

allegro

Allegro cares about...
sustainability



ALLEGRO. EU S.A. GROUP
2021 ESG
REPORT

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Allegro cares about... sustainability

We start as one big European team

Allegro is the most popular shopping platform in Poland and one of the largest e-commerce companies in Europe. You are welcome to meet with our sustainability approach



Today, our international platform Allegro.com and the merger with the Mall Group increasingly position us as an international organization that operates not only in Poland but also across the whole European Union

Francois Nuyts
CEO of Allegro



+7,150 People

The biggest and still growing e-commerce team in CEE

~18 million Customers

The platform of growth opportunities

~135k Merchants

Turbocharged and extended merchant base

#Good_To_Be_Here #Dobrze_tu_być

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.

- Raising the bar
- Customer-centricity
- Agile

- Curiosity, learning and growth
- Contribution to others' success
- Honesty and respect

Our employees

40.8% women workers of Allegro.eu in 2021

87% of employees perceive Allegro as a workplace where everyone is respected regardless of gender, age or any other dimension of diversity

89% employees would recommend Allegro as an excellent place to work

160 speakers, who participated in more than 110 Allegro Tech events

+ 4,100 participants of more than 450 internal training sessions

Pillars of the CSR and Sustainability Strategy



Allegro as a platform to make sustainable choices

Enabling our customers to make more sustainable choices



Allegro as the place to do business

Improving the merchant's experience and supporting prospective entrepreneurs



Allegro as a good citizen

Having a significant impact on society, contributing to the Polish economy, improving the management of our own footprint – all in the spirit of corporate citizenship



Allegro as the best place for employee development

Creating an ambitious, friendly and diverse working environment where our employees can thrive

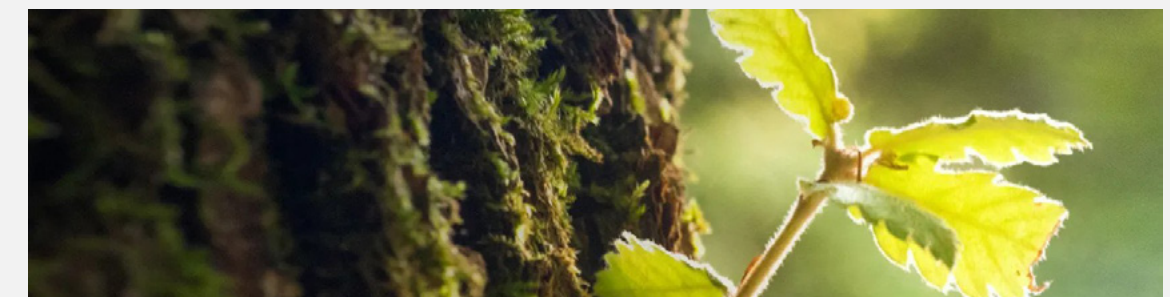
Ambitious climate targets in line with SBTi and Paris Agreement with limit global warming to 1.5°C

Allegro set ambitious decarbonization goals as we joined the global Science Based Targets Initiative in September 2021, which brings together companies that seek to reduce emissions in line with climate science. That way, we joined the effort to meet the ambitious targets of the Paris Agreement and limit global warming to 1.5°C. Our climate goals are to reduce our carbon footprint by 2030 and reflect our willingness to act.



38% reduction of GHG emissions (scope 1 and 2) by 2030, in line with the Paris Agreement 1.5°C pathway

69% of the largest suppliers engaging to determine their science-based targets for Scope 1 and 2 within 5 years from 2021





allegro

Allegro
Outlook

GRI [102-14]

Letter from the CEO



Dear Readers,

At the Allegro Group, we understand it perfectly and have been consistent in making our responsibility a priority for years, tying our everyday business decisions to sustainability and ESG.

We are happy to observe ESG issues become increasingly important globally. Responsible corporate governance as well as conscious social and environmental impact management are no longer an option and are becoming a necessity. Here at the Allegro Group, we understand it perfectly and have been consistent in making our responsibility a priority for years, tying our everyday business decisions to sustainability and ESG. We operate according to a specific plan, setting our sights on long-term priorities in line with Allegro's CSR & Sustainability Strategy for 2020–2023.

Today, our international platform allegro.com and the merger with the Mall Group increasingly position us as an international organization that operates not only in Poland but also across the whole European Union. The Allegro Group already includes a range of popular regional brands such as Mall, WE|DO, mimovrste, CZC.cz and, naturally, Allegro, Ceneo and eBilet, with more than 7,150 experts focused on e-commerce innovation making up a single international team with vast experience. As you can see, we keep raising the bar in terms of both our business and its responsible impact!

While we have already done a lot, we are also aware of the challenges facing our company going forward. Our environmental efforts extend to the entire value chain, across both our operations and the operations of our business partners. We are reducing the environmental footprint of order deliveries to our customers, including by developing sustainable delivery methods such as Allegro One; we create low-carbon logistics centres for Allegro merchants and support the circular economy through certified recycled packaging and eliminating plastic from our logistics centres.

Our climate goals are to reduce our carbon footprint in three areas by 2030 and reflect our willingness to act.

In 2021, we joined the world's largest initiative for sustainable business, the UN Global Compact, reaffirming our commitment to meeting the 2030 Agenda for Sustainable Development. In October 2021, we implemented our Diversity & Inclusion Declaration, initiating in-house education to raise the awareness of employees in these areas. We also adopted the Human Rights Policy that builds on our previous social impact efforts.

We also set ambitious decarbonization goals as we joined the global Science Based Targets Initiative in September 2021, which brings together companies that seek to reduce emissions in line with climate science. That way, we joined the effort to meet the ambitious targets of the Paris Agreement and limit global warming to 1.5°C. Our climate goals are to reduce our carbon footprint in three areas by 2030 and reflect our willingness to act.

We are pleased to see that our efforts in corporate governance, data privacy and security as well as human resources management were recognized by independent experts, including investors. In September 2021, Allegro.eu moved up as many as two spots in the MSCI rating, from BB to A. Far from being complacent, we have set a goal to ensure at least a majority of independent members on the Board of Directors by 1 September 2026.

We stand with Ukraine

While this report is about the year 2021, it would be difficult not to address the situation that has dominated the beginning of 2022. The invasion of the Russian armed forces and war in Ukraine is an event without precedent in the modern history of Europe. Here at Allegro, we stand with Ukraine. In the very first days of the Russian aggression, we made monetary and in-kind donations and organized aid on the Charytatywni Allegro.pl platform, supporting many organizations and aid efforts (such as PCMP, Forum Migracyjne, PAH, Fundacja Świętego Mikołaja, etc.). However, we did not forget about our employees, to whom we also extended our help. Due to the attack on Ukraine, we decided to block new listings from Russia and Belarus as well as stop sales and shipments to those countries. We also launched Allegro.pl in Ukrainian.

We make every effort for Allegro to be not only the best and most welcoming place to work but also a trustworthy brand. I hope that this report will confirm that these are not just empty words. Thank you for your interest in our report and I trust you will find it an interesting read!

Yours sincerely,
Francois Nuyts
 CEO Allegro

GRI [102-1 102-2 102-3 102-4 102-5 102-6 102-10]
KPI [3]

Business Model

Allegro.pl is the most popular shopping platform in Poland and one of the largest e-commerce companies in Europe

<p>22 years on the market</p>	<p>The most recognized online store for 87% Poles <i>(Grey Scale Study - 4th wave, 12 2021)</i></p>	<p>250 million offers</p>	<p>7150+ employees</p>
<p>22 million customers each month <i>(Gemius 03.2022)</i></p>	<p>+130,000 professional merchants</p>	<p>+10 offices across CEE</p>	<p>89% employees recommend working at Allegro</p>

GRI [102-1 102-2 102-3 102-4 102-5 102-6]

Our services and products

Allegro.eu S.A. is a group of companies (hereinafter referred to as "the Company"). Together with its subsidiaries, it forms the Allegro.eu Group (hereinafter referred to, jointly with all of its subsidiaries, as "the Group", "Allegro" or "Allegro.eu").



Allegro Group entities

The Group operates the leading online marketplace in Poland, Allegro.pl, and the leading price comparison platform in Poland, Ceneo.pl. Allegro.pl and Ceneo.pl are the Group's key operating companies and are both entities incorporated under Polish law. The Group also operates eBilet.pl, the leading event ticket sales site in Poland. The Company has been listed on the Warsaw Stock Exchange since 12 October 2020.¹

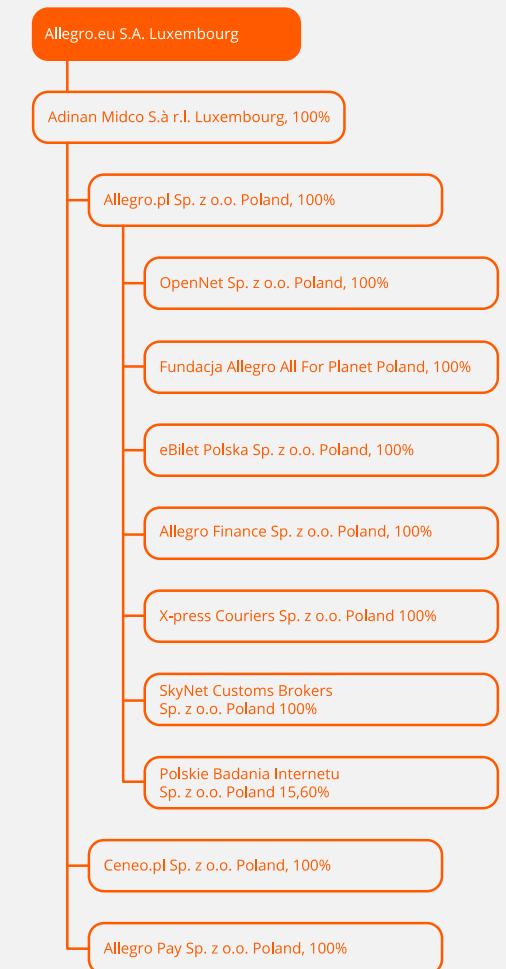
GRI [102-10]

Acquisition of X-press Couriers

On 8 October 2021, Allegro acquired X-press Couriers Sp. z o.o. ("XPC", "X-press Couriers"), one of its same-day delivery courier partners. X-press Couriers is a local delivery company currently servicing predominantly same-day delivery parcels within and between Poland's nine largest metropolitan areas. Allegro has been working with XPC for the last two years. The transaction is intended to expand the range of services offered by Allegro's One Fulfillment One Box, Allegro's proprietary locker infrastructure. It is expected that scaling these capabilities and rolling out to further big cities will enhance customer experience by the continued shortening of delivery times. The transaction also included the acquisition of Skynet Customs Brokers Sp. z o.o. ("SCB"), a customs broker agency, which is part of the X-press Couriers. Allegro expects to leverage SCB's customs competencies to expand and further improve the Group's services for International Sellers, e.g. by providing bonded warehouse and customs broker agency services for non-EU merchants under Allegro Fulfillment. On 1 April 2022, XPC was merged with Allegro.pl, thereby ceasing to exist as a separate legal entity. SCB became a direct subsidiary of Allegro.pl.

