	Group	Polish Operations		
	2022	2022	2021	2020
Anti-money Laundering, Countering Terrorist Financing and Export Control Policy and Financial Sanctions Manual	0	0	0	0
Transparency Policy	2	2	0	2

All employees are obligatorily trained on all policies during the onboarding session. All employees are required to adhere to the policies. Every year, we also provide obligatory training on the policies to every employee, including contractors. Training is held through a number of channels, including e-learning, email, a dedicated internal platform (Intranet), meetings, posters, competitions and other forms of communication.

Whistleblowing system and whistleblower protection

At Allegro, we have a whistleblowing system for reporting irregularities. It guarantees confidentiality and safety of the whistleblowers, including protection from retaliatory action. Our system is open and accessible for everyone in the company (notifications can also be submitted anonymously via a special form available online). It is subject to the guidelines for reviewing complaints and grievances against Code of Ethics violations.

In 2022, we had:

- two notifications concerning our Transparency Policy investigated both thoroughly and transgressing employees were penalised appropriately,
- one notification concerning our Antitrust Compliance Policy - we implement appropriate changes on our platform



- five notifications concerning our Policy of counteracting undesirable phenomena such as discrimination, harassment, bullying and violence - in only one case we found irregularities and implemented a corrective plan and drew consequences from the employee

We ensure the highest quality and safety of products offered on the Allegro platform, as well as service and delivery quality. We work very closely with UOKiK and local consumer advocates. In response to their specific needs, we have set up a dedicated email address that makes it easier for them to contact our employees.

Risk management

Risk management system

With any action taken by the Group, it is inherently uncertain whether the process is completed and the goals are met. The impact of such uncertainty on processes and their goals is defined as a risk. The purpose of risk management is to increase the probability that the Group achieves its objectives and delivers its projects by taking measures to mitigate the risk to an acceptable level.

The Group operates a risk management system where all employees participate in performing risk management and internal control activities. The risk management system is designed to allow us to identify, measure, manage and monitor the risks that might affect the achievement of our strategic, operational, financial, reporting and compliance objectives across all business and corporate functions, as well as development projects teams.

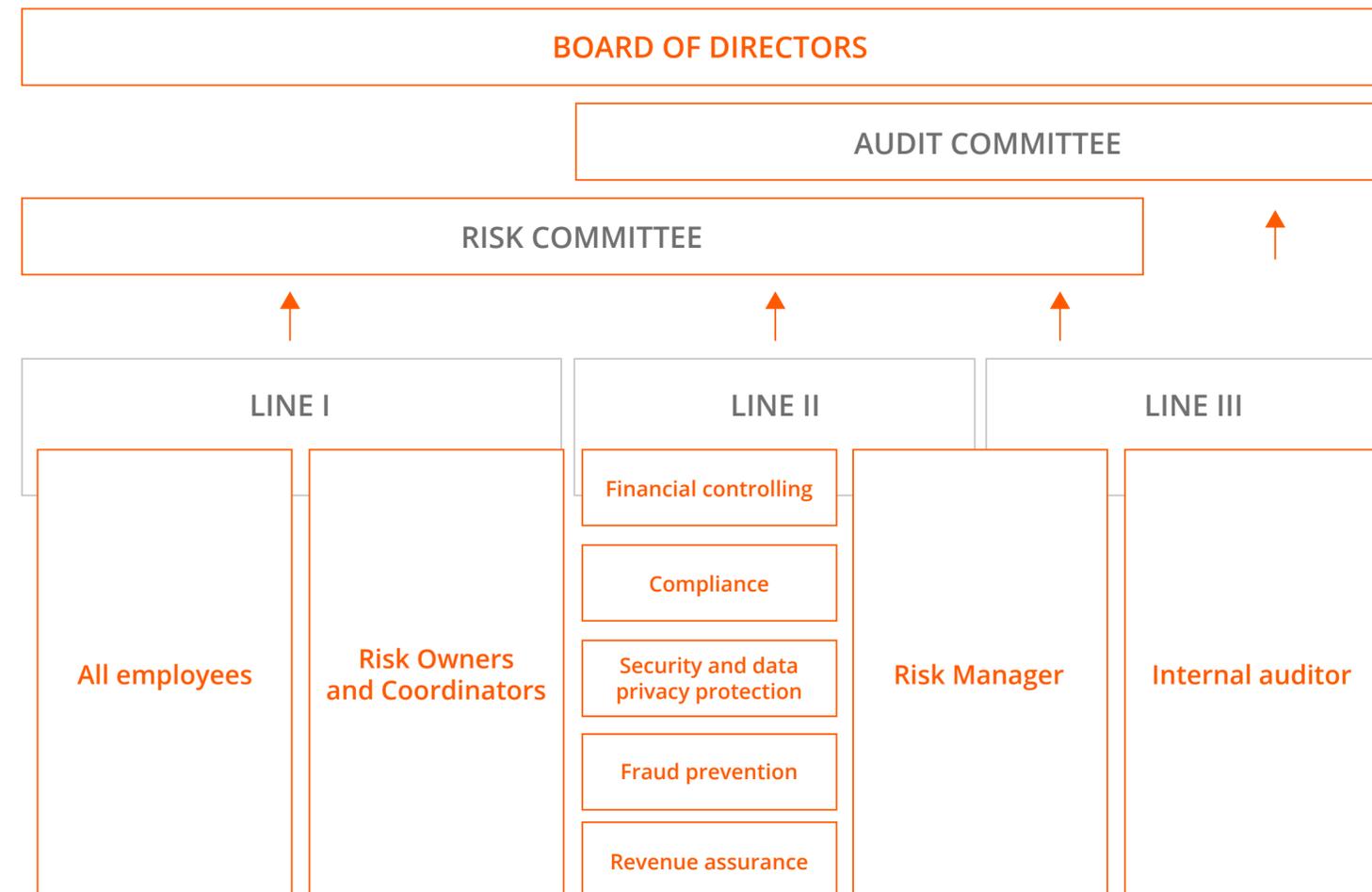
The goal of our risk management policy is to ensure a consistent approach to measuring and mitigating various types of risks. The policy sets out the framework structure of risk management, the scope of the system and its rules.

It describes the risk management approach applied by the Group and the individual system components.

The existing process ensures accountability for risk management. The scopes of responsibilities and competencies of the individuals involved in the process are

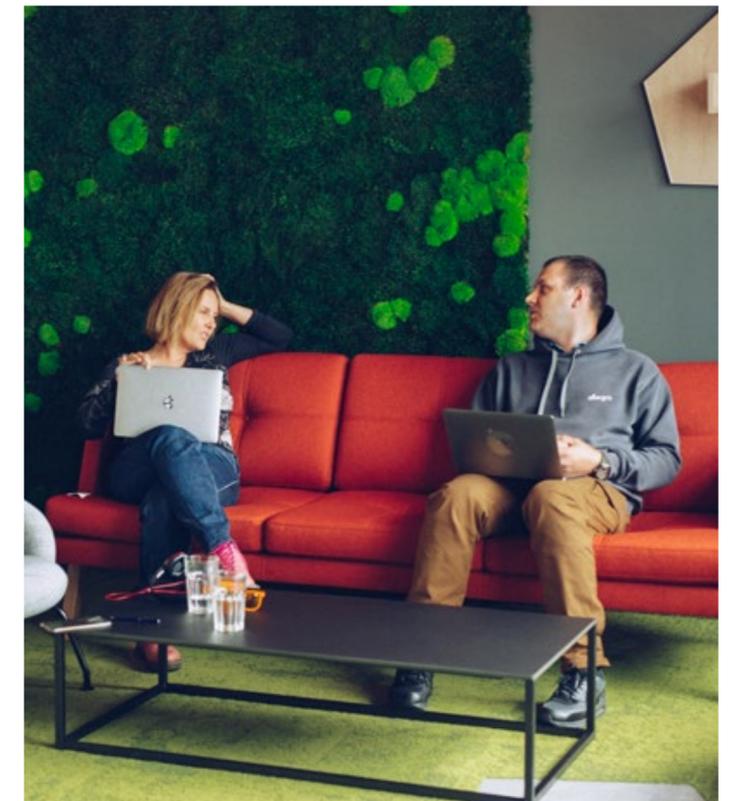
set out below. All employees of the Group are responsible for risk identification and reporting.

Read more on the risk management process in our Consolidated Annual Report for 2022, section “Risk Management System, Risk Factors and Regulatory Matters”.



Non-financial and climate risks

Measuring and disclosing ESG performance, risks, and controls is essential to gain the trust of stakeholders and generate maximum value from the market. We identify the following risks as the primary focus of our ESG activities. The non-financial risk identification and assessment process is an integral part of the risk management system.



Principal risks

Map of risks

More about risk management in section

Environmental & Climate Risk

Although e-commerce is more green than traditional forms of retail, we are aware that the Group's operations pose a negative environmental impact (e.g. CO2 emission, packaging waste). The growth of our business, without implementing carbon emission and energy reduction programmes, as well as sustainability initiatives, could result in a negative environmental impact. The new regulatory framework related to the EU Green Deal and environmental transition may imply further obligations on retailers and possibly on other entities. The ongoing climate changes have the potential to generate substantive changes in operations, revenue or expenditure. Carbon-neutral initiatives and sustainable technology solutions, e.g. sustainable packaging, may increase the costs of our operations.

TCFD Report

Social Risk

The Group's brand may be adversely affected if its public image or reputation is tarnished by negative publicity. Product recalls, product liability claims, breaches of corporate social responsibility, the presence of counterfeit goods that violate the Group's terms and conditions or other fraudulent activity in the Group's e-commerce marketplace that is not detected by its anti-fraud technology could significantly harm the Group's reputation and business. User complaints or negative publicity about the Group's websites, products, delivery times, returns processes, the working conditions of its employees (or those of the employees of any of its subcontractors or suppliers), user data handling and security practices or customer support, including on internet-based platforms such as blogs, online ratings, review services and social media websites, could have a significant negative impact on the Group's reputation and on the popularity of the Group's websites.

Relations with customers

Risk Related to Human Rights

The control and prevention mechanisms of the Group's compliance structure might not be sufficient to adequately protect the Group from all human rights violations such as unequal employee treatment (hiring, remuneration, training and promotion, etc.) or other violations involving third-party partners and suppliers.

**Human Rights Policy
Ethics and compliance**

Labour Practices

The loss of qualified personnel, high employee turnover or persistent difficulties in filling job vacancies with suitable applicants could have a material adverse effect on the Group's ability to compete effectively in its business and considerable expertise could be lost by the Group or access thereto gained by the Group's competitors. In addition, to attract or retain qualified personnel, the Group might have to offer increased compensation packages and other benefits which could lead to higher personnel costs. Any failure to attract, train, motivate or retain skilled personnel at reasonable costs could result in a material adverse effect on the Group's business, financial condition and results of operations. The work-related hazards and hazardous situations and the risk of a work-related injury or ill health, including accidents and occupational diseases could also materially adversely affect the Group's business.

**Responsible workplace
Diversity and inclusion**

Risk of Corruption and Other Violations

The Group may be exposed to incidents of corruption or bribery (kickback, facilitation payment, payment extortion, cyber extortion), conflicts of interests or other inappropriate behaviour, as well as failure to adequately protect customers' personal data.

Ethics and Compliance

**Risk of cybersecurity
and private data breaches**

The Group relies on third-party data centre providers, whose facilities could suffer as a result of a cyberattack. Cybersecurity, private data management and ensuring a sufficient level of security for our infrastructure are important parts of our operations.

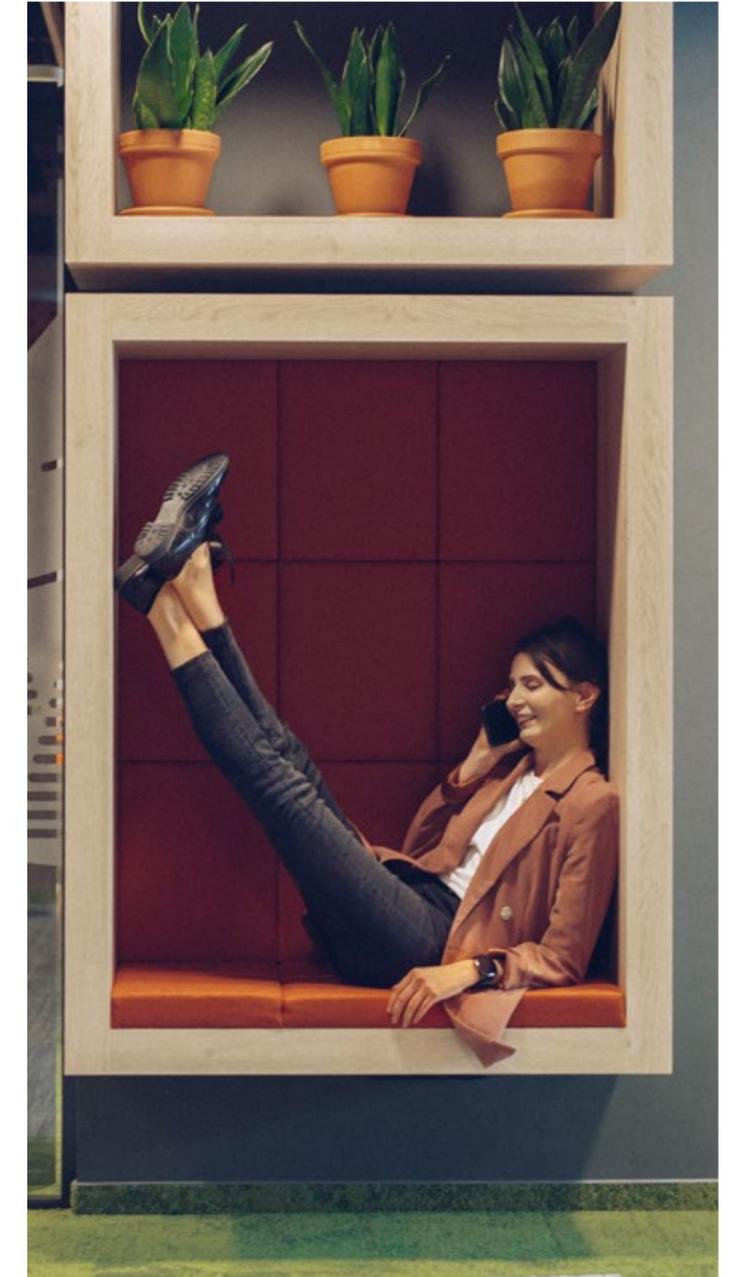
Cybersecurity and data protection

The Board of Directors oversees matters of sustainable development and climate, especially by monitoring and supervising the company's Sustainability & ESG Strategy. At the same time, since climate and environmental risks are subject to risk management and the Risk Management Policy,

all Group employees are responsible for risk identification and reporting. The role of the Board of Directors is to supervise corporate risk, define the scope of risk management, define directions for the development of the risk management system and determine risk appetite levels.



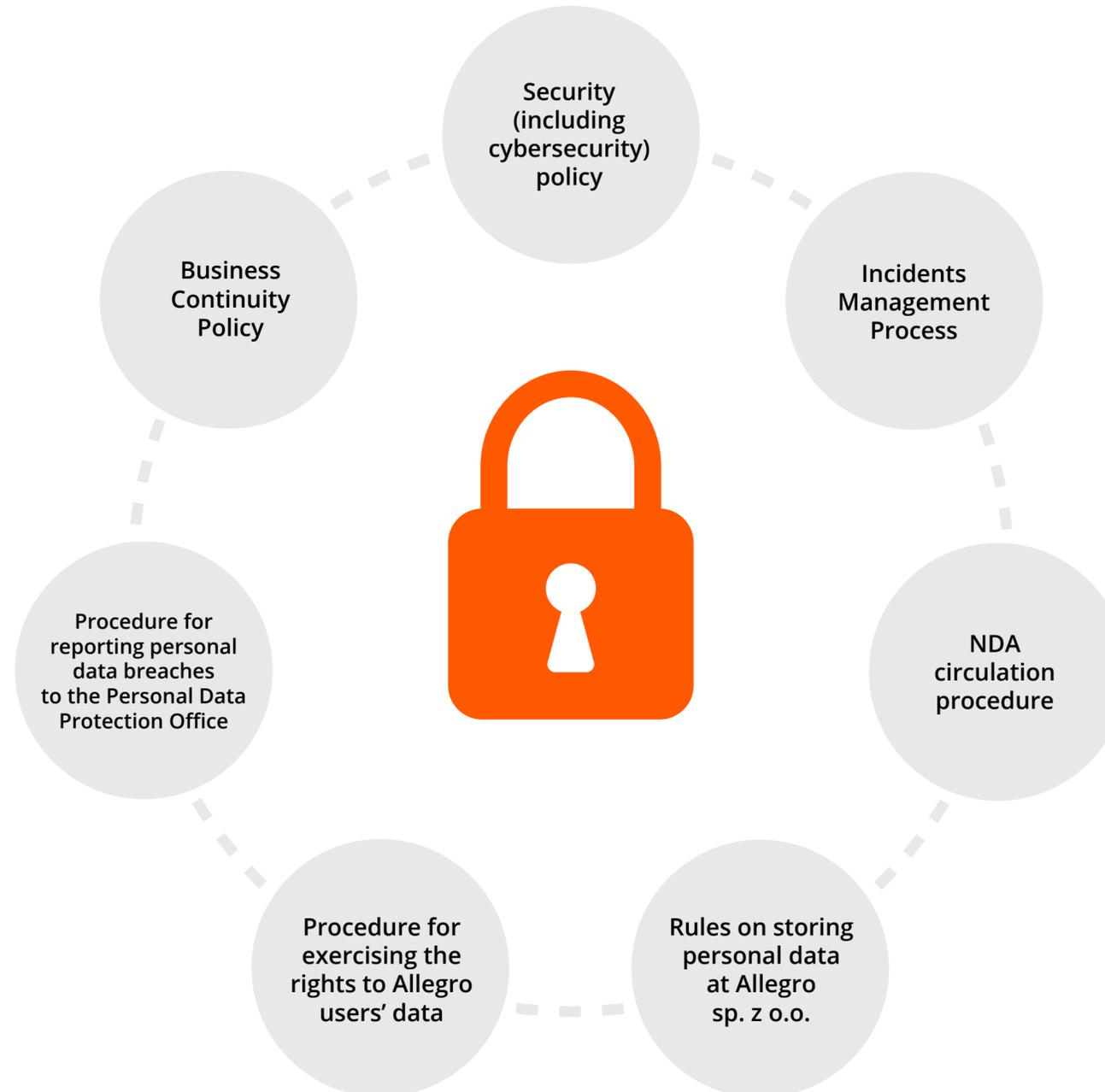
In line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), Group carefully maps climate risks and, even more broadly, environmental risks. The process of identifying, assessing and managing climate risks is part of the overall risk management process at Group. Read more about TCFD in the Climate Section.



Cybersecurity and data protection

Key data & results for cybersecurity and data protection

At Allegro, customer satisfaction starts from ensuring safety and confidence that the purchase will be successful. In addition to customer privacy and data protection, cybersecurity management is one of our priorities. The rules and policies adopted by Allegro related to customer privacy, data protection and cybersecurity include:



We commission the Cybersecurity Maturity Assessment (Ocena Dojrzałości Cyberbezpieczeństwa), which is an external audit carried out every two years. In the most recent review in 2021, Allegro scored higher than the market average. [1] We are planning the next review in 2023. We have multiple security solutions in place, all of which are being monitored and improved on an ongoing basis. We also introduced a private and public Bug Bounty programme, which means that we enabled users to alert our IT department about security vulnerabilities detected on our platform.