¹As of 31 December 2021, the Group comprised of Allegro.eu S.A. with its registered office in Luxembourg; the financial company Adinan Midco S.a.r.l. with its registered office in Luxembourg (currently Allegro Treasury S.a.r.l.), and companies operating in Poland: Allegro.pl sp. z o.o., Allegro Pay sp. z o.o., Allegro Finance sp. z o.o., Ceneo.pl sp. z o.o., eBilet Polska sp. z o.o., OpenNet.pl sp. z o.o., X-press Couriers sp. z o.o. and Skynet Customs Brokers sp. z o.o. Each of the Polish Operating Companies and their subsidiaries has its registered office in Poland.

Structure of Allegro Group



Allegro's 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.



How we operate

01 Variety of categories

Merchants on the Group's e-commerce marketplace Allegro.pl sell across a variety of categories including automotive, home & garden, books, media, collections & art, fashion & shoes, electronics, kids, health & beauty, sports & travel, 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 drive user engagement.

02 Marketplace

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

Allegro is the first-choice platform for consumers across the European Union, reporting high revenue growth, profitability and cash flow with a large scale of operations. We operate a leading online marketplace in Poland, Allegro.pl, and the price comparison platform in Poland, Ceneo.pl (source: OC&C).

03 Advertising opportunities

In addition, the Group earns advertising revenue by providing various types of advertising opportunities to brands and merchants on the platform. The Group also operates its own limited-scale retail business secondary to its intermediary sales services, representing 0.9% of the Group's gross merchandise value ("GMV") for 12 months ended 31 December 2021. In particular, the aim of this operation is to remedy missing services available as part of the intermediary sales model.

06 Event ticket sales

We also operate eBilet, a Polish event ticket sales site facilitating sales of a broad range of entertainment, cultural, family, and sports events. After three quarters of 2020 and the first half of 2021 being severely disrupted by COVID-19 restrictions on public events, eBilet began to rebuild its sales in the second half of 2021 and sold a total of 1.3 million tickets for the full 2021 year (vs. 0.7 million tickets in 2020), up 80.7% YoY and back to 57.2% of pre-COVID levels of 2.3 million tickets sold in 2019.

04 Finance services

The Group has also established its own proprietary consumer finance subsidiary, Allegro Pay, which advances consumer loans to active buyers to facilitate their purchases on the Allegro platform and user engagement.

07 Logistic services

At the end of 2021, the Group also comprised a number of other entities, including: Opennet.pl, a technology solutions provider for logistics, including APMs (automated parcel machines); X-press Couriers, a same-day courier delivery company, and SkyNet Customers Brokers, a customs broker agency (the company became a direct Allegro.pl subsidiary on 1 April 2022).

05 Multi-category price comparison

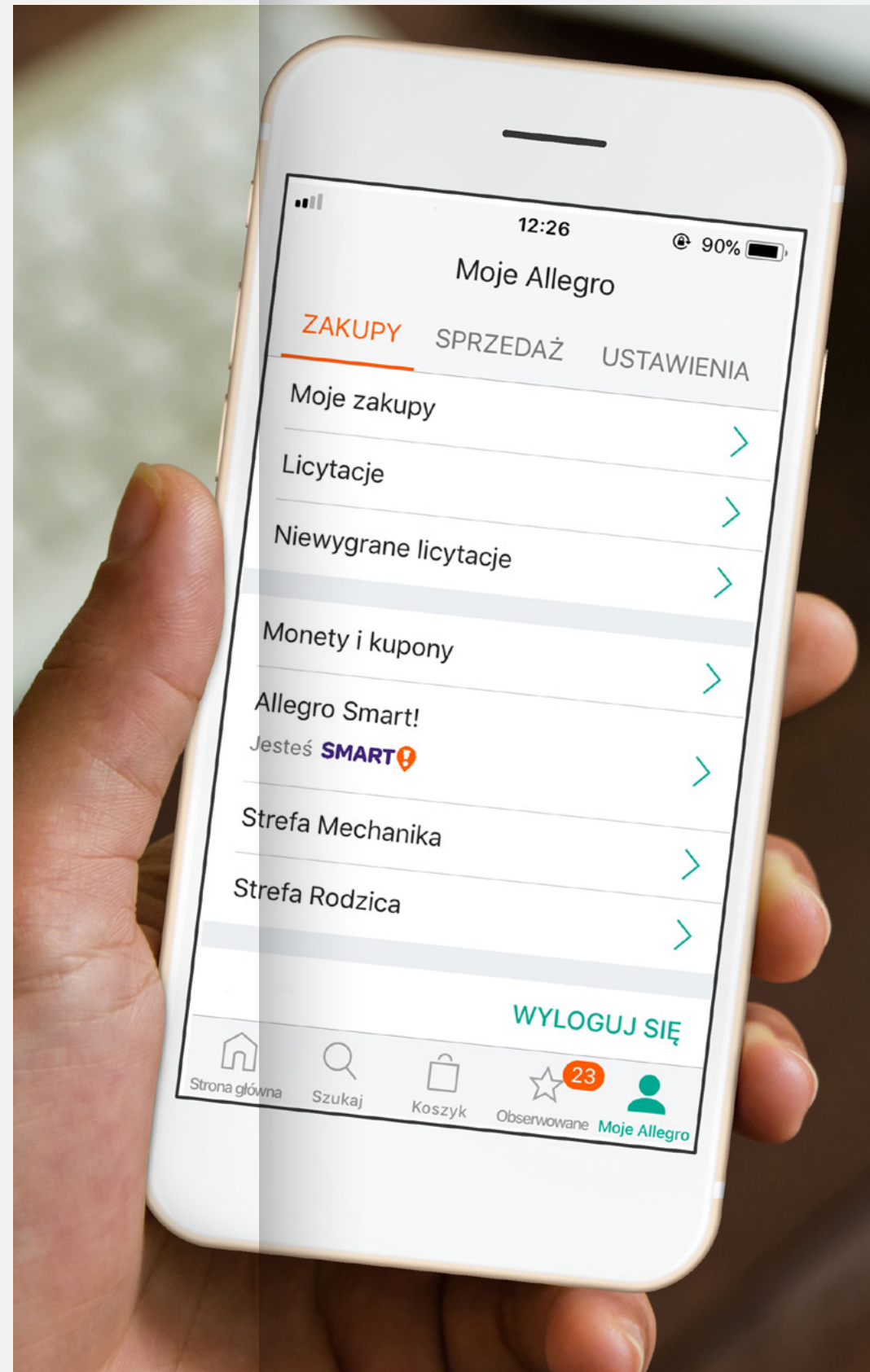
Ceneo.pl is a Polish multi-category price comparison site. It is an established brand that attracted an average of 14 million monthly users in 2021 (source: Similarweb). As of December 2021, around 23,000 online retail stores were registered on Ceneo.pl, and information on 33 million product offers was available to consumers using the price comparison service.

08 Other

We also generate 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.

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.



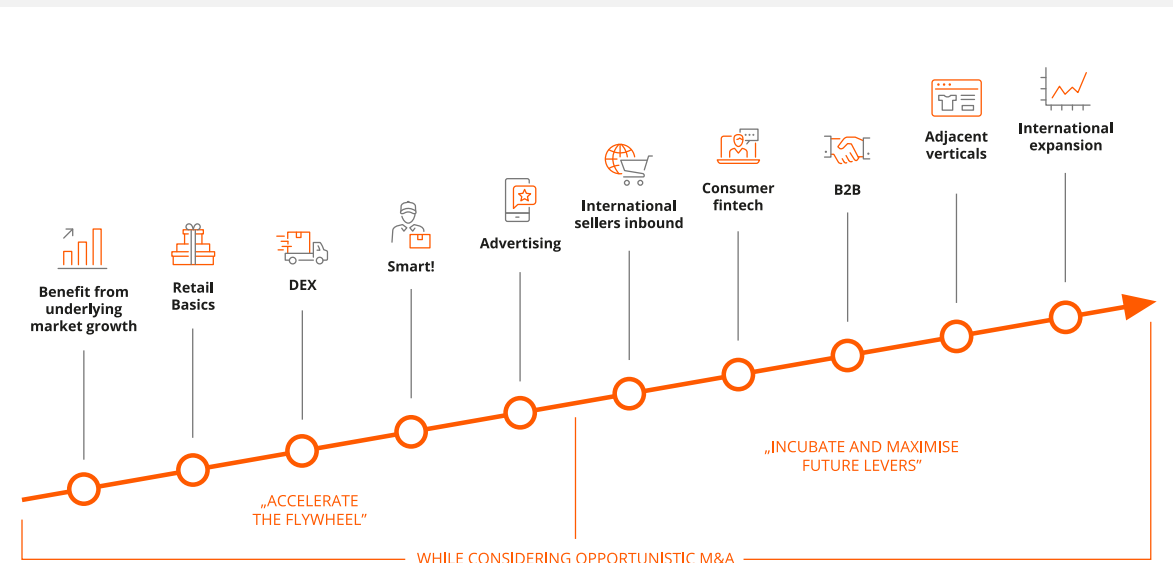
The Allegro platform creates powerful network effects that benefit both buyers on the demand side as well as merchants on the supply side, which we refer to as the “flywheel”.

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, our e-commerce platform attracts an increasing number of merchants.

The flywheel effect is powered by the relentless focus on improving and actively stimulating key retail basics, namely the broad range of products, 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 use of machine-learning-based recommendations and personalization, the development of mobile entry points to the platform, the use of mass-scale testing on consumer usage preferences, improvements to the pace 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.

KPI [8]

On the supply side, the Group is a leading online gateway for merchants in Poland and a popular route for merchants to approximately 13.5 million Active Buyers (as of 31 December 2021).