Interdisciplinary security team

CERT Allegro (Computer Emergency Response Team Allegro) is an interdisciplinary team formed to elevate security at Allegro and raise security awareness among employees and users. It is made up of members of the following teams: Information Security Team, Computer Security Incident Response Team, Cyber Defense & Offense Team, Anti-fraud Operations Team and Cooperation with Law Enforcement Authorities Team.

CERT has the following goals:



monitor and analyse for security at Allegro



respond to cybersecurity threats



exchange cybersecurity information, knowledge and experience with external CERT teams



raise security awareness among employees and users

As part of its activity, CERT coordinates and handles incidents and other events involving cybersecurity threats to Allegro; actively reacts in the event of immediate cybersecurity threats to users; works with other CERT teams in Poland and worldwide, in particular as part of Trusted Introducer; supports the Crisis Management Team in crisis situations involving cybersecurity, and develops tools to detect, analyse and correlate threats.

Read more on CERT Allegro at <https://allegro.pl/cert>

We are a member of **Trusted Introducer**, an initiative of the biggest European organisation of cybersecurity threat response teams. We are also active members of various working groups, including the IAB Polska Group for Cybersecurity (chaired by one of our employees)

Given the nature of our operations, we have access to personal data of our merchants and customers. With the scale of our operations, we manage a great amount of data. This is why we carefully protect personal data.

We are fully compliant with the GDPR. We carefully monitor the decisions and guidelines issued by the Personal Data Protection Office (PDPO) and the EDPB (European Data Protection Board), which we review and, if necessary, adjust our actions. All Allegro employees undergo training in security policy and the GDPR. We also carry out audits to verify compliance with the provisions of the GDPR. The external audit conducted in July 2022 did not reveal any significant shortcomings, although there were a couple areas that needed improvement - most of them were already improved .

On December 27, 2022 at 9:00 a.m., we identified that the personal data of several dozen Allegro users have been illegally obtained although our infrastructure protections were not breached. The issue was incidental and no payment data was obtained. We are working closely with the President of the Personal Data Protection Office (UODO) and other proper authorities, to resolve the issue. In addition, we immediately contacted the users in question to notify them of the measures taken and further steps.

In 2022, in connection with complaints submitted to the President of the Personal Data Protection Office, Allegro was a party to 3 new proceedings. Four of six (total ongoing proceedings: six in Allegro, 1 in Ceneo) proceedings completed in 2022 resulted in a reprimand issued by the Office (3 concerning Allegro and 1 concerning Ceneo.pl) and three positive decisions (Allegro). In 2022, no penalties were imposed on Allegro for violating personal data protection regulations. At every stage of data collection and processing, we make sure to comply with the obligation to inform the

customer about the purpose and scope of processing their data and the right to access and rectify them.

Cybersecurity and data security

Our highest priority is to ensure a high-level security of infrastructure and data by applying a layered approach. The platform is protected by multiple security layers, including protection against distributed denial-of-service attacks, bot detection systems and web application firewalls.

We make every effort to ensure the safety of consumers and to protect systems and consumers' data that are processed and stored in them. We have also developed policies and procedures to manage data security risks. We use technical security measures that are periodically reviewed by internal auditors, external penetration testers as well as security analysts.

	Group	Polish Operations		
	2022	2022	2021	2020
Cybersecurity and data privacy infringements				
Cybersecurity infringements (the total number of identified leaks, thefts or customer data loss)	0	0	0	0
Data privacy infringements (reported to relevant authorities)	1	1	1	1

	Group	Polish Operations		
	2022	2022	2021	2020
The total number of legitimate privacy complaints				
Complaints submitted to the regulating authority requiring corrective measures	6	4	5	1

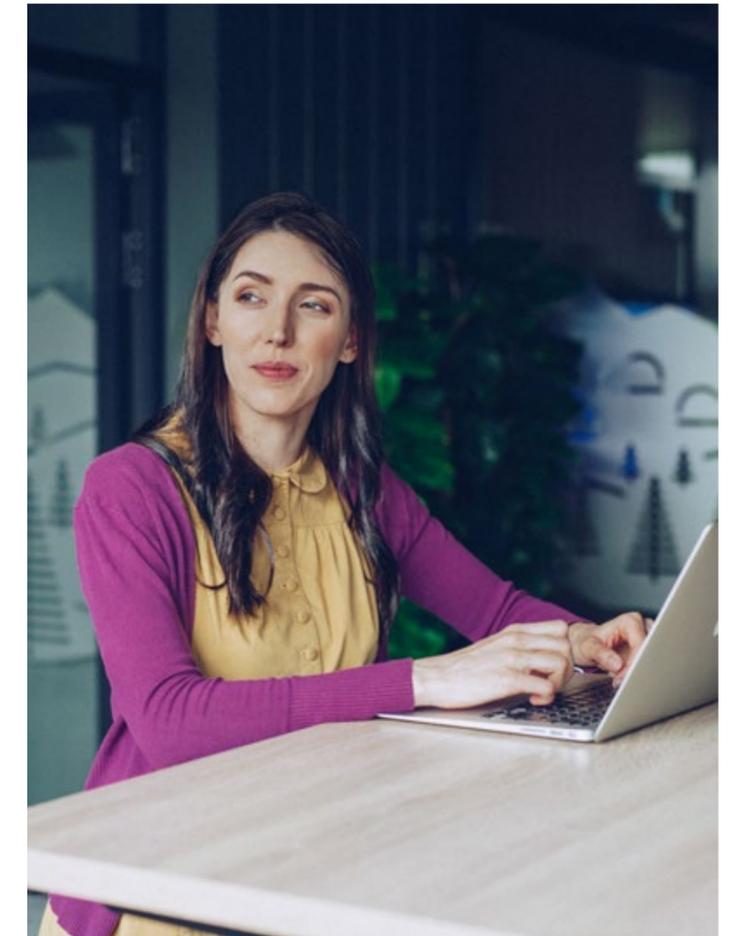


We respond on an ongoing basis to all questions, requests and complaints from external stakeholders regarding personal data, although we do not keep detailed statistics of the various types of notifications.

One of the most important aspects of security is the human factor and building awareness among employees. All our employees receive training in security policy and the GDPR (including general information, as well as internal policies and procedures), which take place during onboarding sessions and are repeated every year. During the onboarding training, we also conduct security awareness workshops with case studies to help recognise phishing campaigns.

We also organise additional training for employees on security threats, social engineering and online privacy. We use every opportunity to educate our employees about security. This year, we celebrated Safer Internet Day, Data Privacy Day, among other events. On the occasion of International Cyber Security Month, we organised a number of contests for employees, such as a site game at the offices.

[1] Audit was performed for the Polish platform Allegro.pl



Responsibility for the supply chain

Key data & results for the supply chain

In 2022, we worked with over 2,500 reliable companies that provided us with products and services necessary for Allegro to operate efficiently. Choosing a supplier for Allegro is a multi-step process that ensures we identify the best offer and that we are contracting a reliable supplier.



1. ANALYSE SUPPLIERS AND SOLUTIONS



2. ASSESS THE SUPPLIER'S CREDIBILITY AND POTENTIAL



3. EXAMINE AT LEAST THREE COMMERCIAL OFFERS



4. NEGOTIATE THE TERMS OF COOPERATION



5. ACCEPT THE TERMS AND SIGN A COOPERATION AGREEMENT

We distinguish between the following groups of Allegro suppliers:

- suppliers providing products that are retailed in the Official Allegro Store
- suppliers whose products and services we use as part of our operational activity (e.g. managers of buildings where our offices are located, suppliers of utilities and software solutions, IT systems, data centres, technological and advisory solutions, advertising and marketing services and other services and products).
- suppliers leasing out land for APMS
- courier/transport service providers.

Supply Chain Code of Conduct

We want to make sure that our suppliers respect principles that are similar to ours. In connection with the acquisition of the Mall Group, we started to work on changes and unification of the purchasing procedures for all subsidiaries. From April 2022 all Polish Operations suppliers are provided with the information on the Suppliers' Code of Conduct. It is sent to all suppliers, together with the statement on the legality of goods and services. Since November, we have introduced a digital

form that allows us to archive information on when a partner reads these documents and whether they accepted them.

If the total value of contracts with a supplier exceeds PLN 500,000, the Polish Operations supplier is enrolled into the monitoring and evaluation programme and is required to accept and sign the Suppliers' Code of Conduct and the Questionnaire for Suppliers and Business Partners, as well as submit a written declaration of compliance with the Allegro Code of Ethics (Kodeks Allegro) and the Ten Principles of the UN Global Compact initiative. In agreements concerning our courier suppliers, the Code of Conduct and the Questionnaire for Suppliers was included as an integral part of the agreement with the vendors. This enables us to verify their ethical, social and environmental practices.

In 2022, the total number of suppliers was 2558, of which 56 (2,2%) were subject to evaluation of social, environmental and ethical impacts. 95% of suppliers that were subject to evaluation meet the ethical criteria.



Supplier assessment*	2022	2021	2020
% assessed new suppliers that met the social, environmental and ethical standards	95%	95%	99%
% of all new suppliers assessed	2,2%**	10%	9.7%

* the data do not include eBilet.pl

** the indicator has decreased due to a change in the procurement policy. All vendors are fully acquainted with the Allegro Code of Conduct, but ethical verification is submitted for contracts over 500,000 PLN, not 100,000 PLN as previously.

A supplier is not required to sign the Allegro Code of Ethics if they have their own code that is consistent with the values and principles and does not deviate from the standards of the Allegro code.

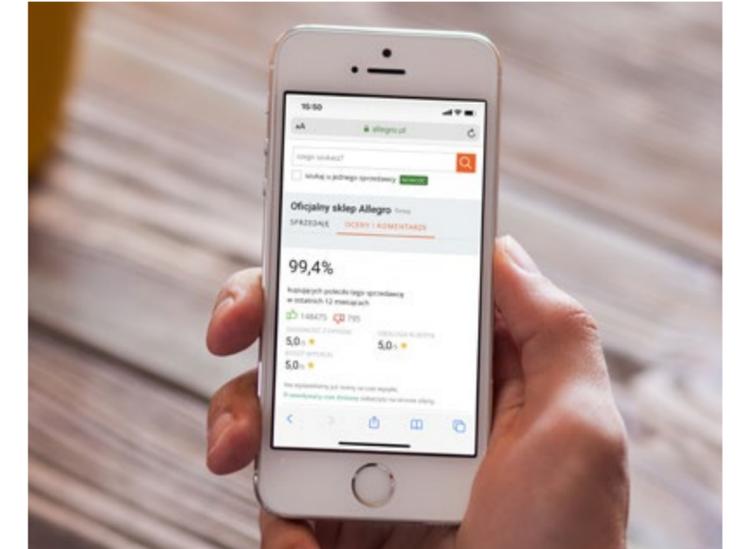
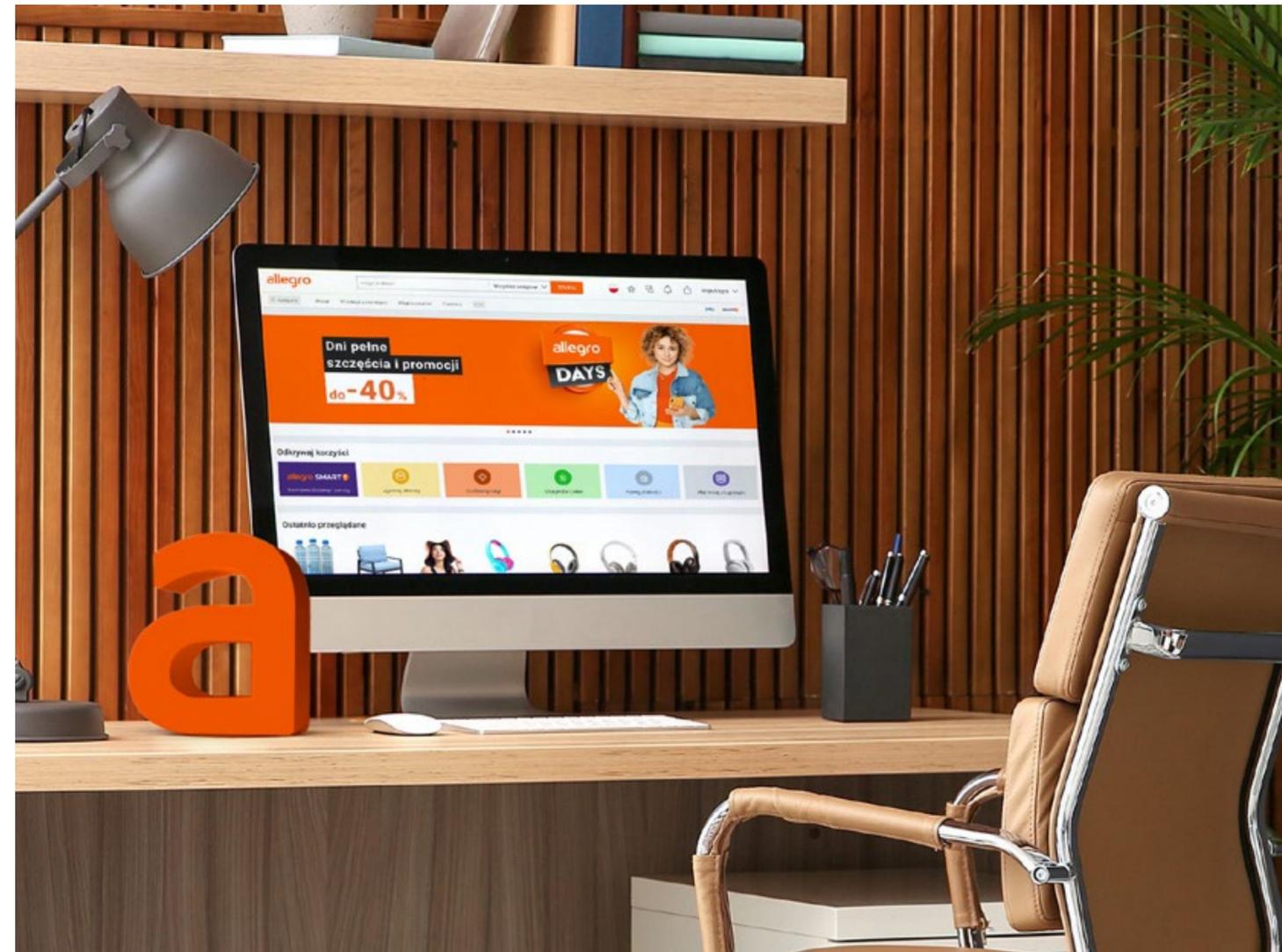
Our system extends not only to the regulations relevant to Allegro but also the terms of cooperation with suppliers: the purchasing policy and additional requirements for suppliers, including the Suppliers Code of Conduct and the Questionnaire for Suppliers and Business Partners for every key supplier (i.e. a supplier whose yearly contract exceeds PLN 500,000).

In accordance with the recommendations of the Polish Ministry of Finance, Polish Operations have established a complex verification process for suppliers. Financial documents, company registration documents and bank accounts are reviewed to reject unreliable service providers. We have also introduced a procurement policy, tendering procedures, controlling procedures and legal procedures aimed at minimising any unlawful practices, violations of the law, corruption and fraud as well as other negative consequences of non-compliance within the Group. In addition, all procurement processes at Allegro are based on integrated IT systems that ensure full transparency of compliance with the procedures.

The aim of the process of verification of business partners in the Mall Segment was to create positive relationships with customers, vendors and employees. Part of this process is to fulfill our obligations towards customers, employees, shareholders, vendors, and the other part to ensure compliance with our obligations arising from the law. It was also

prepared to prevent, even accidental or involuntary, involvement of the Mall Segment in tax fraud initiated by dishonest vendors. As the Mall Group became a part of Allegro in April 2022, there

were different purchase procedures. Our purpose for 2023 is to unify the procedures and extend the procedure to verify ethical criteria applied by all Group companies.



We have introduced a system for corporate governance, risk management and compliance across all Allegro operations. It spans operational standards, corruption prevention, compliance with the competition law, preventing conflict of interest, information and data protection, preventing unlawful discrimination and protection of the company property and know-how.

Responsibilities of suppliers and business partners according to the Ten Principles of the UN Global Compact:

- Compliance
- Respecting human rights
- Ensuring the highest standards and work conditions for employees
- Protecting the natural environment.

Human Rights Policy

Allegro runs its business ethically and expects the same from its business partners, employees and contractors. As a sustainability and responsibility leader, the company responds to stakeholders' expectations, as well as international and domestic regulations and guidelines, complying with all applicable laws. Allegro respects human rights enjoyed by its employees and contractors and expects respect for human rights from business partners.



Human Rights Policy Guidelines

In January 2022, the Board of Allegro accepted the Allegro Human Rights Policy. The policy applies to all employees, contractors and business partners. It sets out the requirements for Allegro's own operations (concerning employees, direct activities, products or services), as well as recommendations for suppliers and partners specified in other additional documents and policies, such as the Suppliers Code of Conduct.

Allegro respects human rights by:

- Avoiding causing or contributing to adverse human rights impacts through its own activities, and addressing such impacts when they occur.
- Seeking to prevent or mitigate adverse human rights impacts that are directly linked to the Group's operations, products or services by their business relationships, even if they have not contributed to those impacts.
- Group intends to exercise due diligence to avoid violating the rights of others and to take action in response to any development that could have a negative impact on enforcing human rights that the company could contribute to directly.

In January 2022, the Board of Allegro accepted the Allegro Human Rights Policy. The policy applies to all employees, contractors and business partners. It sets out the requirements for Allegro's own operations (concerning employees, direct activities, products or services), as well as recommendations for suppliers and partners specified in other additional documents and policies, such as the Suppliers Code of Conduct.

1) In terms of human rights, Group aims to:

1. identify potential human rights impacts and where they could occur
2. identify the scope of Group's due diligence risk identification process, whether it covers only the company's own operations or also the value chain and other activities, as well as the process preceding entering into new business relationships (mergers, acquisitions, joint ventures, etc.)
3. identify the issues Group has specifically addressed in the due diligence process, as well as the vulnerable groups monitored throughout the process
4. underline the importance of the whistleblowing and confidential reporting system
5. prevent adverse human rights impact, including actions that prevent or restrict an individual from enjoying their human rights
6. educate and improve the competence of the Group's employees and contractors in human rights
7. support and educate suppliers and business partners on human rights
8. actively engage in initiatives and activities focused on

broad education and promotion of the important role of business for human rights.

2) Allegro has been developing the Human Rights Due Diligence Process to identify and assess potential impacts and risks related to respecting human rights by:

1. Human rights due diligence
2. Human rights risk tracking
3. Mitigation actions
4. Remediation actions
5. Assessment of potential human rights issues
6. Monitoring the effectiveness of the actions taken by the Group

3) Allegro commits to prevent:

1. human trafficking
2. forced labour
3. child labour

4) Allegro commits to respect:

1. freedom of association
2. the right to collective bargaining
3. equal remuneration
4. the right to non-discrimination

We want to respect human rights across the entire Group value chain. We educate our employees, suppliers and business partners on human rights and human rights protection. We

engage in initiatives to educate and promote the role of business in advancing human rights. We are committed to respecting employees' freedom of association, the right to collective bargaining, equal pay and the right to non-discrimination. We do not allow the use of human trafficking, forced labour or child labour in our organisation or companies willing to work with the Group. We have implemented an

efficient and confidential human rights reporting system at our company.

Allegro employees are not covered by collective bargaining agreements and are represented by the Employee Representation. Read more about non-discrimination and equal remuneration in the Diversity in the Workplace section.

Allegro complies with the applicable legal regulations and adheres to the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights, as well as Ten Principles of UN Global Compact. In 2022 there were no incidents or instances of violation of labour or human rights.



Compliance with international standards

Allegro's responsibility for respecting human rights stems from universally recognised human rights, which are consistent with the rights enshrined in the International Bill of Human Rights/The Universal Declaration of Human Rights, and the fundamental rights set out in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. We respect human rights in business relationships by upholding labour rights, freedom of association, as well as the UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises (OECD Guidelines). As a member of the UN Global Compact, Allegro declares compliance with the Ten Principles of the UN Global Compact and is involved in meeting Sustainable Development Goals (SDGs). Moreover, Allegro is familiar with the United Nations' instruments related to the rights of indigenous peoples, women, national and ethnic, religious and linguistic minorities, children, people with disabilities, as well as migrant workers and their families.

Stakeholders engagement

Collaboration and partnerships



As a member of trade associations, we regularly participate in public consultations on Polish and EU draft legislation. We represent the interest of our merchants, consumers and a wider group of European technological companies continuing to actively engage in further digitisation and the creation of an innovation-friendly legal environment. We stay in touch with government bodies such as the Polish Office for Competition and Consumer Protection in an effort to support education and develop the best market standards. We work with the Small and Medium Entrepreneurs Ombudsman and public economic administration to improve the situation of local entrepreneurs and ensure them full representation.

We are a member of the following organisations (as 1.03.2023):

International organisations:

- Ecommerce Europe [Allegro] (since January 2023)
- The European Tech Alliance (EUTA) [Allegro]
- Mobile Native Foundation [Allegro]
- UN Global Compact [Allegro]
- EUIPO [Allegro]
- DOT Europe [Allegro]

Polish organisations:

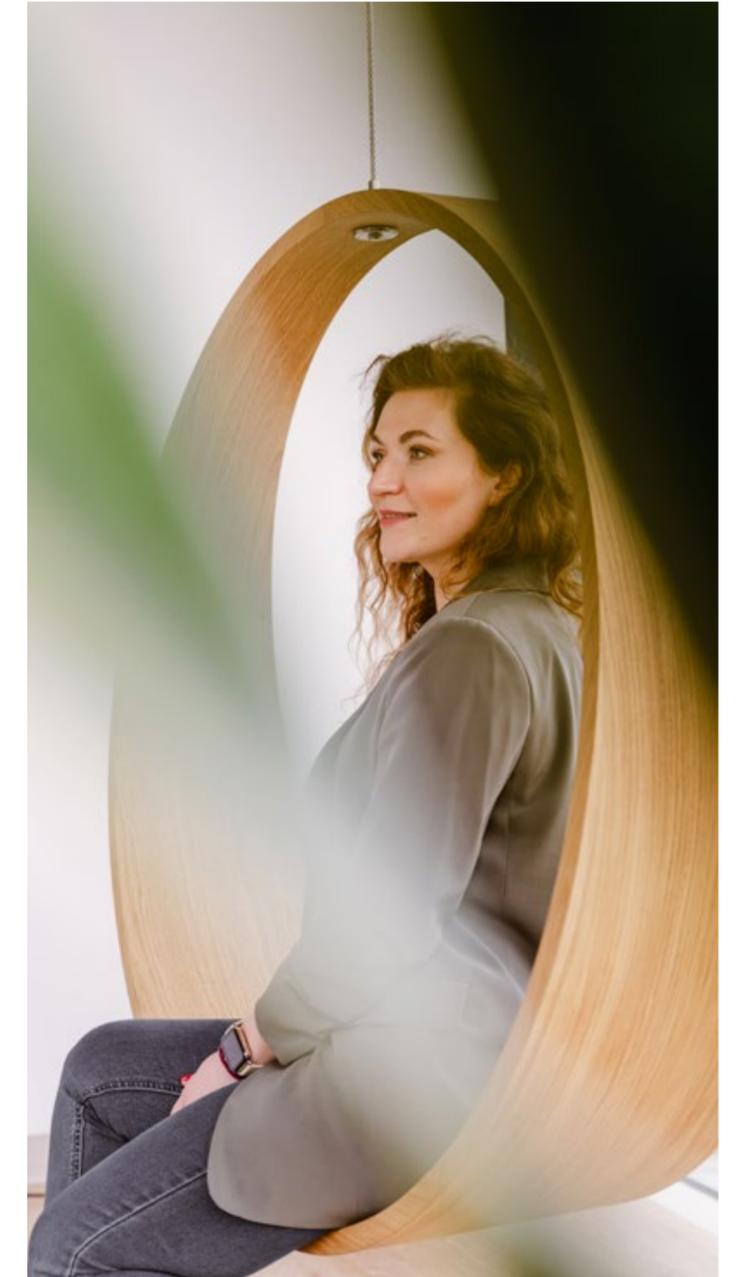
- The Chamber of Digital Economy (Izba Gospodarki Elektronicznej) [Allegro, Ceneo.pl]
- Digital Technology Employers Lewiatan (Związek Pracodawców Technologii Cyfrowych Lewiatan)
- Konfederacja Lewiatan via the trade association Związek Pracodawców Technologii Cyfrowych Lewiatan [Allegro] [eBilet.pl]
- The Union of Entrepreneurs and Employers (Związek Pracodawców i Przedsiębiorców, ZPP) [Allegro]
- The IAB Polska Association of Internet Industry Employers (Związek Pracodawców Branży internetowej IAB Polska) [Allegro]

- ResponsibleBusinessForum(ForumOdpowiedzialnego Biznesu) [Allegro]
- The Polish Association of Listed Companies (Stowarzyszenie Emitentów Giełdowych) [Allegro.eu]
- The Polish Organisation of Non-Bank Payment Institutions (Polska Organizacja Niebankowych Instytucji Płatności) [Allegro Finance]
- Business Accessibility Forum (Widzialni Foundation) [Allegro] (since March 2022)
- Związek Przedsiębiorców Finansowych [Allegro Pay] (since June 2022)

Czech organisations:

- Digital Economy Network [Allegro]
- Polish Capital Club in Czech Republic [November 2022]
- APEK – Association of E-commerce in Czech Republic [Mall, CZC]

We also work with BusinessEurope as part of Konfederacja Lewiatan [Allegro] and Interactive Advertising Bureau Europe as part of IAB Poland [Allegro]. We also are a member of SME Connect at SME Europe through our membership in ZPP.



We engage in the public debate to enhance innovation and competitiveness of local companies



As a member of the European Tech Alliance (EUTA) and other business organisations in Poland and at the EU level, we contribute to the regulatory dialogue. Our objective is to create optimal conditions for innovation, provide proper support for merchants and ensure safety and user-friendliness for consumers, as well as a level-playing field for all participants, including scale-ups. In order to feed into the pending EU debates, Allegro presented its EU Tech Credo¹⁹, in which we underline how key it is that EU policies are effectively built on principles such as proportionality, smart regulation and coherence between the different policy objectives and legal provisions. Rules regulating platforms' obligations, taxes,

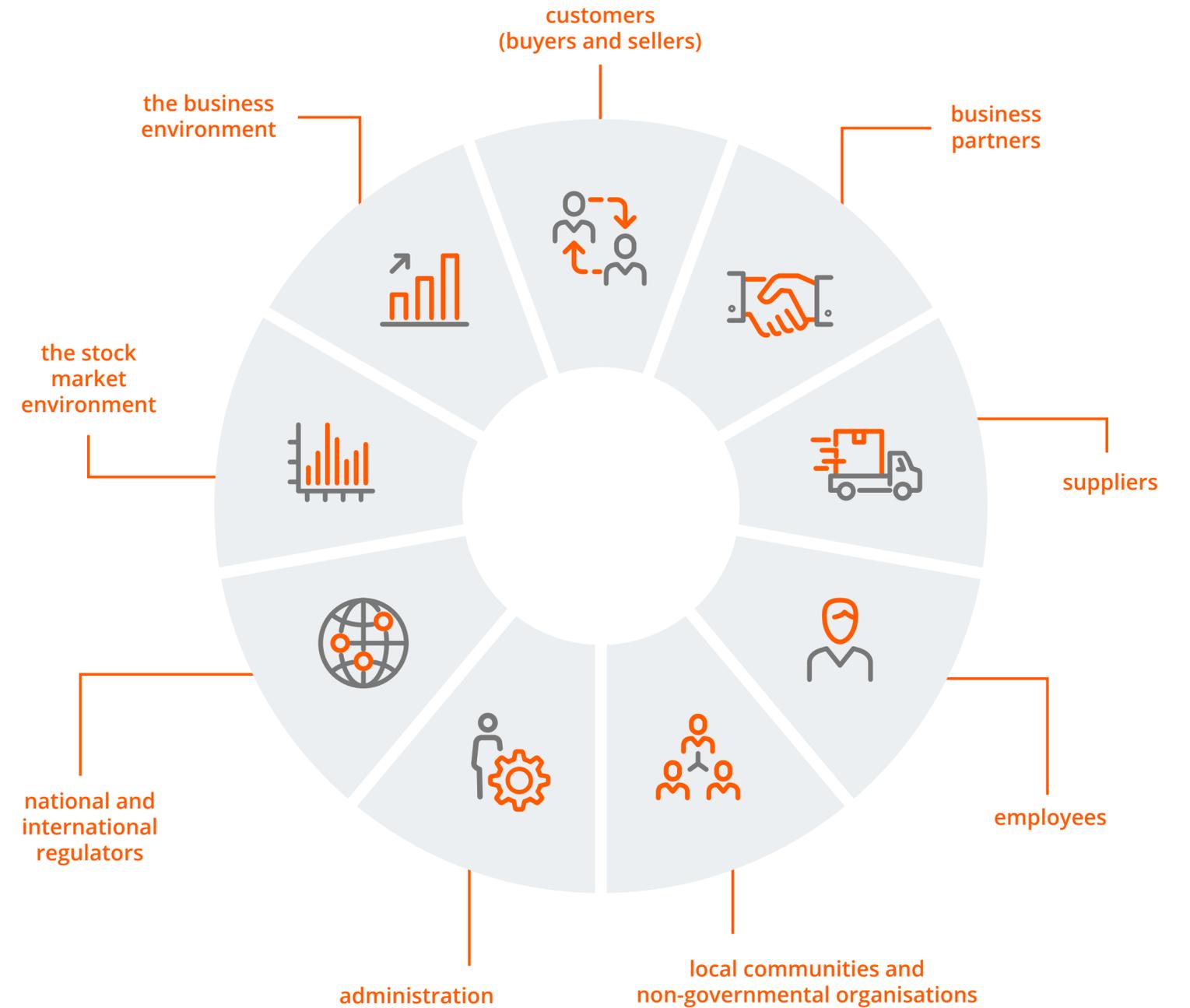
innovative payment solutions, the use of artificial intelligence and data should allow us to innovate and develop cutting-edge services without slowing down the processes or creating unjustified costs or unfair administrative burdens.

Allegro sees the legal framework as an important factor of success and competitiveness for all EU companies. This is why we have been advocating for rules that support EU companies in innovations and in leveraging new technologies to improve services for consumers. We see it as our aim to constantly focus on improving our customers' and partners' experience, help propel investments and innovation and employ great talents. At the same time, we believe that EU rules can help make the bloc a true Digital Single Market that allows companies to operate and thrive across countries, ensuring that rules established here apply and are enforceable equally to all companies that do business across Europe.

Allegro was among founders and leaders of the European Tech Alliance (Group's representative has been Chairperson 2018-2022, and since 2023 a member of its Board).

Key stakeholder groups

At the Group, we engage stakeholders in our operations, which allows us to make better business decisions, manage risks more effectively and foster the company's innovation. Our key stakeholder groups include:



¹⁹ <https://about.allegro.eu/static-files/c32463e3-8a82-4ba1-8ee3-f3db25833984>

We developed a detailed key stakeholder map to help us effectively manage stakeholder relations. The map enables us to match both channels and frequency of contact to the group. We choose the most effective channels of communication for each group.

Group	Forms of contact		
Customers (buyers and sellers)	<ul style="list-style-type: none"> • Contact form • Allegro chat • Phone call • WhatsApp • Allegro Gadane community • Hotline for Seniors • Contact channel allows Deaf users to have a video chat with online assistance from a Polish sign language interpreter • Allegro Protect • Online help centre • Channels of direct communication with Allegro advisers • Social media accounts 	<ul style="list-style-type: none"> • NPS survey • Regular online surveys • Rights Protection Cooperation • Expert meetings • Media relations • Online presentations • For Sellers site • Online Help Centre • Mailings • Key Account Manager for sellers and Business Partners • Sales Manager • Educational website for buyers • Advertising and educational campaigns in the media 	<ul style="list-style-type: none"> • Shopping guides and inspirations on the platform • Discussion with the merchant • Internal complaint-handling system • Out-of-court procedures for merchants • Special Case Team • Safe Online Shopping programme (Bezpieczne z@kupy) • Data Protection Officer • Training courses and webinars, including the Allegro Academy • Channels of direct communication with Allegro advisers • Corporate website: Allegro.eu, social media • Discussion with the buyer • Internal complaint-handling system • Out-of-court procedures for merchants
Business partners and suppliers	<ul style="list-style-type: none"> • Contact form • Periodical reports • Expert meetings • Media relations 	<ul style="list-style-type: none"> • Online presentations • Form for vendors https://about.allegro.eu/vendor-form • Code of ethics for suppliers and business partners 	<ul style="list-style-type: none"> • Internal complaint-handling system • Out-of-court procedures • Cooperation with public authority
Employees	<ul style="list-style-type: none"> • Let's Talk montly meetings with Exec Team and Q&A session • Company update: quarterly meetings with the board for all employees, including a Q&A session • The qa_allegro channel for asking questions on an ongoing basis • Juice Work&Life Academy inspirational meetings • Insite+ internal social media platform 	<ul style="list-style-type: none"> • Thematic communities • Allegro Tech Meeting • engagement survey • Email communication • Newsletters • Employee Representation • Meetings, workshops • Let's Talk & All Hands meetings with Exec Team 	<ul style="list-style-type: none"> • Training courses and the MindUp Platform • Annual and semi-annual review (an opportunity for mutual feedback) • Mentoring • Whistleblowing system • Employee Advocacy #AllegroLife program • Podcasts

Group

Forms of contact

Group	Forms of contact
<p>Local community and non-governmental organisations</p>	<ul style="list-style-type: none"> Allegro Foundation Volunteering programmes Allegro Charity Platform Educational meetings at schools and universities Information desks at events Cooperation with NGOs
<p>Administration and national and international regulators</p>	<ul style="list-style-type: none"> Work with the Polish and Czech government authorities, including market regulators Work with business organisations and chambers of commerce Work as part of EU institutions (European Commission, European Parliament) Participation in public consultations on draft legislation
<p>The stock market environment, including shareholders</p>	<ul style="list-style-type: none"> Current and periodical reports Meetings, conferences and roundtables Email contact Investor Relations Department Corporate website Newsletters General Meeting
<p>The business environment, media and competition</p>	<ul style="list-style-type: none"> Membership in industry organisations Industry initiatives Participation in conferences and meetings Public consultations Current and periodical reports, company updates Media relations Email communication, direct contact for the media https://magazyn.allegro.pl/

Frequency of communication with our stakeholders depends on the needs and requests of our stakeholders. We also conducted surveys among our employees, concerning organisational culture and values, to better understand and integrate our teams, concerning employee satisfaction, and the choice of material topics for the ESG report.

our projects and initiatives. We also constantly monitor the internet and review the media.

Allegro was also a main Partner of the The Chamber of Digital Economy study and publication [The Sustainable e-Commerce Report 2022 \(Odpowiedzialny e-commerce 2022\)](#)

We learn about our shareholders' issues and problems at direct meetings, as well as through surveys and analyses we conduct. We conduct our own surveys and hold meetings with clients and business partners, including individual interviews, group interviews and usability tests. The findings inform

- For 67% of online shoppers, it is important whether an online store is a socially responsible business and whether it develops in an environmentally sustainable way,
- 35% of respondents attach importance to the sustainability efforts of the company they buy from, e.g. whether the

e-store operates ethically, or whether it is adapted to the needs of people with special needs,

- Among loyal customers of an online store, an average of 8 out of 10 people closely observe its corporate social responsibility activities and thus decide whether it is trustworthy or untrustworthy.

'17 Goals Campaign' in the ecommerce industry

In the process of preparing this report, we also used the impact matrix, created as part of the 17 Goals Campaign²⁰, carried out in cooperation with CSR Consulting. One of the results

of the project was an analysis conducted by 17 experts, who evaluated a total of 169 tasks of the Sustainable Development Goals, looking for those which are most influenced by the e-commerce industry. The result was an e-commerce industry impact matrix, in which 3 key and 4 additional Goals for the industry were identified.

Key SDGs identified by experts for the e-commerce industry:



²⁰ 'The 17 Goals Campaign' is the first and the biggest national cross-sectoral initiative for the Sustainable Development Goals in Poland. It encourages business to contribute to the realisation of the 2030 Agenda. The Campaign brought together a wide range of actors: companies, governmental institutions and NGO's under the honorary patronage of the Polish Ministry of Development. It is an example of how the national, cross-sectoral cooperation towards the 2030 Agenda can work.



4. Environment & climate

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UN Global Compact	[UNGC 7] [UNGC 8] [UNGC 9]	SFDR	[SFDR 3] [SFDR 1] [SFDR 2]
GPW / EBOR	[GPW E-S2][GPW E-P1] [GPW E-P2] [GPW E-S6][GPW E-P3]	TCFD	[TCFD Targets and metrics A] [TCFD Targets and metrics B] [TCFD Targets and metrics C] [TCFD Strategy A]
SDGs Sustainable Development Goal			

Key data & results for environment & climate



10.4%

lower emission in the whole value chain (Scope 1, 2 and 3, market-based) emission in 2022 YoY in Polish Operations

23%

of electricity consumed by company was generated from RES (Polish Operations)

12.2%

decreased Scope 3 GHG emissions in 2022 YoY (Polish Operations)

28%

lower emission intensity for Scope 1 & 2 & 3 (market-based) in relation to revenue YoY

3.7 million

sustainable packaging introduced to the market by Allegro in 2022

98%

of waste from warehouses and depots within Polish Operations is recycled

The environment and climate management

Allegro is dedicated to addressing climate change and reducing our environmental impact, as demonstrated by our comprehensive Climate Policy. This policy includes a range of actions aimed at achieving sustainability goals, such as introducing renewable energy, reducing our carbon footprint through achieving science-based targets, reducing emissions

and participating in international climate and environmental initiatives.

We have undertaken several activities to reduce our emissions and energy consumption, such as introducing circular economy solutions. We also provide climate education to stakeholders, customers (clients and merchants) and employees.

Allegro monitors and manages climate and environmental risks and opportunities, as recommended by the Task Force on Climate-related Financial Disclosures (TCFD). We also integrate climate risk management into our overall risk management process.

Allegro's Climate Policy is a commitment to achieve a more sustainable way for the company, its stakeholders, and the environment.



Allegro's efforts to identify and manage its environmental impact throughout the value chain is the result of growing expectations from customers, employees, but also from financial institutions and investors. In December 2022, Allegro moved up in the [MSCI ESG rating](#) from an 'A' to an 'AA' rating. Thus, the company is among the 33% of the highest-rated companies in the retail industry. In the MSCI assessment, not only environmental but also social and governance issues are taken into account.

E-commerce vs. brick & mortar stores

Our own research has shown that due to the lack of physical stores, lower customer commute and streamlined logistics, **e-commerce causes on average around 40% less GHG emissions per purchased item** than traditional brick & mortar stores. It is worth mentioning that had this comparison been done to the fulfillment model (rather than the merchant model), the CO₂e reduction would exceed 50%²¹.