We serve a large portion of the total merchant base in Poland thanks to our unique value proposition that includes:

Access to a large buyer base	Courses through the Allegro Academy (a digital entrepreneurship education programme launched in 2020)
The SMART! loyalty programme	Trade analytics tools to monitor sales performance and manage offer competitiveness
Ease-of-use	Access to a range of payment providers
Compelling economies	Unique delivery solutions
A wide range of merchant tools and value-added services, including marketing tools and support	Incentives for quality performance
Free classroom and webinar training	Merchant finance

The merchant base includes large brands such as 4F, Fila, Pepco, Wittchen, Xiaomi, Inglot, retailers such as Carrefour and, in particular, Polish SMEs. We believe that this wide variety of merchants allows us to offer the broadest range of products at attractive prices, without dependence on any individual merchants.

over 250 million offers, aspiring to reach over 400 million offers in the medium term as we continue to broaden the range and the Group's operations expand internationally, which leads to more international sellers onboarding, attracted by the opportunity to sell across multiple markets.

The Allegro Group has significantly professionalized its merchant approach over the past four 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. With these investments and initiatives, we have successfully grown our active offer base on the marketplace to

Allegro's international expansion in 2022

In February 2022, Allegro launched its English-language service, giving customers and merchants from the EU access to one of the ten largest e-commerce sites in the world.



Customers can search for and purchase items on Allegro in English and pay in EUR, and Allegro supports merchants through its partners in international deliveries and payments. Allegro also provides English translation to merchants who need it, as well as necessary support in the purchase process.

The English-language platform will give EU customers access to more than 60 million offers, with the sale and delivery supported by Allegro's advanced technological solutions.



Allegro + Mall Group + WE|DO

In November 2021, Allegro announced it had agreed to acquire Mall Group a.s., a leading e-commerce platform across Central and Eastern Europe, and WE|DO CZ s.r.o, a last mile delivery expert, bringing logistics expertise. Mall Group is one of the biggest e-commerce groups in Central and Eastern Europe. Thanks to the integration with Allegro, 70 million potential customers across the region will have access to the widest selection of offers at the best prices, as well as maximum online shopping convenience. The process of Acquisition of Mall Group and WE|DO by Allegro was completed in April 2022.

<p>The biggest and still growing e-commerce team in CEE</p> <p>+7,150 people</p>	<p>Prospective addressable market in highly attractive countries</p> <p>ca. EUR 240 bn Retail TAM</p>	<p>The platform of growth opportunities</p> <p>~18 million combined number of customers</p>
<p>Turbocharged and extended merchant base</p> <p>~135 k Merchants</p>	<p>Market leadership creating best-in-class consumer proposition</p> <p>#1 or #2 positions in 4/6 markets¹</p>	<p>Access to critical cross-border fulfillment and last mile infrastructure and operations</p> <p>194 k m² Logistics footprint</p>

¹Based on e-commerce segment share (% of GMV 2020) as defined by Euromonitor



The merger expands the joint platform's presence in Poland, the Czech Republic, Slovakia, Hungary, Slovenia, and Croatia, nearly doubling its addressable market in countries with highly attractive fundamentals and growth potential.

It brings a range of established regional brands – including Mall, WE|DO, mivovrste, CZC.cz, and of course Allegro, Ceneo, or eBilet – under one roof, while also uniting a 7,150-strong international talent pool focused on e-commerce innovation.

The platforms and businesses will be gradually uniting, while the implementation of strategic client-facing solutions across the group will start immediately. Overall, the merger will widen revenue streams by leveraging on the companies' functionalities, guided by the ambition to be the preferred online shopping destination across the group's geographical footprint.

Transaction details

The Allegro Group paid a total of 881 million euro (approx. PLN 4.1 billion) to purchase 100% of shares in each of Mall Group and WE|DO. The amount was comprised of the following transactions:

- Mall Group was acquired for 867 million euro, with 53% of the amount financed with cash and new debt, totalling 459.5 million euro (approx. PLN 2,137.0 million), and the remaining 47%, or 407.5 million euro (PLN 1,883.7 million), was settled by issuing 33.6 million shares in Allegro.eu, valued at PLN 55.98 apiece (approx. 12.11 euro per share).
- Allegro.pl purchased WE|DO for 14 million euro (approx. PLN 65.1 million) paid in cash.

Values in PLN according to PLN/EUR exchange rate as of March 30, 2022 or as of signing the contract.

GRI [102-7 103-1 103-2 103-3 207-1 207-2 207-3 207-4 102-13]
KPI [2,3]

KPI and results

Allegro.pl is the most recognized e-commerce brand in Poland

(source: Gemius)

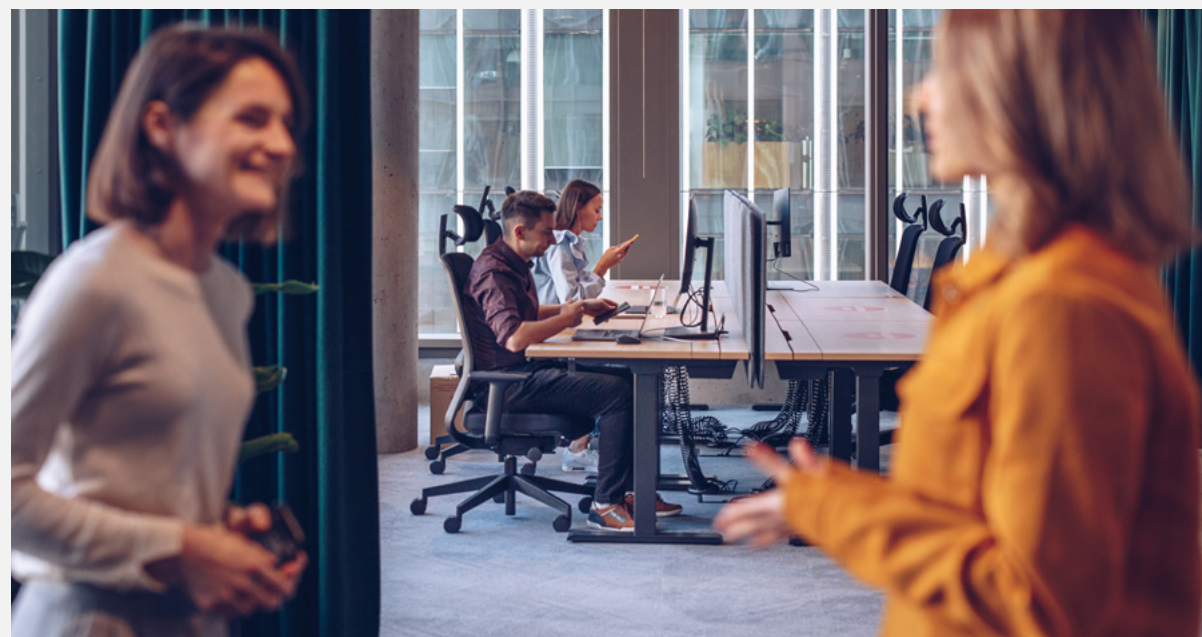
As of 31 December 2021, the Group's e-commerce marketplace had approximately 13.5 million Active Buyers, who connected with over 133,000 merchants. Allegro.pl attracts visits from an average of 21.6 million internet users per month, which is equivalent to 68% of Polish residents aged 16 and above, and 74% of all internet users in Poland. In December 2021, Allegro.pl ranked 104 in the SimilarWeb global ranking of the most popular websites.

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

 **13,5 million**
Active Buyers

 **133,000**
merchants

 **21,6 million**
internet users per month



ALLEGRO.EU KEY PERFORMANCE INDICATORS	2021	2020	2019
Total number of employees	4 848.0	3 289.0	2 479.0
GMV (PLN in millions)	42 601.7	35 110.9	22 801.0
Net sales revenue (PLN in millions)	5 352.9	3 997.8	2 592.3
Costs (PLN in millions)	1 139.1	785.4	425.1
Total capitalization divided into: (PLN)	16 870.8	15 147.9	14 278.0
debt	3 660.2	4 326.0	6 018.6
equity	9 454.1	8 089.6	6 683.6
Key financial and operational results			
Income Statement, PLN m			
Turnover	5 352.9	3 997.8	2 592.3
EBITDA	1 993.7	1 586.8	1 325.4
Adjusted EBITDA	2 068.5	1 750.0	1 338.1
EBIT	1 472.9	1 123.0	886.1
Profit before tax	1 358.1	616.7	513.0
Net profit	1 089.6	418.6	393.1
Adjusted net profit	1 159.6	731.9	403.7
Operational indicators			
Active Buyers (millions)	13.5	13.1	11.4
GMV per Active Buyer (PLN)	3 157.8	2 676.8	1 984.9
GMV (PLN in millions)	42 601.7	35 110.9	22 801.0
Take Rate (%)	10.2	9.3	9.3

*The total number of employees in 2020 has been retrospectively adjusted to include 130 temporary agency workers in the Blonie warehouse (previously excluded from the headcount of 3,159 reported in 2020).

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

Our contribution to the economy



268.5 PLN million
Allegro.eu Group's income tax expense in FY 2021



35.5 %
% YoY increase in income tax expense in FY 2021

(source: Allegro.eu Annual Report)

Allegro.pl is one of the top ten corporate income taxpayers in Poland

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.pl² and Ceneo.pl³ 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 organization'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 minimize tax risk by following the letter and the spirit of tax law and working with reputable tax consultancies and law firms.

The Group has defined risks and implemented procedures to minimize the potential negative effects of taking those risks. Allegro.eu's tax risks were disclosed in the Allegro.eu Group Consolidated Annual Report ended on 31 December 2021 in the "Risks Related to Regulation, Legal and Intellectual Property Matters" section. The tax risks defined by the company include:

- changes in Polish tax regulations that may harm the Group's operational results and financial condition
- the amended Withholding Tax (WHT) regime in Poland
- digital services taxes have been proposed, partially implemented, and may be broadened by Poland, some EU Member States, the European Union or the OECD, and other taxes may be imposed on the e-commerce segment or e-commerce platforms
- an increased focus by the relevant tax authorities on related party transactions may cause the Group's policies to undergo more scrutiny, and the Group may be subject to tax audits and challenges involving such transactions
- Polish tax rulings may be subject to review
- customs and tax authorities are currently undertaking tax audits into CIT settlements in the Group's main operating companies, which may, along with any future tax audits, involve additional costs for the Group
- the implementation of the 2021 EU VAT e-commerce package may result in additional tax exposure for the Group due to the considered plans to make the Import One Stop Shop system obligatory for marketplaces

- the Group may be exposed to greater tax liabilities than anticipated
- the Group may face the risk of its operations or transactions being reviewed in selected areas based on the General Anti-Avoidance Rule (GAAR).

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 authorized entity.

As members of trade associations and on their own behalf, Allegro 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.

[GRI 207-2] [GRI 207-3]

All Group employees can report concerns regarding the organization'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 provides additional information at the request of tax authorities in a timely manner. In 2021, the Group companies did not enter voluntary cooperation with the National Revenue Administration (Krajowa Administracja Skarbowa, KAS) provided for in tax regulations. The companies do not rule out entering such cooperation in the future.

In 2021, no fines or additional sanctions were imposed on the Group for any tax irregularities.

[GRI 207-4 b]

The Group submits information on its taxes due in periodical financial reports. Since the scale of the Group's operations in other tax jurisdictions outside Poland is limited (immaterial in terms of value), the information published regards Poland only. The Group does not carry out a fiscal policy in countries considered tax havens.

In FY 2021, the income tax was PLN 268.6 million, PLN 70.4 million (35.5%) higher than the tax for FY 2020. The Group's effective tax rate was 19.8% and 32.1% for FY 2021 and 2020 respectively, compared to the Polish standard corporate income tax rate of 19% for each period. The high effective tax rate in the comparative period resulted from non-deductible IPO expenses and other tax losses incurred by one of the Group's Luxembourg subsidiaries in the combined amount of PLN 266.0 million, for which no deferred tax asset was recognized as this entity is not likely to generate taxable income in the foreseeable future.

²<https://allegro.pl/zobacz/informacja-o-realizacji-strategii-podatkowej>

³https://info.ceneo.pl/Brands/infoceneo/Ceneo_informacja_o_strategii_2020.pdf

Jurisdiction	Poland
Names of the resident entities	Allegro.pl sp. z o.o., Ceneo.pl, sp. z o.o., Allegro Pay sp. z o.o.
Primary activities of the organization	Allegro.pl – operator of online marketplace Ceneo.pl-multi-category price comparison site in Poland Allegro.pay – a consumer finance and lending solutions provide
Number of employees, and the basis of calculation of this number	4848*
Revenues from third-party sales	-
Revenues from intra-group transactions with other tax jurisdictions	-
Profit/loss before tax	1358,1 mln PLN
Tangible assets other than cash and cash equivalents	443,809
Corporate income tax paid on a cash basis	-
Corporate income tax accrued on profit/loss	268,5 mln PLN
Reasons for the difference between corporate income tax accrued on profit/loss and the tax due if the statutory tax rate is applied to profit/loss before tax	-

*Employment contract, contractors, employment agency and external services



MINISTRY OF FINANCE RECOGNITION

Allegro.pl is one of the top ten corporate income taxpayers in Poland, which was recognized by the Ministry of Finance, which presents a list of the largest CIT payers every year. In October 2021, companies and tax capital groups to have paid the highest CIT in 2020 were presented with awards by the Minister of Finance Tadeusz Kościński. The data were provided for individual statements of companies with annual revenue exceeding EUR 50

million and taxpayers defined as "tax capital groups". With a payment of PLN 232.8 million, Allegro.pl made the list and received the award from the Minister.

GRI [102-13]

Collaboration and partnership, or how we share knowledge

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. Allegro has

also founded and, for the last four years, led the European Tech Alliance, continuing to actively engage in and further digitization and 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 organizations:

International organizations:

- The European Tech Alliance (EUTA) [Allegro.pl]
- Dot Europe (previously known as EDiMA or the European Digital Media Association) [Allegro.pl]
- Mobile Native Foundation (March 2021) [Allegro.pl]
- UN Global Compact (March 2021) [Allegro]
- EUIPO (2020)

Polish organizations:

- The Chamber of Digital Economy (Izba Gospodarki Elektronicznej) [Allegro.pl, Ceneo.pl]
- Digital Technology Employers Lewiatan (Związek Pracodawców Technologii Cyfrowych Lewiatan)
- Konfederacja Lewiatan via the trade association Związek Pracodawców Technologii Cyfrowych Lewiatan [Allegro.pl] [eBilet.pl]
- The Union of Entrepreneurs and Employers (Związek Pracodawców i Przedsiębiorców) [Allegro.pl]
- The IAB Polska Association of Internet Industry Employers (Związek Pracodawców Branży internetowej IAB Polska) [Allegro.pl]
- Responsible Business Forum (Forum Odpowiedzialnego Biznesu) (March 2021) [Allegro.pl]
- The Polish Association of Listed Companies (Stowarzyszenie Emitentów Giełdowych) (January 2021) [Allegro.eu]
- The Polish Organization of Non-Bank Payment Institutions (Polska Organizacja Niebankowych Instytucji Płatności) (March 2021) [Allegro Finance]

We also work with E-commerce Europe through the Chamber of Digital Economy [Allegro.pl], BusinessEurope as part of Konfederacja Lewiatan [Allegro.pl] and Interactive Advertising Bureau Europe as part of IAB Poland [Allegro.pl]. We also are a member of SME Connect at SME Europe through our membership in ZPP.



EU Tech Credo

As a member of the European Tech Alliance (EUTA) and other business organizations 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 Credo, 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.

Proudly presenting our awards and achievements

Our social activity and the rapid growth of our platform that you can read about in this report have been recognized 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, our IPO, building a friendly workplace and, naturally, our sustainability efforts.

Forbes Poland's Best Employers 2021

In the ranking prepared by Forbes and Statista, we came in first among employers in the retail industry. We are all the more pleased with this distinction since we owe it in part to the votes of our employees



Trustworthy Employer

In the 11th edition of the Trustworthy Employer Awards, Allegro received an award in the Internship Programmes Summer e-Xperience 2021. Allegro was recognized for giving young people an opportunity to make their first steps on their career path. The competition was organized by the Polish Chamber of Commerce (Krajowa Izba Gospodarcza)



LinkedIn Talent Awards

Allegro.pl became a winner of the prestigious LinkedIn Talent Awards, where teams from across the world are recognized for implementing innovative recruitment and employer branding solutions. LinkedIn's Data and Information Team analysed the results and engagement of organizations that use LinkedIn solutions in Poland, awarding Allegro the main prize in the Diversity Champion category. The category recognizes organizations that use inclusive communication, paying attention to diversity.



Employees give us a high score on Diversity

Allegro ranked among 17 Polish companies with the best score on Diversity awarded by employees in a ranking by Financial Times.



Allegro recognized as an employer by the Polish Quality Research Institute

Allegro was given a score of 5 stars as an employer by young professionals and 4 stars overall in the Telecommunications Companies category (including IT companies) in the Polish Quality Research Institute (Polski Instytut Badań Jakości, PIBJA) ranking of the best employers in Poland. PIBJA only awards companies that received an above-average score in their industry.

Employer Branding Excellence Awards: main prize in the EB Strategy category

The jury recognized our activities to promote Allegro as an employer in the labour market in Kraków since Q4 2019. In particular, the jury recognized our comprehensive approach (we conducted a brand audit, labour market research and workshops), various channels of reaching potential candidates (a combination of online and outdoor campaigns, ambient marketing) and the results themselves summarizing the initiatives implemented (an increase in the number of CVs, spontaneous and prompted awareness of Allegro as an employer, the number of audience members engaged).

The Most Desired Employer ranking

Allegro took one of the top spots in this year's Most Desired Employer (Najbardziej Pożądany Pracodawca, NPP) ranking and was named the leader in the e-commerce/retail industry.



Allegro is one of the top 10 taxpayers in Poland

Allegro.pl is one of the top ten corporate income taxpayers in Poland, which was recognized by the Ministry of Finance, which presents a list of the largest CIT payers every year. In October 2021, companies and tax capital groups to have paid the highest CIT in 2020 were presented with awards by the Minister of Finance Tadeusz Kościński. The data was provided for individual statements of companies with annual revenue exceeding EUR 50 million and taxpayers defined as "tax capital groups". With a payment of PLN 232.8 million, Allegro.pl made the list and received the award from the Minister.



Allegro Pay awarded at Fintech Awards 2021

The innovative fintech service Allegro Pay was recognized by the Programme Committee as the best Buy Now, Pay Later solution in the first edition of Fintech Awards 2021.



Awards for Allegro at E-commerce Polska Awards

Allegro was recognized by the jury of the competition held by the Chamber of Digital Economy in three categories: Best in B2B, Best B2B Team and Best in CSR.



Service Quality Star

For the fourth consecutive year, we were awarded the Service Quality Star in the E-commerce Platforms category! This invariably demonstrates that we represent the highest standards of Customer Experience in Poland.



Telemarketer of the Year

In the Telemarketer of the Year competition, as many as 3 CX Allegro reached the grand final, and Sławka Turowicz was presented with the main prize in the WOW Effect category and an honorable mention in the Chat Service category at the awards gala.



Ethical Business 2021

Allegro won another title of Ethical Business 2021, awarded to businesses by Puls Biznesu and PwC Legal. We were recognized for building and reinforcing a business model based on ethics and values, as well as our extraordinary approach to transparency.

CSR Silver Leaf

We received the Polityka 2021 CSR Silver Leaf awarded to CSR leaders by Polityka Weekly and Deloitte. In addition, we were recognized by our COVID-19 pandemic relief efforts. The CSR Silver Leaf speaks to the highest level of our everyday sustainability initiatives and responsible management practices.

EFFIE Awards Poland 2021

The SMART for Everyone campaign received a bronze EFFIE award in the retail/sales channels category for the most effective campaigns.

Allegro rides high in social media rankings!

Allegro ranked 1st in the E-commerce category and 1st in the TOP 100 of all brands, scoring 60% higher than the runner-up in the 2021 Social Index report created by SentiOne. It is one of the most famous internet monitoring tools. High in the number-five spot among the top 10 e-commerce domains is Allegro Gadane, proving that the amount of content generated by our community users is really high. SentiOne's analysis is based on discussions about brands and their sentiment and the number of mentions among online commenters.

Allegro in the TOP 5 in SoTrender's most important brands in Poland

Once again, Allegro ranked among the TOP 5 most important brands in Poland, according to the SoTrender ranking looking back on the year 2021 on Facebook. We were recognized for the speed and frequency of our response to our fans' posts. Of particular note is our average response time of 12 minutes and 48 seconds!