²¹ Own data: For comparison, we used merchant-based models, both in direct delivery to address and delivery to parcel machine variants, prepared by external experts contracted by Allegro. Our calculations regarding brick & mortar stores were based on our professional experience in retail industry and convenience stores, as well as logistical processes analysis done by Allegro and external experts.

Environmental and climate Policy

Our ambition is to continuously reduce our negative impact on the environment, primarily by reducing emissions, which is why we adopted the Climate Policy and climate targets aligned with the Paris Agreement. We also want to actively engage in the green transformation to become the frontrunner in the low-carbon economy.

We want to be the first place the clients choose for sustainable e-shopping, and a place supporting merchants (SMEs) in their sustainable development and growth. We are going to develop a sustainable product base. We are working on sustainable packaging in warehouses as well as fulfillment centre and in further we will be working on introducing labels for sellers who provide sustainable packaging without plastic.

We plan to become a sustainable leader on the market with the climate targets throughout our value chain. We are in the process of ISO 14001 implementation of the environmental management system in the Polish warehouses and will extend it to other countries we operate in. We are monitoring GHG emissions of the Group and continue to implement

our decarbonisation strategy in Polish Operations. Climate targets for the Mall Segment, operating in the Czech Republic, Slovakia, Slovenia, Hungary and Croatia are being developed.

In March 2022, we adopted the Climate Policy. Under this policy, we commit to maximize renewable energy use, reduce the carbon footprint in our operations and work with our business partners to reduce emissions across the value chain.

Under the Climate Policy, we are engaged in activities and initiatives:

- to reduce emissions and energy consumption
- to reduce emissions related to shipping orders
- to develop low-carbon logistics centres for businesses selling on the Allegro platform
- to introduce a circular economy model, including 100% recycled packaging and reusable packaging
- to offer climate education to stakeholders, including customers and the public, in particular education and improvement of climate and environmental competence of Allegro's employees.

The initiatives under our Climate Policy are public and described in Allegro ESG reports. Allegro's Climate Policy is available on the Allegro.eu website.



Climate targets in accordance in accordance with SBTi and aligned with the Paris Agreement

Allegro was the first e-commerce and technology company from Poland to join the Science Based Targets initiative (SBTi), in September 2021. And already in November 2022, Allegro was classified, after a multi-stage validation process, as one of the companies with SBTi-approved climate targets. The targets adopted by Allegro were set in accordance with the SBTi's scientific method, and the pathway to meet the 1.5°C goal of the Paris Agreement.

Joining SBTi, a credible and recognised initiative, has helped us to develop and communicate the targets, as well as to fulfill the expectations of investors and to meet the ESG ratings requirements. Science-based target setting is part of the yearly reporting practice of the companies, incorporating the CDP questionnaire and scoring, which is important for institutional investors.

The SBTi's Target Validation Team verified Allegro's scope 1 and 2 targets' ambition and determined that it is in line with the 1.5°C trajectory. This is currently the most ambitious SBTi designation. The SBTi has approved the following targets:



Allegro commits to reduce scope 1 and 2 GHG emissions by **38%** by 2030, from the 2021 base year level.



Allegro also commits to have **73%** of its suppliers, by spending covering purchased goods & services, capital goods, and downstream transportation and distribution, with science-based targets by 2027.

As a leader in sustainability and responsible business, Allegro will continue to take numerous steps towards a more sustainable future, in particular including:

1. implementation projects to ensure renewable energy with constant prices to reduce our GHG emissions in scopes 1 & 2 (direct and indirect emissions)
2. supporting, educating and encouraging our biggest suppliers to introduce their climate targets
3. ensuring sustainable and transparent communication about our climate pathway
4. monitoring GHG emissions in Allegro
5. continuation of ESG strategy integration with the business strategy



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



The SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). The SBTi call to action is one of the We Mean Business Coalition commitments.

Science-based targets show companies and financial institutions by how much and how quickly businesses need to reduce their GHG emissions to prevent the worst impacts of climate change, leading them on a clear path towards decarbonisation.

Carbon footprint and environmental impact

Allegro wants to be a leader in sustainability, setting ambitious targets and paving the way for other companies in the industry. Setting emission reduction targets is a natural step for us in limiting our negative environmental impact and reducing our carbon footprint, despite the growth of our business.

A carbon footprint is the total amount of GHG emissions that are directly and indirectly released into the atmosphere. Group measures and discloses its carbon footprint data in three Scopes (1, 2 and 3), which reflect the scale of the company's environmental impact. The carbon footprint measures the impact of a company's operations on the amount of greenhouse gases emitted to the atmosphere, expressed in tonnes of CO2 equivalent. Allegro's greenhouse gas emissions include: scope 1 - direct emissions, scope 2 - indirect emissions and scope 3 - indirect emissions relating specifically to suppliers that are not covered in scope 2. Calculating the carbon footprint is the first step in determining and managing the environmental impact.

GHG Emissions

Three scopes of carbon footprint

The Group^{23, 24} measures and discloses data on carbon footprint in three Scopes (1, 2, and 3), which reflect the scale of our environmental impact. Carbon footprint is a measure of greenhouse gas emissions, produced as a result of a company's operations during the reporting year and is expressed as a weight of CO2 equivalent emissions.

Since Allegro acquired Mall Group and WEIDO in April 2022, a year-on-year comparison of the aggregated results would be incompatible. Therefore, the carbon footprint is presented separately for the Group as of prior to the acquisition²² (referred to as Polish Operations) and in aggregate, for the whole post-acquisition consolidated Group²³. Carbon footprint from the Mall Segment covered emissions for the post-acquisition period, ie. April-December 2022. The year-on-year comparisons apply to the Polish Operations only due to lack of full-year comparable data for the Mall Segment.

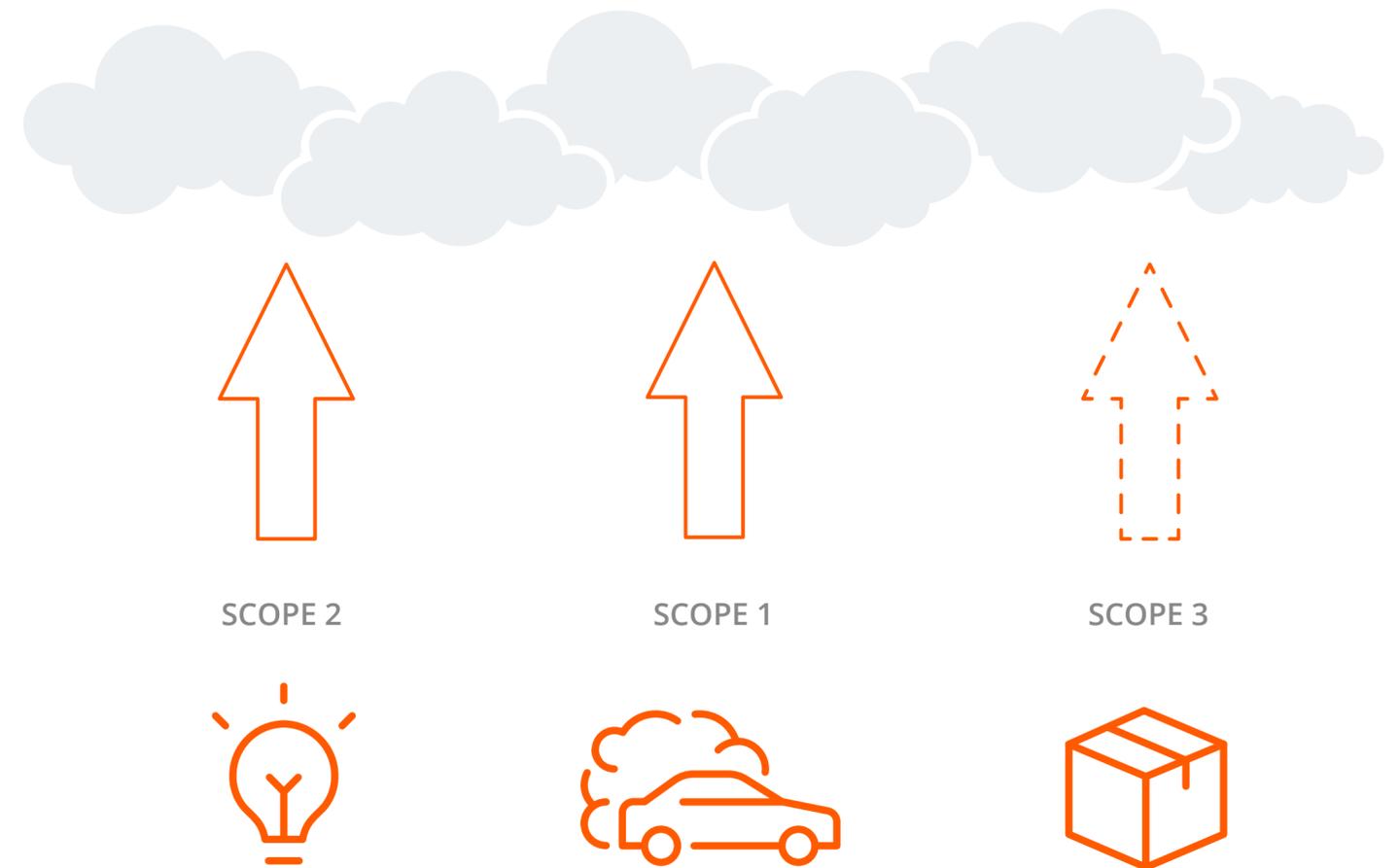
Group's GHG emissions include:

Scope 1: all direct emissions released from our operations. For Allegro, this includes natural gas, fuel consumption from vehicles and refrigerant leakages.

Scope 2: indirect GHG emissions from consumption of purchased electricity and heat.

Scope 3: indirect GHG emissions not covered in Scope 1 & 2 that occur throughout the value chain. This includes purchased goods and services (water supply, paper, products purchased as part of 1P retail operations, packages, goods transport arranged by Vendors, marketing, consultancy and other goods and services), capital goods, energy and

WTT fuel-related emissions, upstream transport, waste and sewage, business travel, employee commuting and remote work, downstream transportation, use of sold products, end-of-life treatment of sold products, downstream leased assets.



²² Carbon footprint calculations for Allegro structure prior to the acquisition of the Mall Group and WEIDO included emissions from Allegro Sp. z o.o., Ceneo.pl Sp. z o.o. and eBilet Polska Sp. z o.o. as well as Allegro Pay Sp. z o.o., Opennet.pl Sp. z o.o., Allegro Finance Sp. z o.o. (Allegro.eu S.A., Allegro Treasury S.à r.l., Adinan Super Topco Employee Benefit Trust and SkyNet Customs Brokers Sp. z o.o. were excluded from the assessment).

²³ Carbon footprint calculations for Group structure post-acquisition included (in addition to Polish Operations) emissions for April-December 2022 from Mall Group a.s. and WEIDO CZ s.r.o., WEIDO SK s.r.o., Internet Mall, a.s., Internet Mall Slovakia s.r.o., Internet Mall d.o.o., Internet Mall Hungary Kft, m-HU Internet Kft, AMG Media a.s., Mimovrste d.o.o., CZC.cz s.r.o. (Netretail sp. z o.o., Allegro.eu S.A., Allegro Treasury S.à r.l., Adinan Super Topco Employee Benefit Trust and SkyNet Customs Brokers Sp. z o.o. were excluded from the assessment).

	Group	Polish Operations			
GHG emission in relation to revenue (t CO2e/m PLN)	2022	2022	2021*	YoY **	2020
Scope 1 & 2 emissions (market-based) (t CO2e) in relation to revenue (PLN in millions)***	1.98	2.22	2.19	2%	2.30
Scope 1 & 2 emissions (location-based) (t CO2e) in relation to revenue (PLN in millions)	2.54	2.97	2.23	33%	2.25
Total (Scope 1 & 2 & 3) emissions (market-based) (t CO2e) in relation to revenue (PLN in millions)***	39.54	32.82	45.43	-28%	33.87
Total (Scope 1 & 2 & 3) emissions (location-based) (t CO2e) in relation to revenue (PLN in millions)	40.10	33.56	45.48	-26%	33.82

	Group	Polish Operations			
GHG emission in relation to revenue (t CO2e/m EUR****)	2022	2022	2021*	YoY **	2020
Scope 1 & 2 emissions (market-based) (t CO2e) in relation to revenue (EUR in millions)***	9.29	10.41	10.01	4%	10.29
Scope 1 & 2 emissions (location-based) (t CO2e) in relation to revenue (EUR in millions)	11.88	13.91	10.23	36%	10.09
Total (Scope 1 & 2 & 3) emissions (market-based) (t CO2e) in relation to revenue (EUR in millions)***	185.21	153.70	207.96	-26%	151.53
Total (Scope 1 & 2 & 3) emissions (location-based) (t CO2e) in relation to revenue (EUR in millions)	187.80	157.20	208.19	-24%	151.33

* methodology of calculating carbon footprint for 2021 was adjusted

** the year-on-year comparisons apply to the prior to the acquisition Group structure

*** for locations, where market-specific emission factors were not available, location-specific emission factors were adopted, with the understanding that data will be improved in the following year

**** Average exchange rates (EUR/PLN 2022: PLN 4.68; 2021: PLN 4.58; 2020: PLN 4.47).

Data for 2020 are not comparable due to the methodology adjustment.



Compared to 2021, GHG Scope 1 & 2 emissions increased by 26.2% (market-based method) and 64.9% (location-based method) in 2022. This stems from increased consumption of heat and electricity as well as higher fuel consumption in stationary and mobile sources. In order to reduce its environmental impact, in 2021 Allegro joined the Science-Based Targets Initiative and is committed to reducing Scope 1 and 2 GHG emissions by 38% by 2030 (compared to 2021).



↗ 38.3%

Scope 1 direct emissions increased by 38.3% YoY. This increase results from natural gas usage mainly in Adamów fulfillment centre and higher fuel use compared to a previous year.



↗ 25.6%

Scope 2 emissions increased by 25.6% YoY (market-based) and 66.3% YoY (location-based). A smaller increase in market-based emissions is due to the use of renewable electricity – in 2022 almost 23% of electricity consumed was generated from RES (compared to almost 15.5% in 2021).



↘ 12.2%

Scope 3 GHG emissions decreased by 12.2%. Categories in which emissions have decreased the most are purchased goods and services and capital goods. The highest increase was recorded in category downstream transportation and distribution.

GHG emissions by Scopes [t CO ₂ e] ²⁴	Group	Polish Operations			
	2022	2022	2021*	YoY **	2020
Scope 1	1,421.76	802.01	579.89	38.3%	250.58
Scope 2 (market-based)***	16,440.14	13,966.59	11,122.08	25.6%	8,941.53
Scope 2 (location-based)	21,414.42	18,929.85	11,382.50	66.3%	8,763.48
Scope 3	338,228.59	203,293.04	231,490.80	-12.2%	126,201.76
Scope 1+2 (market based)***	17,861.89	14,768.60	11,701.97	26.2%	9,192.11
Scope 1+2 (location based)	22,836.18	19,731.87	11,962.39	64.9%	9,014.06
Scope 1+2+3 (market-based)***	356,090.48	218,061.64	243,192.77	-10.3%	135,393.87
Scope 1+2+3 (location-based)	361,064.77	223,024.90	243,453.19	-8.4%	135,215.82

* methodology of calculating carbon footprint for 2021 was adjusted

** the year-on-year comparisons apply to the prior to the acquisition Group structure

*** for locations, where market-specific emission factors were not available, location-specific emission factors were adopted, with the understanding that data will be improved in the following year

²⁴ The greenhouse gases identified and included in the calculation are CO₂, CH₄ and N₂O, which have been expressed as CO₂ equivalent. No biogenic CO₂ emissions have been identified. 2021 is established as the base year. The sources of the emission factors were KOBIZE (The National Centre for Emissions Management) for electricity and heat in Poland, data published by electricity suppliers, Exiobase 3.4 2019 for monetary values, and DEFRA (Department of Environment, Food and Rural Affairs in the British Government) otherwise. GWP factors based on the United Nations Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report (AR4) and, due to the use of the DEFRA (Greenhouse gas reporting: conversion factors 2022) database, for a small number of indicators, on Fifth Assessment Report (AR5). Where possible, calculations were made for each subsidiary and the results were consolidated according to operational control. 100% of emissions from individual locations of Polish Operations were taken into account. The amount of emissions from the production of consumed electricity was calculated according to two methods: location-based (electricity-related emissions calculated using country average emission factors) and market-based (electricity-related emissions calculated using the energy seller specific emission factor). In location-based method, the average emission factor for countries were used. In market-based method, emission factors for energy suppliers were used. For locations, where market-specific emission factors were not available, location-specific emission factor were adopted, with the understanding that data will be improved in the following year.

Source of GHG emissions [t CO₂e]

	Group	Polish Operations			
	2022	2022	2021*	YoY **	2020
Scope 1 [t CO₂e]					
Natural gas	868.99	628.75	437.46	43.7%	190.92
Diesel	172.81	20.70	27.73	-25.4%	20.35
Petrol	270.48	43.10	51.73	-16.7%	37.61
Hybrid cars	109.47	109.47	51.96	110.7%	1.69
LPG	-	-	11.01	-100.0%	-
	Group	Polish Operations			
	2022	2022	2021*	YoY **	2020
Scope 2 [t CO₂e]					
Electricity consumption (market-based method)***	14,823.35	12,520.66	10,575.74	18.4%	8,359.38
Electricity consumption (location-based method)	19,797.64	17,483.92	10,836.16	61.3%	8,181.33
Heat consumption	1,616.78	1,445.93	546.35	164.7%	582.15

* methodology of calculating carbon footprint for 2021 was adjusted

** the year-on-year comparisons apply to the Group structure prior to the Mall acquisition

*** for locations, where market-specific emission factors were not available, location-specific emission factors were adopted, with the understanding that data will be improved in the following year

Scope 3 [t CO ₂ e]	Group	Polish Operations			
	2022	2022	2021*	YoY **	2020
Cat. 1 – Purchased Goods and Services	206,559.10	95,913.35	97,803.21	-1.9%	75,030.71
Cat. 2 – Capital goods	17,308.93	16,459.95	47,582.00	-65.4%	14,642.84
Cat. 3 – Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	1,960.81	1,527.91	2,962.07	-48.4%	1,254.50
Cat. 4 – Upstream Transportation and Distribution	8,649.32	3,117.48	-	n/a	-
Cat. 5 – Waste Generated in Operations	424.59	79.30	13.90	470.5%	4.93
Cat. 6 – Business Travel	563.52	526.65	133.88	293.4%	73.55
Cat. 7 – Employee Commuting	1,409.47	867.38	3 060,00	-71.7%	3,060.00
Cat. 9 – Downstream Transportation and Distribution	80,993.89	79,745.79	54,455.03	46.4%	32,041.77
Cat. 11 – Use of Sold Products	13,469.61	1,550.67	6,360.15	-75.6%	-
Cat. 12 – End-of-Life Treatment of Sold Products	6,880.10	3,495.32	2,296.56	52.2%	6.41
Cat. 13 – Downstream Leased Assets	9.25	9.25	14.00	-33.9%	87.04

* methodology of calculating carbon footprint for 2021 was adjusted

** the year-on-year comparisons apply to the Group structure prior to the Mall acquisition

The GHG emissions were calculated in accordance with The Greenhouse Gas Protocol A Corporate Accounting and Reporting Standard Revised Edition, using Inventory approach and Screening approach - in case the first option could not be used (only in case of lack of quantitative data in some subcategories) screening approach was implemented using the EEIO database adequate for Europe - Exiobase 3.4 2019, recommended by The European Environment Agency (EEA).