Benefactor of the Year

At the Gala of the 24th edition of the Benefactor of the Year Competition organized by the Academy for the Development of Philanthropy (Akademia Rozwoju Filantropii), we received a special award for our social and charitable efforts to mitigate the effects of the pandemic.

Sustainability Reports Awards

Allegro won two awards in the 15th edition of the Sustainability Reports Awards, a competition to award the best sustainability reports in 2020 organized by the Responsible Business Forum (Forum Odpowiedzialnego Biznesu) and Deloitte. The accolade in the Sustainability Report category, awarded from among 55 submissions judged for completeness, credibility and communication by a jury of acknowledged experts in economics, environmental protection, social issues and other fields went to Allegro's ESG Report! We were recognized for the modern format of reporting online: <https://raportesg.allegro.pl>. Allegro also won the Internet Users Award for the most votes cast for the report.



Nagroda internautów oraz Wyróżnienie za Raport ESG Allegro.eu

Climate Leaders, Poland 2022

Allegro came in second in FORBES' Climate Leaders, Poland 2022 ranking, having reduced annual emissions intensity (CARR) by 54.29%.



Recognition in the Stena Circular Economy Award – Circular Economy Leader competition.

In April 2022, Allegro was recognized for its "Opakowania dobre z natury" project in the Stena Circular Economy Award – Circular Economy Leader competition. We received the accolade for introducing more than 571,000 items of sustainable 100% recycled and FSC-certified packaging and our educational campaign.

GRI [103-1 103-2 103-3 417-3]
KPI [1]
SDGS [Cel 4, Cel 10]

Customers at the centre of attention

The best shopping experience, or what matters the most at Allegro



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, they can ask Allegro employees for support. We offer both merchants and buyers fast and easy access to 24/7 assistance.

Customer satisfaction comes first

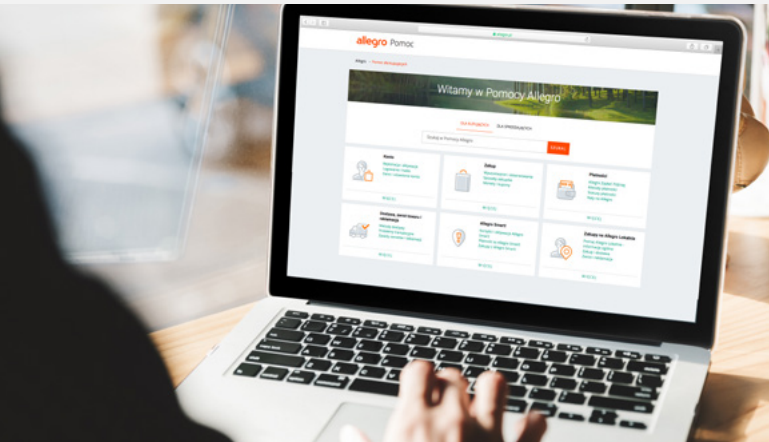
At Allegro, we regularly survey customer satisfaction. Every customer who interacts with us may complete an online survey, in which they can share their opinion about the quality of service and about how their specific issue was resolved.



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

The platform's rules and regulations are paramount for Allegro, which is why we constantly monitor merchants and offers and examine all issues as they are reported. Examples include the 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).

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:



- the Allegro Help tab
- email
- the traditional contact form
- Allegro chat
- the call-back service (requesting a call from a consultant)
- Whatsapp and Messenger apps.

Seniors who would like to create an account or find out more about shopping on Allegro can call a dedicated Hotline for Seniors.

In 2020, we launched the Allegro Gadane community, a new platform where buyers and merchants are offered access to insights and feedback submitted by other users.

In its second year, Allegro Gadane recorded over 3.3 million visits, and thanks to the content posted by the community, as many as 536,000 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.

Discussions	2021	2020	2019
Number of opened discussions	4.8 mln	3.9 mln	1.4 mln
% of discussions resolved successfully	98%	97%	96%

Out-of-court procedures for consumers

A user who is a consumer may initiate out-of-court proceedings to resolve a complaint and pursue claims before the Permanent Arbitration Consumer Court at the Provincial Inspector of Trade Inspection in Poznań. Information on how to initiate such proceedings and on the dispute settlement procedures can be found at <http://www.uokik.gov.pl> in the "Consumer dispute settlement" tab (Polish: "Rozstrzygnięcie sporów konsumenckich"). Consumers may also use the EU ODR platform available at: <http://ec.europa.eu/consumers/odr/>.

Detailed information on how to file a complaint is available here.⁴

⁴<https://allegro.pl/pomoc/faq/system-rozstrzygnania-sporow-konsumenckich-odr-AVxkBkejdfE>

Our availability, or Allegro for everyone

It is our priority to ensure that our platform works efficiently and offers diverse consumers a quick and safe shopping experience, guaranteeing the safety of our employees, customers and business partners.

In November 2021, Allegro introduced another innovation to make online shopping even more accessible. The new 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 also introduced dedicated contact channels for visually or hearing impaired users collecting parcels from One Box by Allegro APMs.



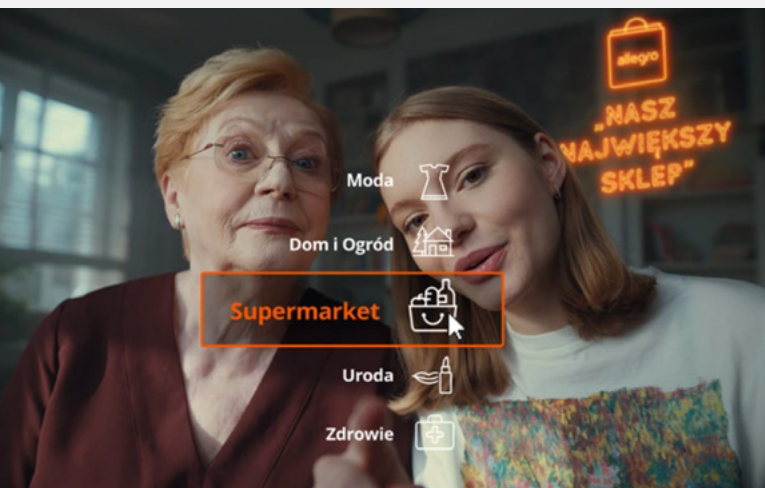
Contacting our consultants with the assistance of a Polish sign language interpreter will elevate our service to customers with hearing loss, who so far had access to channels such as email or traditional chat. Video conferencing will allow us to offer them support faster, which we believe will increase customer satisfaction. At the same time, we are committed to providing full technical support to everyone who uses our One Box by Allegro APMs, which is why every machine has Braille markings and features a QR code that allows users to connect online with a Migam Interpreter.

The new contact channel for the Deaf is not the first initiative of the platform to prevent digital exclusion.

Allegro has also adapted its app to the needs of people with full or partial vision loss and has been consulting community partners to ensure that its new services are designed from the start with the various needs of customers in mind.

We are working to make our services accessible to people aged 65+, as this age group has continued to face challenges in using online tools and often requires personal assistance. To enable them to shop safely from home, we developed a series of dedicated solutions, including the Allegro Hotline for Seniors and a series of online training sessions for seniors in partnership with the Polish National Institute for Silver Economy.

In May 2021, these initiatives were completed and combined in a dedicated campaign, toproste.allegro.pl.



Silver Generation

Allegro also conducted the „Silver Tsunami – an overview of seniors as internet users” survey to better understand the needs and challenges faced by people aged 50+. Representatives of Allegro participated in two conferences organized by the National Institute of Silver Economy about the so-called silver economy: Seniors in the World of Digital Revolution (Seniorzy w świecie cyfrowej rewolucji) and Technology 101, or How to Be Clever Online (ABC technologii, czyli jak sprytnie być online).

In March 2021, Allegro also launched a series of online training sessions for people aged 50+ organized in collaboration with an external partner, the already mentioned Polish National Institute for Silver Economy. The Institute is recognized as an expert organization whose mission is to share knowledge and prepare solutions to adjust our economy and society to the needs of the elderly. For years, the Institute has been analysing various aspects of the life of the Silver Generation, including their shopping preferences. By joining forces with the Institute, we aim to help people aged 50+ take advantage of the opportunities offered by the internet and effectively remove digital barriers. For instance, during our online training sessions, Allegro experts explain how to start an online shopping experience on the shopping platform, what to pay attention to when making choices and how to safely finalize a purchase.

Allegro Hotline for Seniors

In 2021, Allegro.pl 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 recently launched 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!

Allegro, or shopping safety at all times

In our CSR & Sustainability Strategy for 2020–2023, 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:

- Buyer Protection Programme
- 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)
- My Sales Quality – transparent feedback from buyers.



Allegro facilitates online transactions between buyers and merchants and creates a safe environment, in particular by providing customer service support and the internal Buyer Protection Programme. 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.

Already in 2004, Allegro launched the Rights Protection Cooperation Programme to eliminate counterfeit products. 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.

Buyer Protection Programme at 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 Buyer Protection Programme, 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 10,000. The reporting procedure is simplified to the bare minimum (e.g. consumers no longer need to enter their bank account number on the BPP 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 2021 NPS (Net Promoter Score) survey carried out among customers using the BPP, Allegro achieved a result of +80.02 (the highest possible score being 100). The BPP is the main driver for the Convenience Index of the Post-Purchase Processes (C-Index for the BPP is over 9, the highest possible score being 10). This means that most customers recommend Allegro as a safe place to shop, and the BPP is well received.

Buyer Protection Programme at Allegro	2021	2020	2019
% of customers who consider shopping on Allegro safer or just as safe as on other platforms	91.39%	93.03%	92.0%
NPS among Allegro customers using the BPP	+80.02	+71.32	+66.73
Average number of transactions on Allegro.pl per one BPP refund	4,883	7,440	12030
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 items and service offers from Allegro.

We verify reports regarding violations of:

- industrial property rights (for example, selling counterfeit items)
- copyright (for example, the use of images without the copyright owner's permission).

We protect:

- brand owners' rights
- merchants, often unaware of violations, from legal consequences
- buyers from purchasing goods which violate the law.

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 the 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 organized 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 directly participated in such events as a webinar organized by Consumer Ombudsmen (and employees of commercial inspections and UOKiK employees) on 14 May 2021 and the International Consumer Scientific Conference held on 8 October 2021. 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.

GRI [103-1 103-2 103-3 417-3]

Openness and honesty, or responsible advertising and marketing

We are the leading online marketplace in Poland, offering merchants access to 13.5 million customers

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.

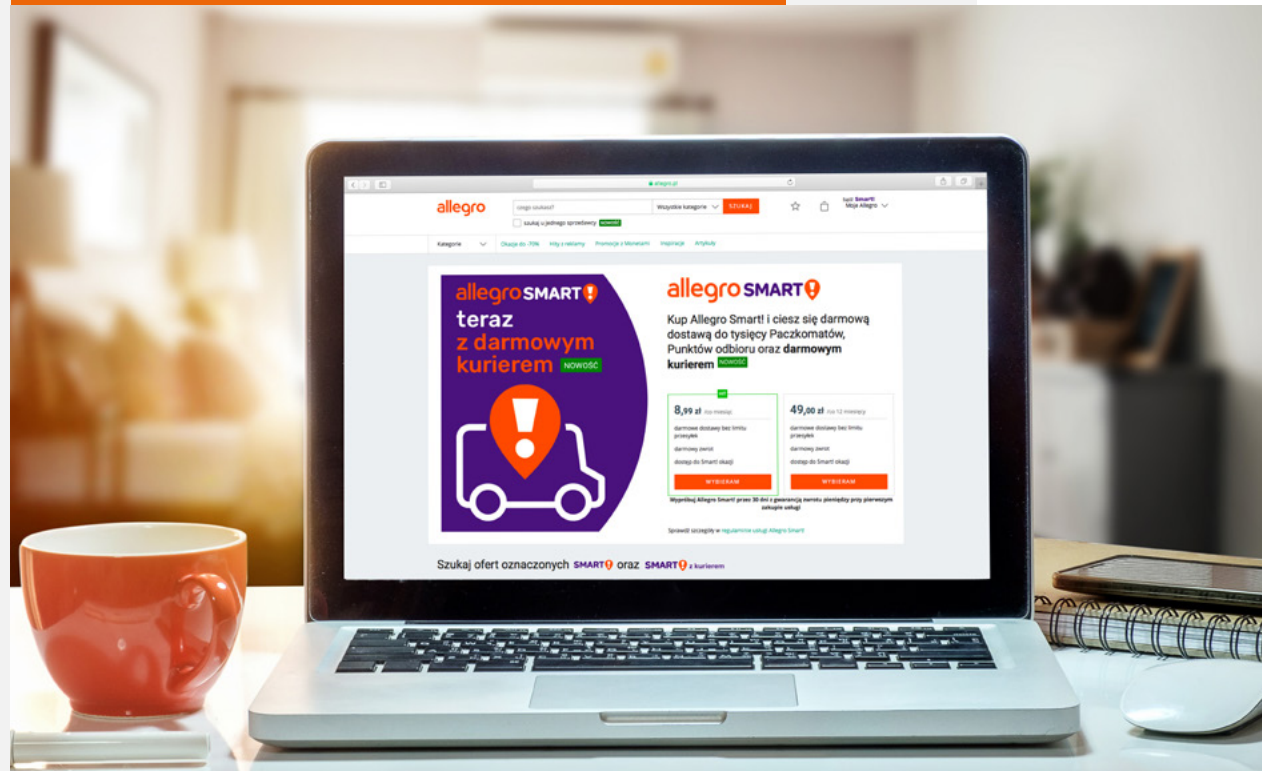
Selling and displaying advertisements is regulated by:

- Terms and Conditions of Selling and Displaying Ads on Allegro.pl
- Terms and Conditions of Ads.

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.

[GRI 417-3]

In 2021, we did not report a single case of non-compliance with regulations or voluntary codes regulating marketing communication.



KPI [4]
SDGS [Cel 4, Cel 12]

A platform of growth for merchants

Support for merchants, or how we can help



There were more than 133,000 professional merchants on Allegro in 2021. Our ambition is to build a convenient 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 with extensive experience selling on our platform and newcomers to Allegro so that they can 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 cycles and activities on the platform.

The Welcome Programme

for new merchants who want to start selling on Allegro. The main goal of this programme is to eliminate entry barriers and encourage merchants to start selling faster. New sellers are offered professional support, have access to various tools and receive discounts and commission refunds.

les us to ensure the best quality of services provided by our merchants. The key benefit for the merchants is the Super Seller tag displayed next to the offers, which makes the merchant stand out. In addition, Super Sellers receive a pool of Allegro Coins (Monety), which are automatically added to their offers.

The merchant development

for mature accounts from the VIP and TOP Brand Sellers group. The main goal of the project is to accelerate the growth dynamics of the largest and highly specialized partners.

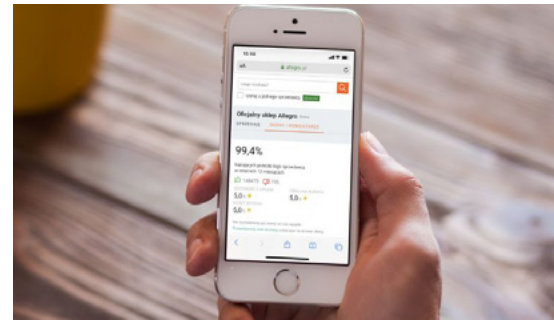
The super seller programme

for all merchants who run a business on Allegro. Merchants who perform well based on objective criteria such as sales volume, speed of delivery, feedback and how efficiently complaints are handled receive an indexed quality rating that qualifies them as Super Sellers. The programme enab-

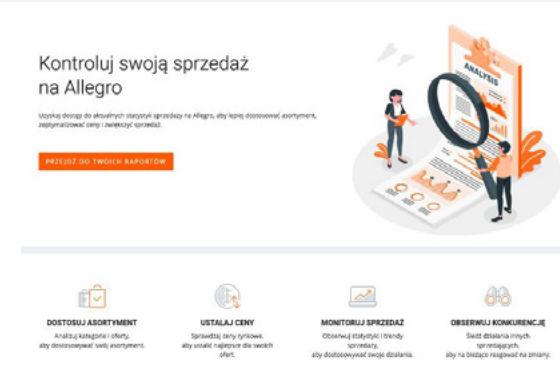
Activation programmes

help merchants grow by rewarding them for taking specific actions on the platform.

The tools and services for merchants offered by our platform include 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. Send with Allegro is a new order fulfillment tool that enables merchants to dispatch orders directly from their Allegro account or via the API. Allegro has also introduced a new deferred payment service for transactions between businesses. It enables merchants to sell and buy with an extended invoice payment due date.



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.



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.

130,000 merchants on Allegro

There are nearly 130,000 businesses on Allegro, most of them small and medium-sized enterprises. They form a very important part of the Polish economy, creating jobs and a source of income for families across Poland. In 2020, we established the **Allegro Academy** to support their growth. The Academy is a free online education programme available in Polish, English and, starting from 2021, Chinese. The Academy includes more than 400 videos prepared by experts, as well as animations, textbooks, articles and mind maps. The platform offers 91 new courses in Polish, 35 courses in English and Chinese, as well as 105 tutorials for merchants and buyers. Allegro employees and external experts cover many topics, from selling on Allegro, through advertising and promotion, to personal development and shopping safely online.



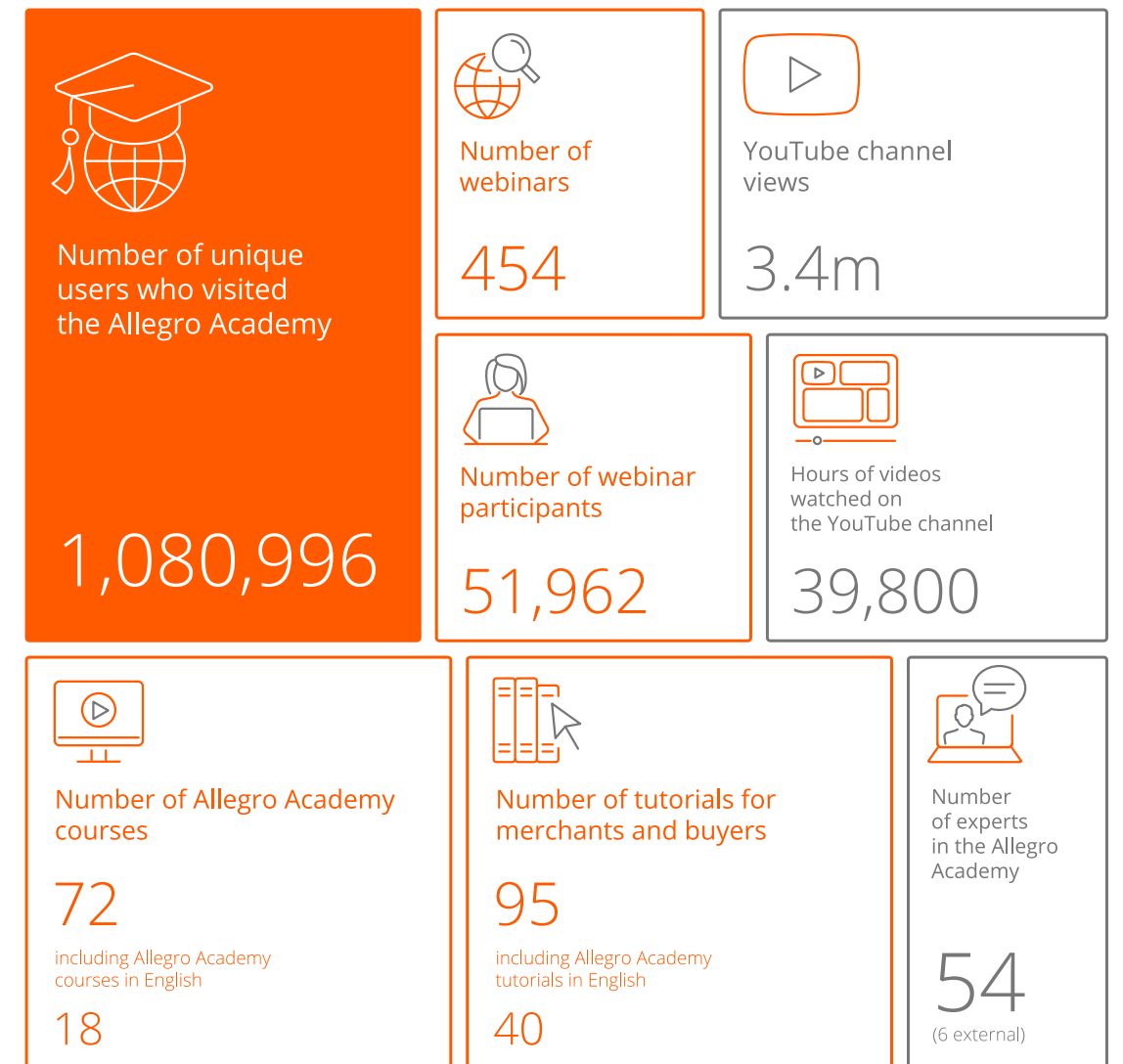
400

videos prepared by experts

We established the Allegro Academy to share knowledge, help the businesses selling on Allegro grow and support buyers. 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.