Scope 3 emissions were calculated as specified below:

- Cat. 1 Purchased Goods and Services – calculations based on DEFRA 2022 emission factors and an emissions expenditure estimation based on Exiobase 3.4 2019 database. This category includes emissions from products purchased as part of 1P retail operations, tap water consumption, office supplies, packaging materials and cloud services, as well as other goods and services booked as operational expenditure not included elsewhere.
- Cat. 2 Capital Goods – emissions from tangible assets booked as capital expenditure not included elsewhere, estimated using Exiobase 3.4 2019 database. Emissions from the purchase of Allegro One Box parcel machines and associated IT equipment, factors from DEFRA 2022 have been used.
- Cat. 3 Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2 – emissions from the production and distribution of electricity and fuels – based on real Scope 1 and 2 consumption data and DEFRA 2022 emission factors.
- Cat. 4 Upstream Transportation and Distribution – emissions from transportation carried out by the Group's direct partners were calculated with DEFRA 2022 emission factors.
- Cat. 5 Waste Generated in Operations – emissions from waste and sewage generated in office buildings and warehouses and sewage treatment – based on real data on waste generated and DEFRA 2022 emission factors.
- Cat. 6 Business Travel – aeroplane, car and train travel emissions – based on real information on travel and DEFRA 2022 emission factors.
- Cat. 7 Employee Commuting – emissions from remote work and employee commuting were estimated using DEFRA 2022 emission factors and information on average employment in Group companies, including information about remote work.
- Cat. 8 Upstream Leased Assets – emissions not applicable to the Group.
- Cat. 9 Downstream Transportation and Distribution – transportation of sold products by means of transport independent from the organisation using DEFRA 2022 emission factors.
- Cat. 10 Processing of Sold Products – emissions not applicable to the Group.
- Cat. 11 Use of Sold Products – direct (Scope 1) and indirect (Scope 2) emissions from the use of energy consuming products, sold to end users, calculated with DEFRA 2022 emission factors.
- Cat. 12 End-of-Life Treatment of Sold Products – Emissions from the end-of-life stage of sold products – based on real data on materials purchased and DEFRA 2022 emission factors. This category includes the end-of-life stage of products purchased as part of 1P retail operations.
- Cat. 13 Downstream Leased Assets – emissions related to offices subleased to third-party companies at locations where the Group has offices.
- Cat. 14 Franchises – emissions not applicable to the Group.
- Cat. 15 Investments – emissions not applicable to the Group.

²⁵ Emissions from employees' hotel stays on business trips were excluded.

²⁶ The emissions from remote work were estimated based on the adopted assumptions: 1. While working from home, the employee uses a computer (50W) and a monitor (70W). 2. Working time is 8 hours, 251 days a year. 3. Information on remote work for individual companies in 2022 was used. 4. Energy consumption was multiplied by the benchmark for electricity. In order to comply with the GHG Protocol methodology, emissions from remote working have been assigned to Scope 3 - Category 7. The emissions from employee commuting were estimated based on the adopted assumptions: 1. Warehouse workers: warehouse workers commute 5 days a week; average distance from home to warehouse – 30 km; mode of transport: 50% of total warehouse workers - train, 50% of total warehouse workers - car (3 people per 1 car). 2. Office workers: Office workers were divided into fully stationary, hybrid and fully remote; mode of transport: car: 5% of all office workers (1,5 people in the car), distance from home to work - 10 km; bus: 45% of all office workers, distance from home to work - 10 km; rail and tram: 45% of all office workers, distance from home to work - 10 km; subway: 5% of total office workers, distance from home to work - 10 km.

The table below presents our consumption indicators of energy, materials, water, waste and sewage, and travel, which were used to calculate the GHG emissions.

	Group	Polish Operations		
	2022	2022	2021*	2020
Energy consumption²⁷				
Electricity [GJ]	108,980.48	88,950.78	59,828.79	40,935.77
Heating [GJ]	15,450.17	11,847.63	5,661.64	6,032.60
Natural gas [GJ]**	15,690.50	11,342.25	7,893.50	3,445.61
Petrol [GJ]	3,866.05	616.06	1,483.50	543.24
Diesel [GJ]	2,311.87	276.89	372.85	274.20
LPG [GJ]	-	-	167.27	-
Total [GJ]	146,299.07	113,033.60	75,407.54	51,231.42
	Group	Polish Operations		
	2022	2022	2021*	2020
Utilities consumption				
Electricity consumption [MWh]	30,272.36	24,708.55	16,619.11	11,371.05
Heating [GJ]	15,450.17	11,847.63	5.66	6,032.60
Natural gas [m ³]**	429,171.16	310,236.55	216,023.40	94,296.82
Petrol [l]	115,589.03	18,419.20	44,354.38	16,241.94
Diesel [l]	64,005.33	7,665.78	10,342.06	7,591.40
LPG [l]	-	-	7,072.92	-

* methodology of calculating carbon footprint for 2021 was adjusted

** retail distribution and warehouses

²⁷ Indicators used to convert energy to GJ are based on KOBIZE, calorific values (CV) and carbon emission factors (EF) in 2019 for reporting under the 2022 Emission Trading System and the Ministry of the Environment Regulation of December 2019 on inventories containing information and data on the use of the environment and charges due.

	Group	Polish Operations		
	2022	2022	2021*	2020
Materials purchased in the offices				
Paper [reams]	6,944.00	1,297.00	1,698	2,438
Envelopes [pcs]	390,905.00	365,598.00	40,000	70,000
Ticket paper [kg]	2,708.78	1,999.50	-	1,671.90
	Group	Polish Operations		
	2022	2022	2021*	2020
Packaging used in a warehouse [t]				
Cardboard packaging – 100% of recycled paper	2,033.47	652.79	555.19	234.85
Original stretch film – unrecycled	131.87	73.83	54.17	48.80
Half-pallet wood - unrecycled	45.30	45.30	91.54	9.97
100% recycled foil fillers, HDPE foil	71.57	-	-	7.30
Cardboard packaging – unrecycled	51.44	51.44	-	-

In our Environmental approach we want to minimise water consumption, but because water withdrawal is only used for offices and employees' needs, not for production purposes, there are some initiatives in the office to accomplish the target. The reason for the increase of water consumption was the increased number of employees working in the offices in 2022.

The reason for the increase of materials purchased in the offices was the increased number of employees working in the offices in 2022.

* methodology of calculating carbon footprint for 2021 was adjusted

[SDGs] GOAL 13: Climate action

Waste management in all company offices and warehouses is based on recycling, in compliance with applicable Polish laws. The company monitors and reports on waste management for packaging waste placed on the market and waste generated from operations. Measures are taken to limit waste and reuse electrical equipment.

98%

of waste (paper, cardboard and plastic packaging, some used equipment) from warehouses and depots within Polish Operations is recycled.



	Group	Polish Operations		
	2022	2022	2021*	2020
Waste²⁹				
Total waste [t]	1,648.82	735.58	340,62	185,00
Recycled waste [t]	796.54	562.30	297,86	179,60
Non-recycled waste [t]	852.29	173.28	42,76	6,58

* methodology of calculating carbon footprint for 2021 was adjusted

	Group	Polish Operations		
	2022	2022	2021*	2020
Business travel [passenger-km]				
Air travel	1,905,926.80	1,874,207.68	587,903.92	292,295.00
Train	2,796,712.00	2,780,648.00	730,680.00	552,543.00
Cars	615,563.41	438,932.06	232,895.44	146,620.93

Our office buildings in Warsaw, Poznań and Cracow obtained a sustainability certificate with very high results in its category in Poland. In Poznan Nowy Rynek's office is certified in the WELL Health-Safety Rating systems³⁰. The Norblin Factory in Warsaw buildings will feature a range of sustainable solutions – they have already been BREEAM³¹ pre-certified with a "Very Good" rating in the design phase. The Lubicz Park office building in Cracow, where our office is located, has a BREEAM certificate at the "Excellent" level.

Moreover, all offices are well-connected locations, with large floor areas and numerous amenities for employees.

Our data centre is implementing a project to improve energy efficiency and use off-heat at the data processing centre. The purpose of all of these initiatives is to save more electrical energy and reduce air pollution caused by emissions. An intelligent energy management system was introduced that helps reduce CO2 emissions.

The reason for the increase of business travel was the new Business Travel Policy after the end of COVID-19 restriction and the increased number of employees working in the offices in 2022. Moreover, the acquisition of Mall Group and WE|DO increased the need for air travel across the Group's much

larger geographic footprint and particularly between Warsaw, Poznan and Prague.

No refrigerants were released in 2020, 2021 and 2022.

29 Where data on waste treatment methods was not available, averaged shares of individual waste treatment methods were assumed based on official statistics specific to the locations in question

30 WELL Health-Safety Rating systems means investment had been developed in line with the most important need of employees: a sustainable, safe and healthy workspace

31 BREEAM is an international system that provides independent, external certification of individual buildings, communities and infrastructure projects for compliance with sustainable development principles

Task Force on Climate-Related Financial Disclosures (TCFD)

Risk management in line with TCFD, or climate under control

As recommended by the Task Force on Climate-Related Financial Disclosures (TCFD), Group carries systematic identification, assessment, management and prioritisation of climate-related risks and opportunities. The Company has mapped climate risks and opportunities for two climate

scenarios and three time horizons.

In preparing climate scenarios and assessing risks, Group used data from the IPCC, the Intergovernmental Panel on Climate Change. Two RCP (Representative Concentration Pathways)³² emission pathways were identified:

- RCP 2.6 – an emissions pathway that assumes a temperature rise of approx. 1.5°C by the end of the century.
- RCP 8.5 – an emissions pathway that assumes a temperature rise of approx. 4°C by the end of the century.

The selected climate scenarios were calibrated for local conditions and potential impacts on the sector. Below we identified key megatrends in Europe and Poland relevant for each scenario, which were a basis for an analysis of climate-related risks and opportunities in the Group.

Base scenario

1.5–2°C scenario (consistent with the Paris Agreement)

Higher probability and scale of transformational risks (in the medium and long term):

- ✓ Meeting EU emission reduction targets for 2030 and 2050
- ✓ Poland accepts and achieves the goal of climate neutrality or reaches it with a slight delay
- ✓ Entry into force of all regulations promulgated by the EU and implementation of subsequent ones (e.g. expansion of the EU ETS)
- ✓ Significant increase in emissions costs
- ✓ Significant increase in consumer environmental awareness, greater demand for low-carbon products
- ✓ Significant increase in energy prices
- ✓ No negative impact on Poland's economic growth
- ✓ Faster-than-ever increase in efficiency of RES technologies

Alternative scenario

4°C scenario

Lower probability and magnitude of transformational risks (in the medium and long term):

- ✗ Failure to meet EU emissions reduction targets for 2030, 2050
- ✗ Poland does not meet the climate neutrality target, it deviates significantly from it
- ✗ Entry into force of all regulations announced by the EU, but derogations are possible regarding the deadlines for achieving particular decarbonisation targets for the economy and particular industries
- ✗ Moderate increase in emission costs
- ✗ Significant increase in consumer environmental awareness, greater demand for low-carbon products
- ✗ Gradual and moderate increase in energy prices
- ✗ Slower-than-expected efficiency gains in RES technologies

TCFD Recommendations

Defining the short, medium and long term horizons

Our approach

- short term period – 2022 to 2025 (current performance forecast period)
- medium term – 2025 to 2030 (based on EU mid-term climate goals)
- long term – 2030 to 2050 (based on the EU long-term climate goals)

- According to the IPCC's findings on the impacts of climate change in the short term, **the differences in temperature increases through 2035 for the two RCP scenarios are negligible.**
- These findings were confirmed in the context of Poland using the World Bank modelling tool based on scenarios used by the IPCC.

- For both scenarios, the following parameters were analysed: increase in average monthly temperatures, precipitation and number of hot days per year (>35°C).

Source: IPCC AR5 [\[link\]](#), World Bank [\[link\]](#)

³² Representative Concentration Pathways (RCPs) are referred to as pathways to emphasise that their primary purpose is to provide time dependent projections of atmospheric GHG concentrations, both a specific long-term concentration outcome and the trajectory that is taken over time to reach that outcome. They are representative of several different scenarios that have similar radiative forcing and emissions characteristics and are intended to expedite the preparation of integrated scenarios. The IPCC's current RCPs describe four possible climate futures, all of which are considered possible depending on the volume of greenhouse gases emitted in the future—RCP 2.6 assumes that global annual GHG emissions (measured in CO2-equivalents) peak between 2010-2020, with emissions declining substantially thereafter; RCP 4.5 assumes that emissions peak around 2040, then decline; in RCP 6, emissions peak around 2080, then decline; while RCP 8.5, assumes that emissions continue to rise throughout the 21st century (Intergovernmental Panel on Climate Change (IPCC), "Towards new Scenarios for Analysis of Emissions, Climate Change, Impacts, and Response Strategies," September, 2007. IPCC Expert Meeting Report).

Risk identification and assessment were performed on a residual basis, i.e. taking into account Allegro's existing risk management mechanisms, adopted strategy and set goals. Moreover, risks and opportunities were identified and assessed on the basis of expert method i.e. through the deliberate selection of people participating in the process. Risk identification and assessment consisted of four steps:

- identification of risks in individual scenarios
- risk assessment in individual scenarios (TCFD)
- analysis and calibration of risk assessments in individual scenarios
- identification of key climate risks and opportunities

CLIMATE RISK ASSESSMENT

Risk assessment results in the short, medium and long term for two climate scenarios:

Risk:			
	low	medium	high
Trend:			
	downward	no change	upward

RISK GROUP	CLIMATE RISK	2025	2030		2050	
			<2°C	4°C	<2°C	4°C
Regulatory	The risk of increased requirements and increased accuracy of non-financial reporting on climate issues		↑	=	=	=
	The risk of limiting the ability of internal combustion vehicles to make deliveries in urban centres. The risk of the need for rapid changes in own and subcontractor fleets (demand greater than the supply of low/zero-emission fleet)		↑	=	↑	↑
	The risk of decreased availability of RES for strategic objectives		↑	=	↓	=
	The risk of increased financial burden due to the purchase of electricity		↑	=	↑	↑
Market	The risk of increased financial burden due to potential development investments (CAPEX)		↑	=	=	=
	The risk of increased financial burden related to space lease (OPEX)		↑	↑	=	↑
	The risk of a decline in interest in products that have a negative impact on the environment due to the increasing consumer awareness		↑	=	↑	↑
	The risk of adopting a so-called carbon tax, possibly leading to a decline in the competitiveness of products offered on the platform		↑	=	=	=
Reputation	The risk of not delivering on climate promises, e.g. insufficient supply of RES energy		↑	=	↓	=
(Chronic) Physical	The risk of intermittent electricity supply caused by sudden weather events		=	↑	↑	↑

THE LIST AND ASSESSMENT OF CLIMATE OPPORTUNITIES IDENTIFIED

We identified risks as well as opportunities. The assessment in the short, medium and long term for two climate scenarios is presented in the table below:

CLIMATE OPPORTUNITIES	2025	2030		2050	
		<2°C	4°C	<2°C	4°C
		A potential increase in company value to improvement in ESG ratings	✓	↑	=
A potential decrease in energy costs through energy efficiency improvements	✓	=	=	=	=
Greater merchant engagement and loyalty in climate issues and enabling merchants to meet their commitments (including regulatory requirements) arising from climate change	✓	↑	↑	↑	↑
Greater employee engagement by meeting climate targets (company perceived as sustainable)	✓	↑	↑	↑	↑
A potential increase in availability or decrease in financing costs for companies with defined climate targets	✓	↑	=	=	=
A potential increase in customer engagement and demand for some products that have a sustainable impact on the environment	✓	↑	↑	↑	↑

[TCFD Strategy B]

The process used to determine which risks and opportunities may have a financial impact was based on their impact characteristics on Group's operations. Of all the identified risks, regulatory risks and most market risks turned out to have a financial impact on the Group through increased operating and investment costs of the Group's operations.

Opportunity assessment:

 low
  medium
  high

Trend:

 downward
  no change
  upward

Sustainable packaging and deliveries

We support our customers in reducing their carbon footprint with the delivery of products by One Fulfillment by Allegro, One Point by Allegro (pick-up points), sustainable packaging and APMs: One Box by Allegro.

One Fulfillment by Allegro

One Fulfillment by Allegro is a comprehensive service for merchants that includes storing, packaging and delivering orders, as well as providing customer service throughout the delivery process. Distribution of products purchased on Allegro from a single logistics centre will further reduce delivery times, provide high-quality customer service, and reduce the environmental impact by, amongst others, consolidating orders to one package.

Parcel Lockers & pick up points

As of the beginning of November 2021, Allegro started to roll out its network of APMs: One Box by Allegro. Allegro customers can now join a range of sustainability initiatives when collecting their orders. Our partner network of PUDO (pick up, drop off) points allows customers to collect their order the next day after shipping³³ and provides merchants with a convenient shipping and order management method within a single platform.



The carbon footprint of using APMs or pick-up points is lower compared to the courier option, according to Allegro's own calculations, as well as other research done in the industry, Parcel Machines produce considerably less GHG emissions than direct delivery (i.e. courier services). On average we are looking at around **1/3 emissions less**. This is due to the fact that with Parcel Machines the distance travelled in the final leg of the last mile delivery is much lower compared to courier operations, due to the fact that courier leaves many packages in one location rather than visiting number of homes (which result in less km driven and less petrol or diesel consumed).