Academy course examples:

- 8 rules of online shopping safety
- Start selling on Allegro
- Visual design on Allegro
- Packaging and zero waste
- Online analytics
- Professional communication in business
- Crises in communication with customers.





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 organized by Allegro are based on a sense of partnership, help us build new solutions and, most importantly, give merchants confidence that their voice is being heard.

With additional training sessions and webinars, we have created a space for merchants, where we not only share knowledge but also enable interaction. A space where merchants can share their opinions or doubts and discuss them with an expert. The meetings organized by Allegro are based on a sense of partnership, help us build new solutions and, most importantly, give merchants confidence that their voice is being heard. The webinars are available in Polish, English and Chinese as well.

Complaint-handling system and out-of-court procedures

Internal complaint-handling system

Allegro.pl will provide for an internal complaint-handling system as defined by Article 11(1) of Regulation (EU) 2019/1150 of the European Parliament and of the Council of 20 June 2019 on promoting fairness and transparency for business users of online intermediation services. Complaints that concern issues listed in said Regulation can be submitted by users at

Out-of-court procedures for merchants

Allegro.pl may attempt to amicably settle disputes with business users who use Allegro to offer items to consumers, through an independent mediator, upon prior consent of Allegro.pl to mediation. Should the user referred to in the previous sentence propose mediation to Allegro.pl and after Allegro.pl has accepted this proposal, mediation will be conducted by a mediator from the European Mediation Institute, in accordance with the mediation rules applied by the institute. Allegro.pl will bear a reasonable part of the total costs of mediation, which will be determined by the parties on a case by case basis. The list of mediators and mediation rules are available at eiminstitut@gmail.com.

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 its new logistics brand, One by Allegro, which includes One Box green APMs, One Fulfillment service for merchants and One Punkt pick-up points.

One Fulfillment

One Fulfillment by Allegro is a comprehensive service for merchants that includes storing, packaging and delivering products, as well as customer service throughout the delivery process. From September, Allegro's first fulfillment centre was running a full-scale trial with selected merchants, helping them coordinate and manage shipments. Following a successful pilot programme, Allegro launched the commercial phase of its logistics service One Fulfillment on 24 January 2022, making the service more widely available to merchants.

The service will complement a delivery model primarily based on merchants fulfilling their orders, which continues to be the priority for our organization. By now nearly 80% of orders are delivered within 1–2 days. Distribution of some products purchased on Allegro from a single logistics centre will further reduce delivery times, provide high-quality customer service and reduce environmental impact, in particular by using sustainable packaging materials, implementing processes to minimize waste and reducing the number of courier trips, thus contributing to a lower carbon footprint.

In 2022, we plan to bring the first fulfillment centre up to full capacity with investment in additional shelving and automation.

In 2021, we also launched our network of green APMs One Box, which already spanned over 1,000 state-of-the-art Allegro APMs across the country by 31 December 2021. Our project addresses the needs of local communities, social activists and experts. We create environmentally friendly solutions that meet the needs of local residents and seamlessly blend in with the urban space. All machines are powered by renewable green energy, as evidenced by renewable energy certificates, and up to 90% of the plant support structure is made of recycled wood.

In October 2021, the Allegro 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 adds same-day delivery, collection and distribution capabilities.





allegro

Responsible
management

GRI [102-32 102-12]
 GC [#1 #2 #3 #4 #5 #6 #7 #8 #9 #10]
 KPI [1, 2, 3, 4, 5, 6, 7]

Sustainability strategy

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



The Group's CSR & Sustainability Strategy continues our important social and educational programmes, adding considerable emphasis on environmental issues

The strategy's slogan is #SustainableAllTogether because by working with customers, merchants, business partners, employees and other stakeholders, we actively pursue Sustainable Development Goals. As a marketplace, Allegro has a significant impact on the Polish economy and society. Through R&D and technology investments, we create a flywheel effect that scales up much beyond our own direct contribution. Our innovations and initiatives increase

resilience and fuel the growth of our customers and merchants, as well as business partners. In our approach, we focus on the environmental aspects of e-commerce operations while constantly stepping up our ambitions and identifying further goals to be achieved.

The Group's long-term sustainability goals are expected to help our customers make responsible choices, through exposure to and promotion of sustainable products by optimizing Allegro.pl product search based on fair and transparent criteria. 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 to promote sellers in this market segment. 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 developing Allegro Academy e-learning platform. In particular, the Group measures its environmental impact, runs annual GHG (greenhouse gas) emissions monitoring and pursues an agenda to reduce average GHG emissions per GMV.

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.

1.

ALLEGRO AS A PLATFORM TO MAKE SUSTAINABLE CHOICES

ENABLING OUR CUSTOMERS TO MAKE MORE SUSTAINABLE CHOICES:

We help our customers to make responsible choices through exposure and promotion of sustainable products

We help our customers to lower the carbon footprint of the delivery process

We ensure safety and comfort of our customers and their privacy, and consumer rights

2.

ALLEGRO AS THE PLACE TO DO BUSINESS

IMPROVING THE MERCHANT'S EXPERIENCE AND SUPPORTING PROSPECTIVE ENTREPRENEURS:

We help merchants grow in a sustainable way

We foster entrepreneurship through education

We support micro-, small, and medium-sized enterprises

We advance the climate agenda in the supply chain and deliveries

3.

ALLEGRO AS A GOOD CITIZEN

HAVING A SIGNIFICANT IMPACT ON SOCIETY, CONTRIBUTING TO THE POLISH ECONOMY, IMPROVING THE MANAGEMENT OF OUR OWN FOOTPRINT - ALL IN THE SPIRIT OF CORPORATE CITIZENSHIP:

We invest in education and development skills for young people

We are here to support communities we operate in

We manage our business in a responsible way

We green our operations

We make our value chain resilient, responsible, and green

4.

ALLEGRO AS THE BEST PLACE FOR EMPLOYEE DEVELOPMENT

CREATING A DEMANDING BUT CARING WORKING ENVIRONMENT FOR EMPLOYEES IN WHICH DIVERSE PEOPLE CAN THRIVE:

We support our employees in professional and personal development

We create equal opportunities in a challenging business environment

We care about the well-being of our staff and their engagement

SDGs pursued as part of Allegro's CSR & Sustainability Strategy for 2020–2023



The strategy comprises 86 initiatives that help operationalize our efforts. Goals and key KPIs have been defined for each pillar and are monitored monthly.

Long-term ESG goals and implementation progress

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

	GOAL	PROGRESS IN 2021
<p>ENVIRONMENTAL</p>	<p>Greening our operations: further reduction of GHG emissions: Goals aligned with the SBTi*:</p> <p>38% reduction of GHG emissions (scope 1 and 2) by 2030, in line with the Paris Agreement 1.5°C pathway (engaging at least 69% of the largest suppliers to determine their science-based targets for Scope 1 and 2 within 5 years from 2021).</p> <p><small>*currently validated by the SBTi</small></p>	<p>In 2021, over 15% of electricity consumed by Allegro.eu Group was generated from RES.</p> <p>The goal will begin to be monitored in 2022.</p>
<p>SOCIAL</p>	<p>Employer of choice for top talents:</p> <ul style="list-style-type: none"> Employee engagement index at a minimum of 75% 	<p>In 2021, Allegro Group companies achieved the following BAZA engagement scores:</p> <ul style="list-style-type: none"> 74% at Allegro.pl, AllegroPay and Allegro Finance 63% at eBilet 78% at Ceneo.pl
<p>CORPORATE GOVERNANCE</p>	<p>Board of Directors independence</p> <p>The goal to ensure that independent members constitute at least a majority (over 50%) of the Board of Directors by 1 September 2026</p>	<p>Board of Directors independence</p> <p>In 2021, the Board had eight members, of whom two were considered independent.</p>

KPI [1 2 3 4 5 6 7]

Our main achievements in 2021 with reference to the four pillars of the CSR & Sustainability Strategy:

2021	2020	Opis wskaźnika KPI	Filar Strategii
78.9	76.1	rNPS in customer satisfaction survey ⁵ [KPI 1]	Pillar 1
+133,000	128,000	professional ("B2C") merchants on Allegro [KPI 2]	Pillar 2
13.5 million	13 million	active buyers ⁶ on Allegro [KPI 3]	Pillar 1
1 million	962,000	unique users who visited the Allegro Academy e-learning platform and attended at least one out of the 72 available educational courses in 2021 (1,080,996 unique users) [KPI 4]	Pillar 2
4,3 mln PLN	n/a	donations made by the Allegro.eu Group to charity and social organizations [KPI 5]	Pillar 3
571,000	n/a	FSC-certified recycled packaging items were introduced by Allegro Pack [KPI 6]	Pillar 2
87%	n/a	of employees perceive Allegro7 as a workplace where everyone is respected regardless of gender, age or any other dimension of diversity [KPI 7]	Pillar 4

⁵ rNPS – relational net promoter score in Q4'21, the value in Q3'21 was 78.8. Customer Service NPS was 74.2 for Q4'21 and 77.4 for Q3'21.

⁶ Active Buyer represents, as of the end of a period, each unique email address connected with a buyer that has made at least one purchase on any of Allegro.pl, Allegrolokalnie.pl or eBilet.pl in the preceding twelve months. Previously the data excluded eBilet.pl. All data points have been retrospectively adjusted to revised definition

⁷ data from the BaZa 2020 Annual Engagement Survey conducted in Q2 2021 at Allegro.pl, AllegroPay and Allegro Finance; the result for Ceneo.pl is 88%; no data are available for eBilet.pl

Responsible oversight, or the Management Committee

As Sustainability and Climate are strategic issues for Allegro, the responsibility for defining strategic directions in this area lies with the Management Committee composed of the CEO and Board of Directors. The Sustainability Team, supported by dedicated managers and employees from the various departments within the organization, 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 CSR & Sustainability Strategy. At the same time, since climate and environmental risks are subject to risk management and the Risk Management Policy, all Allegro.eu 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.