33 applies only to Next Day offers

Sustainable Packaging

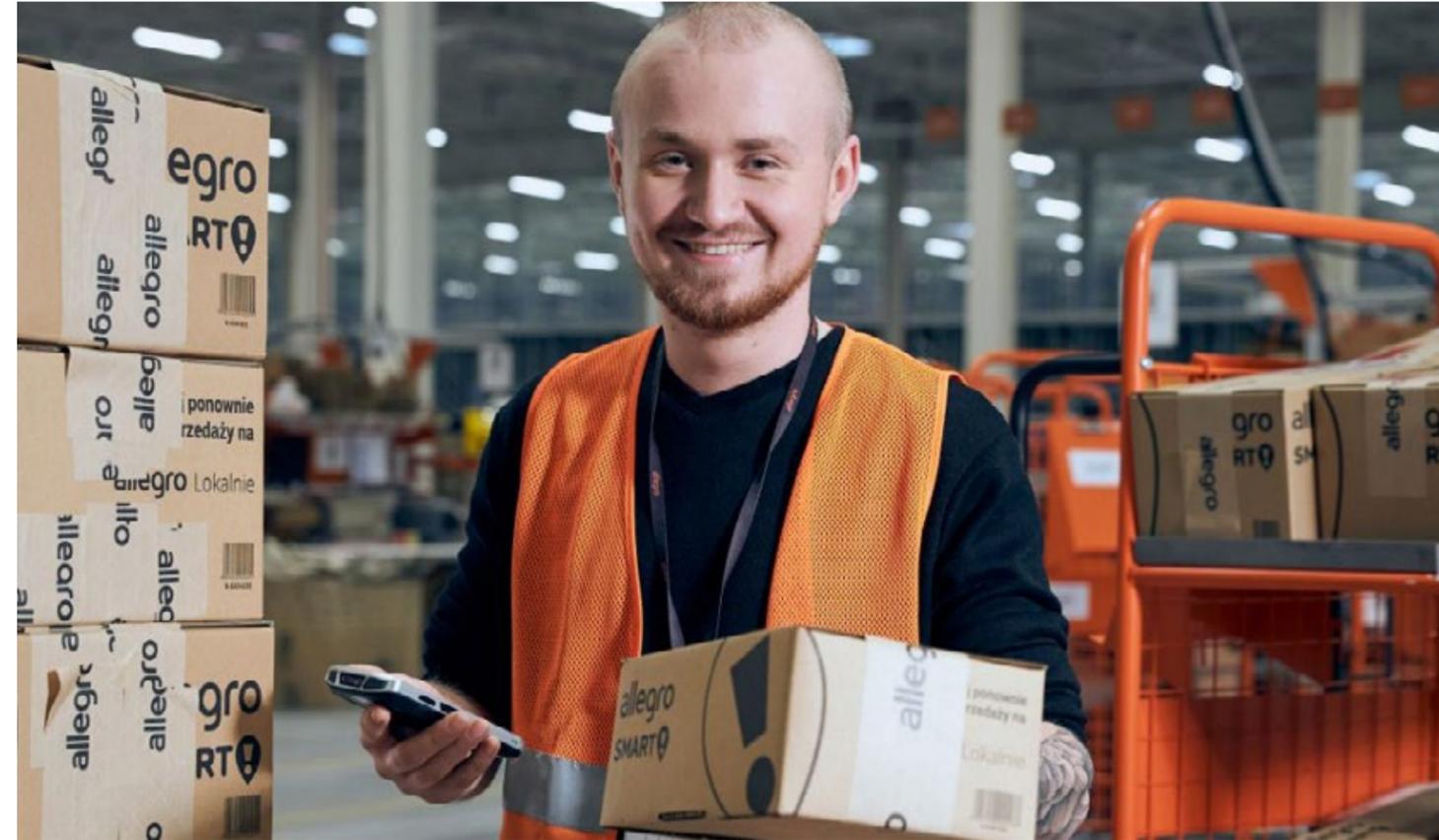
61% of Internet users paid attention to the sustainable aspect of product packaging, according to the "Responsible E-commerce" report issued by the Chamber of Digital Economy (e-Izba).

3.7 million

sustainable packaging introduced to the market by Allegro in 2022

In 2022, Allegro encouraged its customers to use eco-friendly packaging through a set of webinars. Customers were repeatedly informed through email communication about the principle issues related to responsible and sustainable packaging. The e-mails attracted great interest with a CTR (Click Through Rate) higher than average.

In the Allegro_Pack shop, sellers can directly purchase packaging made with certified recycled materials and



biodegradable fillers to reduce their environmental impact. Allegro does not add margin to benefit financially from the sale of sustainable materials and packaging online.

The packaging has international certificates confirming that the raw materials used for its production come from recycling, have been obtained in a sustainable manner throughout the entire chain, and are suitable for recycling (FSC® Certificate). Wherever possible, we use auto-lock

bottom boxes that significantly reduce the need to use tape. The boxes were also designed to reduce process waste already on the production line, making the best use of the cardboard.

The amount of sustainable packaging introduced to the market by Allegro in 2022 has increased by 108% in comparison with 2021, due to increased sales and switching from plastic to paper.

FSC® Certificate

The Forest Stewardship Council® (FSC®) promotes environmentally appropriate, socially beneficial, and economically viable management of the world's forests.

The Forest Stewardship Council® (FSC®) is an international organisation established in 1993 through the joint effort of individuals and organisations representing economic, social and environmental interests.

It is a widely recognised, international forest management certification system. In Poland, 68,7% of all forests are FSC-certified.

Mondi and Schumacher packaging sold directly on Allegro in 2022 had FSC® CoC and RESY certificates. And Allegro has approval FSC® to use the mark of responsible forestry FSC® N003802.



Environmental initiatives

At Allegro, we promote a circular economy. After collecting their first parcel from One Box or One Point, customers are awarded a free code for returning used electrical equipment in One Box. This is transferred to a recycling company which repairs it (if needed) and gives it a second life.

We wish to give both merchants and buyers the knowledge and tools to introduce the principles of the circular economy across their value chains. That's why we led a series of webinars and

performed an upcycling campaign for customers. We are doing our best to have all products sent by the Official Allegro Store and the One Fulfillment by Allegro service to be packed using sustainable packaging materials such as recycled packaging, paper tape and biodegradable fillers, and we intend to implement more processes to minimise waste sent to landfill and lower the carbon footprint across the supply chain.

In January 2023, Allegro joined a CDP initiative to sign The Business Letter In Support Of Ambitious EU Sustainability Reporting Standards (ESRS). The initiators of the letter want to ensure the Commission maintains the current disclosure requirements and does not reduce their scope. The letter draws attention to the need to maintain the ambitious shape of the environmental standards and to maintain the ESRS implementation timetable.



Anti-Smog Coalition

Allegro prohibits offering non-compliant products, including coal furnaces that do not meet legal requirements. In March 2020, we signed a cooperation agreement with the Ministry of Economic Development, Labour and Technology, Polish Smog Alert (Polski Alarm Smogowy) as well as the chairman of the Office of Competition and Consumer Protection (UOKiK). As part of the Anti-Smog Coalition (Koalicja Antysmogowa), we removed from our platform all offers with coal furnaces that fail to meet the legal requirements. Furnaces can only be offered for sale if the required certificates are attached to the offer. In 2021, we removed 413 offers, but in 2022 only 13. Additionally, to ensure an even higher level of safety, Allegro has introduced a provision in its regulations that stoves can only be offered for sale if the required documentation (certificates) is attached to the offer.

Dzielnia - Sharing economy in Warsaw

We are very happy to engage in and support initiatives that promote good practices in the sharing economy and the 'zero waste' concept. "Pass it on" is a pilot project launched by the City of Warsaw - Praga-South District, in which public spaces are being adapted to become places where people can meet, exchange used items in good condition, share food, and organise environmental education events. [More about the project](#)





Allegro is a partner of the “Partnership for Climate” Platform

Partners of the “Partnership for Climate” include organisations and institutions, such as government and local government units, embassies, NGOs and institutions for which climate protection is a priority. The aim of the Platform is to conduct innovative educational and promotional activities related to climate change issues. As part of the Platform, various awareness-raising events are organised, including conferences, debates, happenings, exhibitions. We participate in the meetings and share our knowledge. Partnership for Climate, which is coordinated by the City of Warsaw.

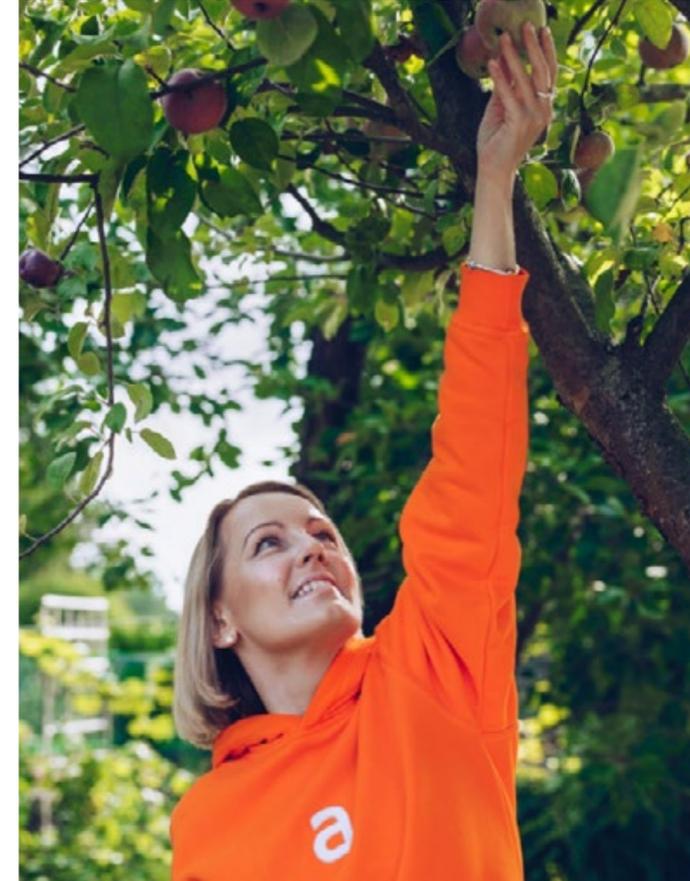
Green Transformation Council of the Polish Confederation Lewiatan

We are a member of the Green Transformation Council of the Polish Confederation Lewiatan and we are engaging in working groups to provide opinions and consultations on regulations and strategies that are part of the European Green Deal, including the preparation of substantive expert opinions, positions, strategies, feedback on regulations, as well as active cooperation with public administration on the final shape of the proposed solutions.

Allegro at The World Urban Forum

The World Urban Forum was a high level global conference on sustainable urbanisation, convened by the United Nations Human Settlements Programme (UN-Habitat), Polish Ministry of Development Funds and Regional Policy, UN Global Compact and the Municipal Office of Katowice.

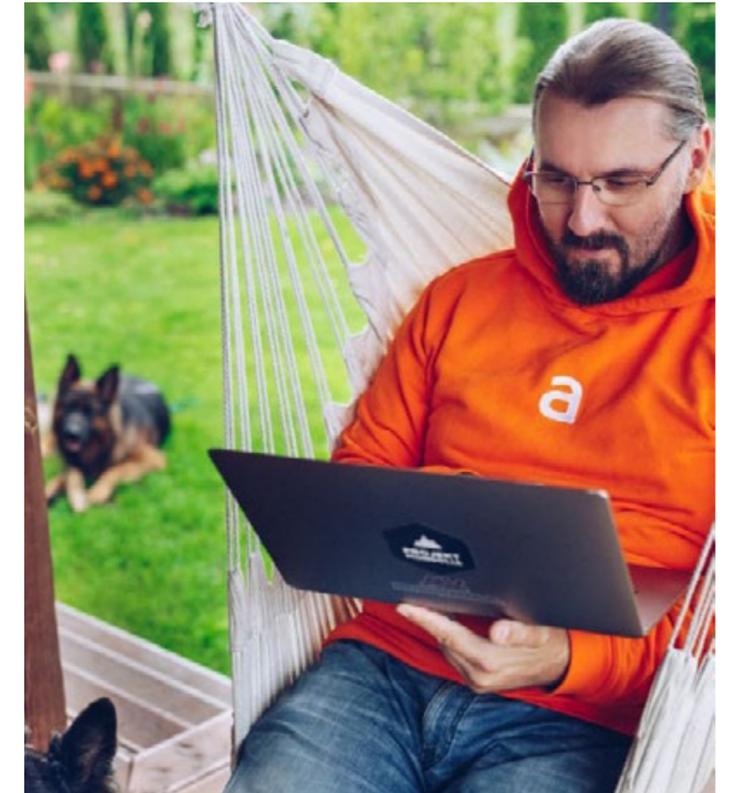
Allegro, as a member of the informal Business Council, took part in high level roundtables on recommendations for



sustainable cities organised by UNGlobal Compact. One of them was Greener Urban Futures, organised by Allegro with Polityka Insight. We discussed major challenges and the cooperation between cities and businesses, with members of the parliament and the chair of the Parliamentary Team on Cities, representatives of city halls (Warsaw, Poznan, Rzeszow, Katowice), urban experts, and institutions like the UN Global Compact, UNEP/GRID, and the Embassy of Denmark in Poland.

Welfare of animals

We also protect wildlife. For many years, we have been working with PTOPIK Salamandra – the Polish Nature Conservation Society. Our goal is to eliminate offers of endangered species (CITES) and help combat illegal wildlife trafficking. This partnership enables us to identify illegal offers and remove them from the platform.



Sustainable and green education

Educations for customers

We engage in numerous initiatives for sellers to raise environmental awareness and offer practical tips on how to be more sustainable. As part of the Allegro Academy, where we uploaded free webinars and courses on zero-waste packaging and how to be a sustainable merchant.

As part of raising awareness of conscious packaging solutions like recycled and biodegradable materials, Allegro has run several events and initiatives, including webinars, films, podcasts, expert panels and educational campaigns both clients and sellers:

- **educational video materials on paper recycling (+3.6 thousand views)**
- **expert panel focused on sustainable trends in e-commerce (+3.3 thousand views)**
- **educational videos for customers on upcycling of packaging materials** (house for your pet and document folder) (+900 views)

- report **“Packaging in e-commerce: trends, news and challenges”** (2 400 views, 1 700 downloads)
- **webinars & podcasts:** “Packaging and waste in Poland and abroad”, “Will we run out of cardboard packaging in e-commerce?”, “Trends in packaging in e-commerce” and “How to build a sustainable supply chain” (2,290 attendees altogether)
- involvement in workshops “MONDI Talks” regarding e-commerce challenges.
- educational webinar for merchants about the formal requirements to report generated waste (BDO) and used packaging materials (ERP)



“Recycled Packaging” (Opakowania z recyklingu) was awarded in the category Enterprise - Promotion during Stena Circular Economy Awards - Circular Economy Leader competition.

Allegro was awarded with distinction in the category Enterprise - Promotion. The project has been recognised for: selling certified eco packaging materials without any margin to promote sustainable packaging and decrease waste production and educational actions towards merchants and buyers - promoting upcycling and recycling concepts.

Also, in November 2022 Allegro received a recognition for its work towards promotion of recycled materials in e-commerce during the “GOZpodarz 2022” gala organised by Employers of Poland (Pracodawcy RP).



Education for employees

Webinar on global warming during Earth Day

On Earth Day, April 22, Allegro Foundation organised a webinar “Why does snow in April not herald “global cooling”? - popular myths about climate change in the world.” The webinar was led by bloggers from Crazy Nauka, a journalist and authors of the book “Fact, no myth”, in which they deal with the most famous scientific myths. Widespread climate change myths, cause the problem to be downplayed by decision-makers, lead to the strengthening of the coal lobby and have a real impact on our future and our children’s future. It is important to identify and debunk these myths efficiently. The webinar was recorded and translated simultaneously from Polish into English.



Education for children

Allegro Foundation’s cooperation with Smart Kids Planet Centrum

Allegro and Allegro Foundation are one of the partners of the Smart Kids Planet for children aged 0-10. As many as 50 engaging attractions in 9 zones await little explorers. The attractions are designed to develop the competences of the future and good habits in children, based on the global trend of edutainment, i.e. education through entertainment. In the zone developed in partnership with the Allegro Foundation, children learn through play how to send and receive parcels and find out why parcel vending machine deliveries have less impact on the environment than other delivery methods. In addition, educational videos on upcycling are presented at the zone.





5. Social and charity engagement

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GRI Standards	[GRI 3-3] [GRI 2-1] [GRI 2-6]	KPI	
UN Global Compact		SDFR	
GPW / EBOR		TCFD	

Key data & results for social and charity



The company makes financial as well as in-kind donations of products or services, to various projects and in partnerships, including the Great Orchestra of Christmas Charity (Wielka Orkiestra Świątecznej Pomocy), Zwolnieni z Teorii Foundation, as well as support for victims of war in Ukraine. Within days of the Russian aggression against Ukraine, Group has taken action to support organisations providing humanitarian aid. The company has also involved its customers, giving them several opportunities to support selected initiatives. **In total, more than PLN 11.7 million was collected in 2022.**

In 2022 PLN 56 million donations were made by Allegro's customers thanks to the charity platform - **Allegro Charytatywni**.

Moreover, Allegro Foundation operates as a foundation within the Group and provides entrepreneurship education, pro-environmental activities and social solidarity as well as developing employees' volunteering.

PLN 56 million

donations made by Allegro's customers thanks to the charity platform - Allegro Charytatywni

Over 750 thousand

charity offers and 541 charity goals on Allegro Charytatywni

338

NGOs' users on Allegro Charytatywni

PLN 11.7 million

has already been collected for Ukrainian refugees



Social and charity work policy

In December 2021, Group implemented the GroupCharity, Social and Sponsoring Activities Policy. The Policy confirms that the profile of social, charity and sponsoring activities is determined by the Group's strategy and the decisions of the Board, subject to benefit analysis and dialogue with stakeholders. These activities will be in line with the standards and good practices of corporate social responsibility, industry codes, the Group's code of ethics as well as internal policies and regulations. The policy ensures the transparency of expenses on charity,

social and sponsoring initiatives undertaken by the Group. The Policy organises and identifies the overarching goals of charitable, social and sponsorship activities of the Group. The Policy prohibits any kind of political involvement on the part of the company. The Policy also prohibits sponsoring of and donations to political parties, their political organisations or institutions of similar nature, as well as persons holding public offices and politicians. Charitable activities in the form of donations may not involve making donations to trade unions, employers' organisations, professional self-

governing bodies, or sports clubs established as commercial companies. This prohibition also includes military organisations or persons, as well as the arms industry.

The Group companies share their knowledge, support education in technology, and help those in need by using the tools available on the Allegro.pl Platform (Charytatywni.Allegro.pl and AllegroLokalnie.pl fundraisers), and through the activity of the Allegro Foundation.



Charitable, social and sponsorship activities

Allegro prioritises sustainability and measures to reduce In Allegro, we know that, as a technology company, we will achieve the best results in the areas in which we specialise and can support our stakeholders with technological solutions. That is why we are developing Allegro Charytatywnie, and that is why we started the cooperation with the Great Orchestra of Christmas Charity (WOŚP) on auctioning products. We also participate in educational projects, where our employees - outstanding experts in the field of technology - can share their knowledge.

However, where it is possible and necessary, we are engaged in other charity actions, such as support for refugees from Ukraine or earthquake victims in Turkey and Syria. We have provided direct financial support to NGOs operating in the area. We also carry out smaller actions directly affecting our stakeholders, which are supported at a local level by our employees and meet their needs.

Allegro also supports various social initiatives with cash and in-kind donations - for example, the donation of 15,000 teddy bears for children - accident victims to be distributed by the

Polish Fire Protection Association (Związek Ochotniczych Straży Pożarnych RP), unused items such as office equipment for local communities and refugees, and a financial donation for the Krakow Smog Alert (Krakowski Alarm Smogowy) for an initiative promoting clean air. A collection of footwear for people in the crisis of homelessness was also organised among Allegro staff.



Allegro Foundation

Allegro Foundation is a charity initiative, established in October 2008 as Allegro All For Planet, with an aim to raise environmental awareness and promote eco-friendly behaviour. The Foundation changed its name in November 2022 to Allegro Foundation and rebranded its activity. Currently, its actions are based on 3 pillars: entrepreneurship education, pro-environmental activities and social solidarity. One of the main tools for implementing these directions is employee volunteering.

In 2022, the Foundation implemented a number of initiatives,

e.g. promoting pro-ecological behavior and activity through the Spin Kilometres (Kręć Kilometry) campaign. It organised a volunteer action helping people in need called the Noble Gift (Szlachetna Paczka). The Foundation also ran the 3. edition of the #we_help_because_we_can (#pomagamy_bo_umiemy) grants program, which supported the social involvement of volunteers and the help for local communities and NGOs. The Foundation also became a partner of the Neat Package zone (Strefa Zgranej Paczki) in the Smart Kids Planet center, where it educates children about conscious consumer choices and pro-environmental behavior.



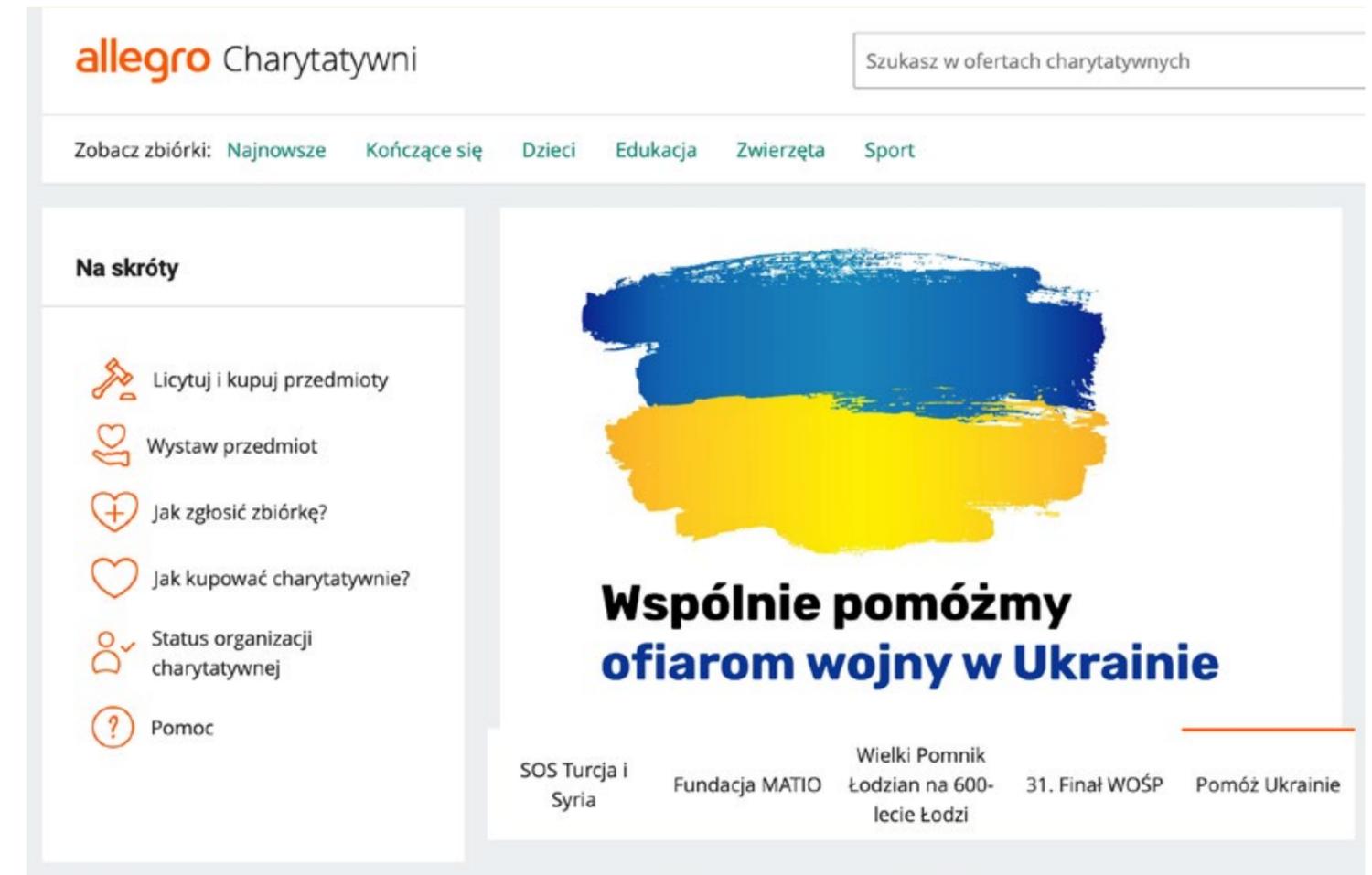
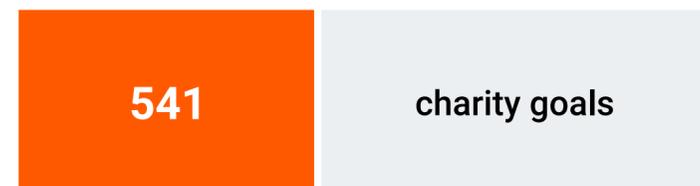
Support for NGOs through Allegro Charytatywni Platform

Allegro Charytatywni enables verified NGOs to run collections and raise funds for important social causes. Allegro does not charge any fees or commissions, and the total income from all charity offers is transferred to the account of the organisation running the collection.

Allegro customers who want to support a given charity cause and the NGO of their choice can both list any item for charity, as well as bid on and buy unique items as part of charity

offers.

In addition, during charity campaigns in which Allegro is involved as a partner, customers of the platform, when finalizing their daily purchases, can add a charity donation supporting a given goal and organisation to their basket. In 2022, these were: The Great Orchestra of Christmas Charity (WOŚP), the WIOSNA Association, PCPM - Polish Center for International Aid and The Saint Nicholas Foundation.



Allegro for The Great Orchestra Of Christmas Charity (WOŚP)

Allegro has supported the Great Orchestra of Christmas Charity (WOŚP) since its establishment. 22 years of partnership have translated into nearly PLN 148 million transferred to the account of the Great Orchestra of Christmas Charity Foundation. After last year's 30th Anniversary Finale, the Foundation collected PLN 37.4 million for pediatric ophthalmology via Allegro auctions on the platform.

In 2022, we supported the Orchestra in the following ways:

- Auctions on the platform
- Virtual Collection Box (Wirtualna Puszka)
- Allegro Staff activity, through which we invite celebrities (stars, celebrities, influencers) to list their own Things from the Heart (Rzeczy od serca) on Allegro auctions for WOŚP
- Participation in the Grand Finale in the studio



The 30th Finale Of The Great Orchestra Of Christmas Charity Set Another Record:

- Allegro customers also eagerly turned to their computer screens and smartphones to support the Foundation. Over 193,000 offers and Virtual Collection Box donations helped raise PLN 37.1 million for WOŚP.
- 18,887 Allegro users put their own items up for Allegro auctions for WOŚP, and over 273,875 people were bidding.
- On the day of the Grand Finale, Allegro customers auctioned for WOŚP every 8 seconds!
- During the Allegro auctions for WOŚP initiative, the aukcje.wosp.org.pl website was visited by over 7.6 million unique users.



Noble Cart (Szlachetny Koszyk)

For years, Allegro has been supporting the Noble Gift (Szlachetna Paczka) initiative. We are implementing the Noble Cart (Szlachetny Koszyk) project for Allegro customers, who can add a fast-track donation - a Noble Donation (Szlachetna Cegiełka) - to their shopping cart to support the Wiosna Association, an organiser of the Noble Gift. Nearly 40,000 customers participated in this campaign from November 4 to December 14, 2022. This year's shopping with a heart brought PLN 713,130 from the sale of 41,264 charity donations.

In addition, the Allegro Foundation, as every year, coordinated the employee volunteer program during the Noble Gift. Last year, 41 volunteer leaders among Group employees and 810 volunteers - Allegro employees and their relatives and friends - prepared Noble Gifts for 38 disadvantaged families. During the Weekend of Miracles (Weekend Cudów), packages worth a total of PLN 153,000 were delivered to those in need.



Education and technology programmes

PFR School of Pioneers

Since 2018

Allegro has been a strategic partner of the PFR School of Pioneers, an international educational program dedicated to future tech entrepreneurs and visionaries. The aim of the programme is to support people who are at the beginning of their careers in creating innovative projects that may be commercialised in the future and enter the Polish market and then - globally. In the long term, the program also aims to increase the number of positive impact projects with investment potential.

Sustainable Development Goals

In 2022, we were looking for projects that meet the UN Sustainable Development Goals, with particular emphasis on ClimateTech and HealthTech. As a result, 50 people took part in the program, who formed 16 founding teams and took part in workshops in 28 thematic areas.

PFR School of Pioneers

Five editions of the PFR School of Pioneers have already graduated 250 people who, by joining teams, have created more than 80 operating technology companies. The graduates have raised a total of more than PLN 180 million from the market to develop their start-ups.

Partnership With the Central House of Technology

Central House of Technology

Since 2019, Allegro has been a partner of the Central House of Technology (CDT), under which, together with the PFR Foundation, it ensures education and the transfer of practical knowledge in the STEAM (Science, Technology, Engineering, Arts, Mathematics) stream.

Digital Entrepreneurship

In 2022, Allegro was a partner of the „Digital Entrepreneurship” educational pathway, which included a number of events such as:

- 12 workshops (online and onsite) for secondary school classes, attended by 271 students and 14 teachers
- 8 workshops (online and on-site) for Digital Debutants, attended by 130 participants



As part of collaboration with CDT

Allegro employees are keen to get involved in events as experts and share their knowledge and experience.

Mam swoje Alle

An educational project

In 2022 we continued “Mam Swoje Alle” (I have my own Alle), an educational project developed by Allegro in partnership with Fundacja Zwolnieni z Teorii. Its goal is to develop and promote entrepreneurship competencies among students (aged 13 or above). Thanks to a public fundraiser through Allegro Lokalnie, they can raise funds for social initiatives of their choice. Furthermore, 30 volunteers from Allegro offered mentoring to the students, supporting their social projects in communication, team management and e-commerce.

Junior School of Digital Economy

The Chamber of the Electronic Economy

(elzba) is a Polish organisation facilitating cooperation, exchange of know-how, legislative action and representation of common interests in the dialogue with regulators. It also supports small and medium-sized enterprises by providing know-how and technological solutions. Allegro is a Partner of the Chamber and participates in its charitable undertakings, like The Junior School of Digital Economy. Primary school pupils from grades 7 and 8 learned what competencies are needed to work in a company such as Allegro in the digital industry. They also listened to cyber security, safe online shopping, and creatively using Internet resources.

Cooperation with The Megabit Bomb: Festival of the Future

A strategic partner

The Megabit Bomb: Festival of the Future was inaugurated in 2021, on the centenary of Stanisław Lem’s birth. Allegro became a strategic partner of the second Megabit Bomb Festival that took place in Cracow, on September 5-12th, 2022. Organised by the Stanislaw Lem Institute, the 2022 edition of this multidisciplinary event integrated topics related to new technologies or AI as well as the social, ethical and cultural consequences of their development. It is a tribute to Lem’s work, attempting to undertake an analysis of our reality and current trends. Allegro as a strategic partner of the event was involved in various activities such as educational workshops for schoolchildren and seniors based on the educational trainings created in partnership with the PFR Foundation, as well as keynote speech about AI development or round tables of climate activists.

Digital Layette for Business

A free program

Digital Layette for Business (Cyfrowa Wyprawka dla Firm) is a free program organised by the Polish Development Fund together with Allegro, Google, Meta and Landingi. It was

addressed to local governments and local entrepreneurs who need support in the development of digital sales tools and building their image online. It was attended by 150 companies operating in the regions of Świdnik, Nysa and Włocławek. The program consisted of workshops and individual consultations with partners’ experts, e.g. how to effectively use new sales channels and communication with customers online, how to increase the attractiveness of regional products and services, or how to optimise online sales and reach customers in the EU region.

Smart Kids Planet

Education through entertainment

Allegro and Allegro Foundation are one of the partners of the Smart Kids Planet for children aged 0-10. As many as 50 engaging attractions in 9 zones await little explorers. The attractions are designed to develop the competences of the future and good habits in children, based on the global trend of edutainment, i.e. education through entertainment. In the zone developed in partnership with the Allegro Foundation, children learn through play how to send and receive parcels and find out why parcel vending machine deliveries have less impact on the environment than other delivery methods. In addition, educational videos on upcycling are presented at the zone.



Support refugees from Ukraine

The humanitarian aid needs grow with each passing day of the war. Long-term support and aid diversification among various groups suffering from the warfare effects are crucial. Within days of the Russian aggression against Ukraine, Group has taken action to support organisations providing humanitarian aid. The company has also involved its customers, giving them several opportunities to support selected initiatives. In total, more than PLN 11.7 million has already been collected in 2022.

The company has provided in-kind (food, cleaning supplies, Allegro vouchers), as well as non-material and financial assistance. Since the war started, Group has supported non-profits advocating for Ukraine with more than PLN 2.9 million. PLN 1 million was donated to the Polish Migration Forum, PLN 700 thousand to the Ocalenie Foundation, and PLN 300 thousand to the Homo Faber Association, all for legal, psychological and social assistance in organising life in Poland for refugees from Ukraine. Financial support of PLN 100 thousand for the Ukraine Foundation and PLN 20 thousand for the Nomad Association were also provided by Ceneo. In addition, PLN 800 thousand from the Group were allocated for the development of the St. Nicholas

Harbors (PL: Przystanie Św. Mikołaja), where children from Ukraine could have taken part in summer camps, prepared for the next school year in a new country, learned Polish and received psychological support. With Allegro support, the Saint Nicholas Foundation's initiative has expanded to 33 new Harbors across Poland.

Allegro employees are also actively engaged in helping. Their enthusiasm for developing bottom-up initiatives has turned into local charity collections and volunteering involvement. To facilitate them in developing their initiatives, the Allegro Foundation dedicated the 3rd edition of the #we_help_because_we_can charity grant competition to support Ukraine, among others. 19 charity initiatives were selected, and the maximum grant amount for each local organisation chosen by Allegro employees was PLN 15 thousand. Also, this year's edition of the Spin Kilometres campaign supported the Ukrainian goal of helping animal shelters in Ukraine. Allegro employees raised PLN 30 thousand in total by cycling, running or walking. Another example of the Allegro Foundation's commitment was its support to the Warsaw Medical University with the donation of nearly PLN 84 thousand for necessary training equipment for Ukrainian paramedics, in accordance with TC3 procedures.

To scale up its efforts, Allegro also leveraged the

technological capabilities of its platform. Within days of the war outbreak, the company launched charity donations for Allegro customers that could be easily added to the shopping cart while finalising transactions. In March, donations totalled more than PLN 6.5 million for the Polish Center for International Aid (PCPM). The funds were used for humanitarian aid, evacuation of the local population and psychological support for children. In April and May, customer donations of more than PLN 1 million were directed to the Saint Nicholas Foundation, supporting aid

operations for Ukrainian children in Poland and Ukraine, as well as participation in the reconstruction of damaged educational infrastructure.

At the same time, NGOs have actively benefited from the capabilities of the Allegro Charity platform, a part of Allegro that serves to raise money for various charitable causes. Currently, more than 50 non-profits have benefitted from it, including the Polish Humanitarian Action (PAH), the Siepomaga Foundation, the Polish Medical Mission or the SOS Children's Villages.





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GRI Standards	[GRI 2-2] [GRI 2-3] [GRI 2-4] [GRI 2-5] [GRI 2-14] [GRI 2-29] [GRI 3-1] [GRI 3-2]	KPI	
UN Global Compact		SDFR	
GPW / EBOR		TCFD	

The create process

The ESG Report for 2022 is our fifth report where we present our sustainability approach and practices at Allegro. The previous document (ESG Report for 2021) was published in 2022 and covered the year 2021. The report was prepared by a dedicated project team, reviewed by Executive Team members responsible for relevant topics and approved by the Board.



Our ESG Report for 2022 was drafted in accordance with the Global Reporting Initiative standard. It discloses non-financial information required under the Non-financial Reporting Directive (NFRD). In addition, the Report contains TCFD (Task Force on Climate-related Financial Disclosures) and SFDR (Sustainable Finance Disclosures Regulation) indicators as well as in-house indicators. The Report also contains references to the Warsaw Stock Exchange ESG Reporting Guidelines and the European Bank for Reconstruction and Development (EBRD) guidelines. The Report includes references to the Sustainable Development Goals (SDGs).

The Report covers all entities included in the Allegro Consolidated Annual Report, i.e. Allegro.eu S.A., Allegro Treasury S.à r.l. (previously Adinan Midco S.à r.l.), Allegro Sp. z o.o. (previously Allegro.pl sp. z o.o.), Opennet.pl Sp. z o.o., eBilet Polska Sp. z o.o., Allegro Finance Sp. z o.o., SkyNet Customs Brokers Sp. z o.o., WE|DO s.r.o (CZ), WE|DO s.r.o (SK), Mall Group a.s., Internet Mall a.s., Internet Mall Hungary

Kft., Mimovrste, spletna trgovina d.o.o., Internet Mall Slovakia s.r.o., Internet Mall d.o.o., Netretail Sp. z.o.o. w likwidacji, m-HU Internet Kft., E-commerce Holding a.s., CZC.cz s.r.o., AMG Media a.s. (previously LGSTCS a.s.), Uloženska s.r.o., Digital Engines s.r.o. v likvidaci, Rozbaleno.cz s.r.o. v likvidaci, Allegro Pay Sp. z o.o., Ceneo.pl Sp. z o.o., Adinan Super Topco Employee Benefit Trust and Foundation Allegro.

Allegro.eu Report on Non-financial Information for 2022 was prepared in accordance with EU legal requirements (Directive 2014/95/EU, Directive (UE) 2020/852), the Guidelines on non-financial reporting (2017/C215/01), as well as the Supplement on reporting climate-related information (2019/C 209/01).

In April 2022, Mall Group joined Group, so the report for 2022 includes more companies than the previous report. The data were consolidated for the group whenever possible, but also compared to the two previous years for the Polish Operations. The reports are prepared annually. The information in this report covers the period from 1 January 2022 to 31 December 2022 for Polish Operations and from 1 April 2022 to 31 December 2022 for Mall Segment, and refers to the state of information at the end of the year (in cases indicated in the report, the data refer to another period).

Allegro.eu, a public limited liability company (société anonyme), incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 1, rue Hildegard von Bingen, L-1282 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies' Register (Registre de Commerce et des Sociétés, Luxembourg) under number B214830.

Polish Operations: Allegro.eu S.A., Allegro Treasury S.à r.l. and its consolidated subsidiaries operating in Poland, being the sum of "Allegro", "Ceneo" and "Other" reportable segments: Allegro Sp. z o.o. (previously operating under the name: Allegro.pl sp. z o.o.), Allegro Pay sp. z o.o., Allegro Finance sp. z o.o., Opennet.pl sp. z o.o. and SkyNet Customs Brokers

sp. z o.o. together form the "Allegro segment"; Ceneo.pl Sp. z o.o. forms the "Ceneo segment"; Allegro Treasury S.à r.l., Allegro.eu S.A. and eBilet Polska Sp. z o.o. together form the "Other segment".

Mall Segment: Mall Group a.s. and WEIDO s.r.o. (CZ) and their operating direct and indirect subsidiaries as of FY 2022: WEIDO s.r.o (SK), Internet Mall a.s., Internet Mall Hungary Kft, Mimovrste, spletna trgovina d.o.o., Internet Mall Slovakia s.r.o., Internet Mall d.o.o., Netretail Sp. z.o.o. in liquidation, m-HU Internet Kft., E-commerce Holding a.s., CZC.cz s.r.o., AMG Media a.s. These entities comprise the "Mall segment" reportable in the Group's financial statements.

There are no restatements of information from the previous reporting period.

When preparing the report for 2022, we used the conclusions of the project team responsible for the 2021 report, with the Allegro stakeholder matrix and the issue significance matrix. The updated materiality analysis was based on a number of studies, including a survey among employees, customer satisfaction ratings, benchmarks and market studies for the e-commerce segment, gap analysis of ESG ratings' results, professional workshop on SDGs implementation, and communication with local authorities and regulators. The choice of material topics remained the same as in the previous report. Please find more information on communication with our stakeholders in chapter 3.7. Stakeholders engagement.

The photos published in the report come from photo sessions with our employees in our offices and warehouses as well as during remote work in their houses.

Many people from the individual teams and the managers were involved in the works on the report. It is impossible to list them all – **THANK YOU to everyone involved!**



Material topics

Category: socio-economic issues	Category: social issues	Category: environmental issues
The country's economic development	Employee education and development	Using raw materials for packaging manufacturing
Employment and job creation	Employee health and safety	Green logistics
Customer health and safety	Employee well-being	Energy consumption
Customer data security	New forms of work	Carbon footprint
Product labelling	Diversity and equal treatment	Waste management
Responsible marketing communication	Preventing discrimination	Sustainable consumption
Small and Medium-sized Enterprise development	Human rights compliance	Public environmental awareness
Industry partnership for sustainability	Employee rights	Using plastics
Innovation	Social and charity initiatives	Using recycled materials
Including environmental and social issues in requirements for suppliers	Education quality/preparing young people for entering the job market	Environmental degradation
Digitisation/automation	Community engagement/local community relations	Climate change
Global challenges in supply chains (limited availability of goods)	Social investments	Using natural resources: water
Taxes	Population ageing in Poland and Europe	Increase in the amount of pollution generated by people
	Rising consumer awareness	

Reporting Indicators

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	Scope of business activity
	2-2 Entities included in the organization’s sustainability reporting	The create process
	2-3 Reporting period, frequency and contact point	The create process, Contact
	2-4 Restatements of information	The create process
	2-5 External assurance	The create process
	2-6 Activities, value chain and other business relationships	Scope of business activity, KPI and results, Responsibility for the supply chain, Charitable, social and sponsorship activities
	2-7 Employees	Allegro team
	2-8 Workers who are not employees	Allegro team
	2-9 Governance structure and composition	Corporate governance
	2-11 Chair of the highest governance body	Corporate governance
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability & ESG strategy, Responsible oversight

2-13 Delegation of responsibility for managing impacts

Responsible oversight

2-14 Role of the highest governance body in sustainability reporting

Responsible oversight, The creating process

2-17 Collective knowledge of the highest governance body

Implementing the SDGs, Key stakeholder groups

2-18 Evaluation of the performance of the highest governance body

Responsible oversight

2-20 Process to determine remuneration

Remuneration and benefits

2-23 Policy commitments

Code of ethics, Diversity & inclusion policy, Environmental and climate policy

2-24 Embedding policy commitments

Sustainability & ESG strategy, Responsible oversight, Programmes to increase workforce diversity, Code of ethics, Supply Chain Code of Conduct, Human Rights Policy Guidelines

2-25 Processes to remediate negative impacts

Personal data protection, The environment and climate management

2-26 Mechanisms for seeking advice and raising concerns

Code of ethics, Whistleblowing system and whistleblower protection

2-28 Membership associations

Interdisciplinary security team, Stakeholders engagement

2-29 Approach to stakeholder engagement

Key stakeholder groups, The creating process, Material topics

2-30 Collective bargaining agreements

Human Rights Policy Guidelines

GRI 3: Material Topics 2021

3-1 Process to determine material topics

The creating process

3-2 List of material topics

Material topics

	3-3 Management of material topics	Ethics and compliance, Scope of business activity, The environment and climate management, Responsibility for the supply chain, Responsible workplace, Diversity and inclusion, Responsible communication, Personal data protection
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Ethics and compliance
	205-2 Communication and training about anti-corruption policies and procedures	Ethics and compliance
	205-3 Confirmed incidents of corruption and actions taken	Ethics and compliance
GRI 207: Tax 2019	207-1 Approach to tax	Contribution to the economy
	207-2 Tax governance, control, and risk management	Contribution to the economy
	207-3 Stakeholder engagement and management of concerns related to tax	Contribution to the economy
	207-4 Country-by-country reporting	Contribution to the economy
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Carbon footprint and environmental impact
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Carbon footprint and environmental impact
	302-3 Energy intensity	Carbon footprint and environmental impact
	302-4 Reduction of energy consumption	Carbon footprint and environmental impact
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	Carbon footprint and environmental impact
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Carbon footprint and environmental impact
	305-2 Energy indirect (Scope 2) GHG emissions	Carbon footprint and environmental impact

	305-3 Other indirect (Scope 3) GHG emissions	Carbon footprint and environmental impact
	305-4 GHG emissions intensity	Carbon footprint and environmental impact
	305-5 Reduction of GHG emissions	Carbon footprint and environmental impact
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	Carbon footprint and environmental impact
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supply Chain Code of Conduct
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Talent recruitment
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Remuneration and benefits
	401-3 Parental leave	Gender equality
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	Employee health and safety
	403-3 Occupational health services	Employee health and safety
	403-5 Worker training on occupational health and safety	Employee health and safety
	403-6 Promotion of worker health	Employee health and safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee health and safety
	403-9 Work-related injuries	Employee health and safety
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Trainings and development
	404-2 Programs for upgrading employee skills and transition assistance programs	Trainings and development

	404-3 Percentage of employees receiving regular performance and career development reviews	Performance management
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Diversity indicators
	405-2 Ratio of basic salary and remuneration of women to men	Gender equality
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Anti-Discrimination, Anti-bullying policies and Whistleblowing Procedure
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supply Chain Code of Conduct
GRI 417: Marketing and Labeling 2016	417-3 Incidents of non-compliance concerning marketing communications	Responsible communication
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Cybersecurity and data security

ESG reporting guidelines. A guide for companies listed on the Warsaw Stock Exchange. Indicators included in the report [GPW]

ENVIRONMENT (E)		SOCIETY (S)		CORPORATE GOVERNANCE (G)	
[GPW E-P1] Greenhouse gas emissions	Chapter: Environment and Climate	S-P1 Diversity on supervisory bodies	Chapter: Diversity and Inclusion	G-P1 Governing body structure	Chapter: Governance and Responsible Management
GPW E-P2] Energy consumption	Chapter: Environment and Climate	S-P2 Equal pay indicator	Chapter: Diversity and Inclusion	G-P2 Code of ethics	Chapter: Governance and Responsible Management

[GPW E-P3] Climate risks and opportunities

Chapter: Environment and Climate

S-P3 Employee turnover

Chapter: Responsible workplace

G-P3 Anti-corruption policy

Chapter: Governance and Responsible Management

[GPW E-S2] Emissions management

Chapter: Environment and Climate

S-P4 Freedom of association and collective bargaining

Chapter: Human Rights Policy

G-P4 Whistleblowing mechanism

Chapter: Governance and Responsible Management

[GPW E-S6] Waste management

Chapter: Environment and Climate

S-P6 Due diligence procedures regarding human rights

Chapter: Human Rights Policy

G-S1 Data protection policy

Chapter: Governance and Responsible Management

Indicators aligned with TCFD (Task Force on Climate-Related Financial Disclosures) Guidelines

Governance

A. The board's oversight of climate-related risks and opportunities

Chapter: Environment and Climate

B. The management's role in assessing and managing climate-related risks and opportunities

Chapter: Environment and Climate

Strategy

A. The climate-related risks and opportunities the organisation has identified over the short, medium, and long term

Chapter: Environment and Climate

B. The impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning over the short, medium, and long term

Chapter: Environment and Climate

C. The resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

Chapter: Environment and Climate

Risk

A. The process for identifying and assessing climate-related risks

Chapter: Environment and Climate

B. The process for managing climate-related risks

Chapter: Environment and Climate

C. How the process for managing climate-related risks is integrated into the organisation's overall risk management

Chapter: Environment and Climate

Metrics and targets

A. The metrics and targets used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process

Chapter: Environment and Climate

B. Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions, and the related risks

Chapter: Environment and Climate

C. The targets used by the organisation to manage climate-related risks and opportunities and results/performance against targets

Chapter: Environment and Climate

SFDR (Sustainable Finance Disclosure Regulation) Indicators

SFDR 1 - GHG emissions	Chapter: Environment and climate
SFDR 2 - Carbon footprint	Chapter: Environment and climate
SFDR 3 - GHG intensity of investee companies	Chapter: Environment and climate
SFDR 4 - Exposure to companies active in the fossil fuel sector	No revenues from activities related to the fossil fuel sector
SFDR 5 - Share of non-renewable energy consumption and production	Chapter: Environment and climate
SFDR 6 – Energy consumption intensity per high impact climate sector	No data
SFDR 7 – Activities negatively affecting biodiversity-sensitive areas	Allegro does not own, rent or manage operations / locations located in or close to biodiversity sensitive areas
SFDR 8 - Emissions to water	0, no water pollutants were emitted in the reporting period
SFDR 9 - Hazardous waste ratio	0, no hazardous waste was generated in the reporting period
SFDR 10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	No confirmed violations of the principles of the UN Global Compact and the Organisation for Economic Co-operation and Development (OECD) Guidelines for multinational enterprises
SFDR 11 - Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Chapter: Responsible management
SFDR 12 – Unadjusted gender pay gap	Chapter: Diversity and Inclusion
SFDR 13 - Board gender diversity	Chapter: Diversity and Inclusion
SFDR 14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	No involvement in the production or sale of controversial weapons

Sustainable Development Goals [SDGs]

	GOAL 4: Quality education	Chapters: Environment and climate, Relations with customers, People and Culture
	GOAL 5: Gender equality	Chapter: Diversity and Inclusion
	GOAL 8: Decent work and economic growth	Chapter: People and Culture
	GOAL 9: Industry, innovation and infrastructure	Chapter: Social and charity engagements
	GOAL 10: Reduced inequalities	Chapter: Relations with customers
	GOAL 11: Sustainable Cities and Communities	Chapter: Environment and climate
	GOAL 12: Responsible consumption and production	Chapter: Environment and climate
	GOAL 13: Climate action	Chapter: Environment and climate
	GOAL 15: Life on Land	Chapter: Environment and climate
	GOAL 17: Partnerships for the Goals	Chapter: People and Culture

UN Global Compact Principles [UNGC]

Area	UN Global Compact Principles	Link to the Sustainability & ESG Strategy for 2020–2023	Action taken
Human rights	<p>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights</p>	<p>3.5.1. Code of Conduct for Suppliers and Business Partners of Allegro and Code of Conduct to Support Rights of Merchants</p>	<p>✓ Our internal regulations and code of conduct for suppliers already include the UN Global Compact principles</p>
	<p>Principle 2: Make sure that they are not complicit in human rights abuses</p>		<p>✓ We implemented Allegro.eu’s Human Rights Policy</p> <p>Read more in the Human Rights section and the Employees section</p>
Labour	<p>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining</p>	<p>4.2. We create equal opportunities in a challenging business environment</p> <p>4.2.3. Review of Diversity & Inclusion/equal opportunities governance structure</p> <p>4.2.4. Diversity and inclusion training on various staff levels</p> <p>4.2.5. Additional programme that supports the professional development of people with disabilities and/or young people from underprivileged groups (e.g. paid internships)</p> <p>4.2.6. Appointing D&I working groups where people can share news, best practices, stories and proposals to make the working environment increasingly more diverse and inclusive</p>	<p>✓ We introduced the Anti-discrimination and Anti-bullying Policy, as well as the Whistleblowing Policy</p>
	<p>Principle 4: the elimination of all forms of forced and compulsory labour</p>		<p>✓ A diversity policy was introduced in Allegro in 2020, and we are working on diversity and inclusion in the workplace</p>
	<p>Principle 5: the effective abolition of child labour</p>		
	<p>Principle 6: the elimination of discrimination in respect of employment and occupation</p>		<p>✓ We also organise anti-bullying and anti-discrimination training to facilitate recognising and preventing undesired behaviour and build positive relations between employees</p> <p>Read more in the following sections: Human rights; Employees; Diversity and inclusion</p>

<p>Environment</p>	<p>Principle 7: Businesses should support a precautionary approach to environmental challenges</p> <p>Principle 8: Undertake initiatives to promote greater environmental responsibility</p> <p>Principle 9: Encourage the development and diffusion of environmentally friendly technologies</p>	<p>1.2. We help customers lower the carbon footprint of products' delivery process</p> <p>2.4. We advance the climate agenda in the supply chain and deliveries, e.g. introducing reusable packaging, reducing the environmental impact of single-use packaging materials, measuring delivery emissions</p> <p>3.4. We are greening our operations, e.g.: leading the effort to reduce emissions from Allegro order deliveries, increasing energy efficiency and circularity of operations, developing data collection & emission factors</p>	<ul style="list-style-type: none"> ✓ We are introducing annual GHG (greenhouse gas) emissions monitoring and the agenda to reduce our carbon footprint ✓ We are working on a dedicated space for those looking for sustainable products because we want to make it easier for buyers to find products with certificates and promote merchants in this market segment. ✓ We encourage more merchants to use sustainable packaging ✓ We joined the Science Based-Targets Initiative and committed ourselves to pursuing the climate-related targets: (1) A 38% reduction of GHG emissions (scope 1 and 2) by 2030, in line with the Paris Agreement 1.5°C pathway (against 2021) (2) Engaging at least 73% of the largest suppliers to determine their science-based targets for Scope 1 and 2 by 2027 <p>Read more in the Environment and Climate section.</p>
<p>Anti-corruption</p>	<p>Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery</p>	<p>3.3. We manage our business in a responsible way</p> <p>3.5.1. Code of Conduct for Suppliers and Business Partners of Allegro</p>	<ul style="list-style-type: none"> ✓ Our internal regulations and the Suppliers Code of Conduct already include the UN Global Compact principles ✓ We introduced the Anti-corruption and Anti-bribery Policy ✓ The Group approaches its risk and compliance management system very seriously <p>Read more in the Ethics & Compliance and Risk Management section</p>

Own indicators [KPI]

		2022	2021	2020
[KPI 1]	rNPS index in the customer satisfaction survey	80.8	78.9	76.1
[KPI 2]	professional sellers ("B2C") on Allegro	Over 133 thousand	Over 133 thousand	128 thousand
[KPI 3]	Active Buyers on Allegro	14.1 million	13.5 million	13 million
[KPI 4]	unique users who visited the Allegro Academy e-learning platform	471.4 thousand (only sellers)	1 million (sellers and buyers)	962 thousand (sellers and buyers)
[KPI 5]	donations made by Allegro's customers by charity platform - Allegro Charytatywni	PLN 56 million	PLN 39.3 million	PLN 19.4 million
[KPI 6]	million sustainable packaging introduced to the market by Allegro in 2022	3.7 million	571,000	n/a
[KPI 7]	% of employees who respect the company as a workplace that respects everyone regardless of gender, age or any other dimension of diversity	85%	87%	n/a
[KPI 8]	GHG emission in relation to revenue (kt CO2e / million PLN)	32.81	45.43	33.87

Non-Financial Reporting Directive Requirements

Business model	Chapter: Business Model
Key performance indicators	Chapter: About the Report
Risk management	Chapter: Risk Management
Policies and procedures	Chapter: Governance and responsible management
Environmental matters	Chapter: Environment and climate
Social matters and treatment of employees	Chapter: People and Culture area, Relations with customers
Respect for human rights	Chapter: Human Rights Policy
Anti-corruption and bribery	Chapter: Corporate governance, Ethics and compliance
Diversity on company boards	Chapter: Diversity and inclusion

³⁴ Total (Scope 1 & 2 & 3) emissions (market-based) (t CO2e) in relation to revenue (PLN in millions), for locations, where market-specific emission factors were not available, location-specific emission factor were adopted, with the understanding that data will be improved in the following year

Contact

For any questions, comments and information related to the report, please contact ESG / CSR team: csr@allegro.pl

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Definitions

Unless otherwise required by the context, the following definitions shall apply throughout the document:

"1P"	First-party.
"3P"	Third-party.
"AF"	Allegro Fulfillment.
"AIP"	Allegro Incentive Plan.
"Allegro"	Allegro sp. z o.o. (from 1 July 2022, previously Allegro.pl sp. z o.o.)
"Allegro Pay"	Allegro Pay Sp. z o.o.
"APMs" or "Lockers"	Automated Parcel Machines.
"Ceneo.pl"	Ceneo.pl sp. z o.o.
"CEE"	Central and Eastern Europe

"CE-5" Five countries in Central Europe where Mall Group operates: Croatia, Czechia, Hungary, Slovakia, Slovenia

"Company" or "Allegro.eu" Allegro.eu, a public limited liability company (société anonyme), incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 1, rue Hildegard von Bingen, L-1282 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies' Register (Registre de Commerce et des Sociétés, Luxembourg) under number B214830.

"eBilet" eBilet Polska Sp. z o.o.

"EC" European Commission.

"EU" European Union.

"FY" A financial year of the Company ending on 31 December of the relevant civil year.

"GMV" Gross merchandise value.

"GRI" Global Reporting Standards

"Group" Allegro.eu and its consolidated subsidiaries.

"IPO" The initial public offering of the shares of the Company on the WSE.

"IT" Information Technology.

"Key Managers"	Individuals, in addition to the Board of Directors, considered relevant to establishing that the Group has the appropriate expertise and experience for the management of the business.
"LTM GMV"	means GMV generated by the Group in the twelve months prior to the balance sheet date;
"Mall Group"	Mall Group a.s., including its operating direct and indirect subsidiaries.
"Mall Group Acquisition"	Acquisition of the Mall Group a.s. and WEJDO CZ s.r.o., announced on 4 November 2021 and closed on 1 April 2022.
"Mall segment"	Mall Group a.s. and WEJDO s.r.o. (CZ) and their operating direct and indirect subsidiaries as of FY 2022: WEJDO s.r.o (SK), Internet Mall a.s., Internet Mall Hungary Kft, Mimovrste, spletna trgovina d.o.o., Internet Mall Slovakia s.r.o., Internet Mall d.o.o., Netretail Sp. z.o.o. in liquidation, m-HU Internet Kft., E-commerce Holding a.s., CZC.cz s.r.o., AMG Media a.s. These entities comprise the "Mall segment" reportable in the Group's financial statements.
"N/A"	Not applicable.
"PLN" or "złoty"	Polish złoty, the lawful currency of Poland.
"Poland"	The Republic of Poland.
"Polish Operations"	Allegro.eu S.A., Allegro Treasury S.à r.l. and its consolidated subsidiaries operating in Poland, being the sum of "Allegro", "Ceneo" and "Other" reportable segments: Allegro Sp. z o.o. (previously operating under the name: Allegro.pl sp. z o.o.), Allegro Pay sp. z o.o., Allegro Finance sp. z o.o., Opennet.pl sp. z o.o. and SkyNet Customs Brokers sp. z o.o. together form the "Allegro segment"; Ceneo.pl Sp. z o.o. forms the "Ceneo segment"; Allegro Treasury S.à r.l., Allegro.eu S.A. and eBilet Polska Sp. z o.o. together form the "Other segment".
"pp"	Percentage points.
"Q1"	First quarter of a given year, a three-month period ended 31 March.

"Q2"	Second quarter of a given year, a three-month period ended 30 June.
"Q3"	Third quarter of a given year, a three-month period ended 30 September.
"Q4"	Fourth quarter of a given year, a three-month period ended 31 December.
"SDGs"	Sustainable Development Goals
"Senior Managers"	Person Discharging Managerial Responsibilities, jointly: Members of the Board of Directors of Allegro.eu, Management Board Members of Allegro and - only for Q1'22 Management Board Members of Ceneo.pl. Following the Mall Group Acquisition, starting from April 1st 2022, Ceneo.pl Management Board Members were no longer considered Senior Managers of the enlarged Group.
"Significant Shareholders"	Cidinan S.à r.l., representing the interests of Cinven & Co-Investors, Permira VI Investment Platform Limited, representing the interests of Permira & Co-Investors, Mepinan S.à r.l., representing the interests of Mid Europa Partners Funds.
"UOKiK or OCCP"	Polish Office for Competition and Consumer Protection (Urząd Ochrony Konkurencji i Konsumentów).
"WE DO "	WE DO CZ s.r.o. and its operating subsidiary WE DO Slovakia s.r.o.
"WSE"	The Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.) and, unless the context requires otherwise, the regulated market operated by such a company.
"YoY"	Year over year.
"YTD"	Year-to-date.