GRI [102-32]

Management and leadership role

Management Committee for CSR & Sustainability

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

Management Committee (CEO & 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 CSR & 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 Board of Directors. 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.pl's Sustainability & CSR 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.

GRI [102-32]

Allegro.pl in the UN Global Compact, or implementing the 2030 Agenda



In 2021, Allegro joined the Ethical Standards Committee of UN Global Compact Network Poland. The company was involved in work on diversity and inclusion, ethical issues, as well as sharing good practices. In 2022, Allegro intends to continue being active in the Ethical Standards Committee and Climate Positive Programme of UN Global Compact Network Poland.

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 CSR & Sustainability strategy and our environmental pledge.

We educate sellers on sustainable development and implement the climate agenda in our supply chain. 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.

GC #1 #2 #3 #4 #5 #6 #7 #8 #9 #10

As a UNGC participant, we report on our progress on implementing the Ten Principles of the UN Global Compact

Area: Human rights

UN GLOBAL COMPACT PRINCIPLES

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2: Make sure that they are not complicit in human rights abuses

Link to the CSR & Sustainability Strategy for 2020–2023

3.5.1. Code of Conduct for Suppliers and Business Partners of Allegro and Code of Conduct to Support Rights of Merchants

ACTION TAKEN

- Our internal regulations and code of conduct for suppliers already include the UN Global Compact principles
- We implemented Allegro.eu's Human Rights Policy

Read more in the [Human Rights](#) section and the [Employees](#) section



Area: Labour

UN GLOBAL COMPACT PRINCIPLES

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4: the elimination of all forms of forced and compulsory labour

Principle 5: the effective abolition of child labour

Principle 6: the elimination of discrimination in respect of employment and occupation

Link to the CSR & Sustainability Strategy for 2020–2023

4.2. We create equal opportunities in a challenging business environment

4.2.3. Review of Diversity & Inclusion/equal opportunities governance structure

4.2.4. Diversity and inclusion training on various staff levels

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)

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

ACTION TAKEN

- We introduced the Anti-discrimination and Anti-bullying Policy, as well as the Whistleblowing Policy
- A diversity policy was introduced in Allegro in 2020, and we are working on diversity and inclusion in the workplace
- We also organize anti-bullying and anti-discrimination training to facilitate recognizing and preventing undesired behaviour and build positive relations between employees

Read more in the following sections: [Human rights](#); [Employees](#); [Diversity and inclusion](#)

Area: Environment

UN GLOBAL COMPACT PRINCIPLES

Principle 7: Businesses should support a precautionary approach to environmental challenges

Principle 8: Undertake initiatives to promote greater environmental responsibility

Principle 9: Encourage the development and diffusion of environmentally friendly technologies

Link to the CSR & Sustainability Strategy for 2020–2023

1.2. We help customers lower the carbon footprint of products' delivery process

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

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

ACTION TAKEN

- 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 aim to raise awareness of the best practices in sustainable packaging and logistics, giving both merchants and buyers the knowledge and tools to promote circular use of resources across our entire value chain
- 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 69% of the largest suppliers to determine their science-based targets for Scope 1 and 2 within 5 years from 2021.

Read more in the Environment and Climate section.

Area: Anti-corruption

UN GLOBAL COMPACT PRINCIPLES

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

[Link to the CSR & Sustainability Strategy for 2020-2023](#)

3.3. We manage our business in a responsible way

3.5.1. Code of Conduct for Suppliers and Business Partners of Allegro

ACTION TAKEN

- 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

Read more in the Ethics & Compliance and Risk Management section



GRI [103-1 103-2 103-3 102-16 102-17 205-2 205-1 205-3 419-1]
 ESG [G-P2 G-P4 G-P3]
 GC [#10]

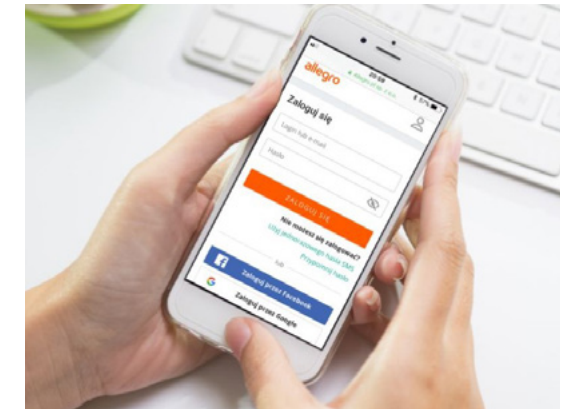
Ethics and compliance

Code of ethics, or the highest standards every day

GRI [103-1 103-2 103-3]
 GC [#10]

Compliance and preventing corruption are the main area of responsibility for every company, including Allegro. This extends to our operations as well as all our employees and entities we work with on a daily basis.

In both our main companies, 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 Allegro.pl and Ceneo.pl.



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

Protect	Detect	Response
<ul style="list-style-type: none"> • Regulatory / Public Affairs • Risk Management • Policies • Training, communication, awareness sessions • Process integration • Lessons learned • Compliance implementation • Established responsibilities 	<ul style="list-style-type: none"> • Reporting: <ul style="list-style-type: none"> • anonymously or personally via system to CSO • personally to HR, Legal, CSO, Line Manager • personally via mail to Chairman • Controls • Monitoring and compliance approvals • Review controls and compliance audits • Internal audits 	<ul style="list-style-type: none"> • Crisis management • Business Continuity Management • Disciplinary sanctions • Remediation

Guidelines that include the procurement policy, tender procedure, controlling procedure and legal procedure have also been introduced and are intended to minimize all unauthorized 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.pl, we operate in a transparent manner and to the highest ethical standards, in particular thanks to our policies and regulations.

GRI [102-16 102-17]
ESG [G-P2 G-P4]

The Allegro Code of Ethics consists of:

- Transparency Policy
- Anti-discrimination and Anti-bullying Policy
- Whistleblowing Procedures
- Antitrust Compliance Policy
- Anti-money Laundering and Countering Terrorism Financing Policies
- Security Policy.

Allegro has introduced the following regulations and processes:

- Anti-corruption Rules
- Gifts and Benefits Regulations
- Diversity Policy
- Inspection Procedure
- Agreements Procedure
- Tax Governance Policy
- Supplier Verification Procedure and Suppliers Code of Conduct
- Training Policy
- eu Charity, Social and Sponsoring Activities policy
- Human Rights Policy
- and more.



The Ethics Committee oversees compliance with the Code of Ethics, examining and resolving the reported violations. Composition of the Ethics Committee

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

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

Being an ethical company also involves complying with the law. 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 number of complaints and grievances against non-compliance with the Code of Ethics

Reporting complaints and grievances	2021	2020	2019
Anti-money Laundering, Countering Terrorist Financing and Export Control Policy and Financial Sanctions Manual	0	0	0
Transparency Policy	2	2	2

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.

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.

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

The company has introduced mandatory training in compliance and ethics

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.

We have launched a special online platform, introduced a dedicated online form and made a special email address and phone number available. Every notification is reviewed and acted on where appropriate. In 2021, we had two notifications concerning our Transparency Policy. We investigated both thoroughly and penalized the transgressing employees appropriately.

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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. Ethics 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 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.

We have launched a special online platform, introduced a dedicated online form and made a special email address and phone number available. Every notification is reviewed and acted on where appropriate. In 2021, we had two notifications concerning our Transparency Policy. We investigated both thoroughly and penalized the transgressing employees appropriately.

GRI [205-1 205-3]

At Allegro, we are well aware of the fact that the procurement process can create corruption risks. This is why procurement departments are screened for corruption risks and are subject to anti-corruption supervision. Not a single case of corruption was recorded in 2021.

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.

GRI [205-2] ESG [G-P3]

All employees are obligatorily trained on all key policies during onboarding training. All employees also sign a declaration where they undertake to adhere to the policies. Every year, we also organize mandatory training for all our employees.

GRI [419-1]

In 2021, Allegro was not subject to a single financial penalty or sanction for legal non-compliance or violating the rules governing supplies or the use of products and services.



GRI [102-18 102-22 102-23]
ESG [G-P1]

Corporate governance



GRI [102-18 102-22 102-23]
ESG [G-P1]

Transparency, procedures and the structure, or how we manage the Group

Allegro.eu, being a company incorporated and existing under the laws of Luxembourg, has a one-tier (unitary) 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 the majority of Polish companies, having both the board of directors and the supervisory board.

In 2021, the Board had eight members, of whom two were considered independent. The Board of Directors is vested in the broadest powers to manage the business of the Company and to authorize 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 11 meetings in 2021.

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.

First and last name	Age	Year of appointment	End of term	Representing
Darren Huston	57	2020	2026	Non-Executive Chairman
François Nuyts	49	2020	2026	Executive Director
Jonathan Eastick	55	2020	2026	Executive Director
David Barker	54	2020	2026	Cinven
Richard Sanders	50	2020	2026	Permira
Paweł Padusiński	45	2020	2026	Mid Europa Partners
Nancy Cruickshank	51	2020	2026	Independent Non-Executive Director
Carla Smits-Nusteling	56	2020	2026	Independent Non-Executive Director

The Group has the Audit Committee and the Remuneration and Nomination 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.

Obowiązki i zadania Komitetu obejmują w szczególności:

- 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 on whether they can be recommended to the Company's Board for submission to the shareholders' meeting
- the periodical assessment of the internal control system
- the periodical review of the adequacy and security of the Group's whistleblowing, fraud detection and anti-bribery procedures.

The Audit Committee consists of David Barker, Nancy Cruickshank and Carla Smits-Nusteling (who serves as chairperson of the Audit Committee).

In 2021, the Audit Committee held seven meetings. The key focus areas and discussion points of the Committee were:

- discussion and approval of quarterly, half-yearly and annual investor reporting packages
- deep dives on specific focus areas: risk management, liquidity & treasury, tax
- estimates and judgements prior to the annual closing
- formalization 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.

The Remuneration and Nomination Committee has the following responsibilities:

- 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
- 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 (who serves as chairperson of the Remuneration and Nomination Committee) and Carla Smits-Nusteling.

In 2021, the Remuneration and Nomination Committee held four sessions in total. For detailed information on issues discussed at Committee meetings, see the Allegro.eu Group Consolidated Annual Report for 2021, p. 107.



Risk management

Risk management system, or operations under control

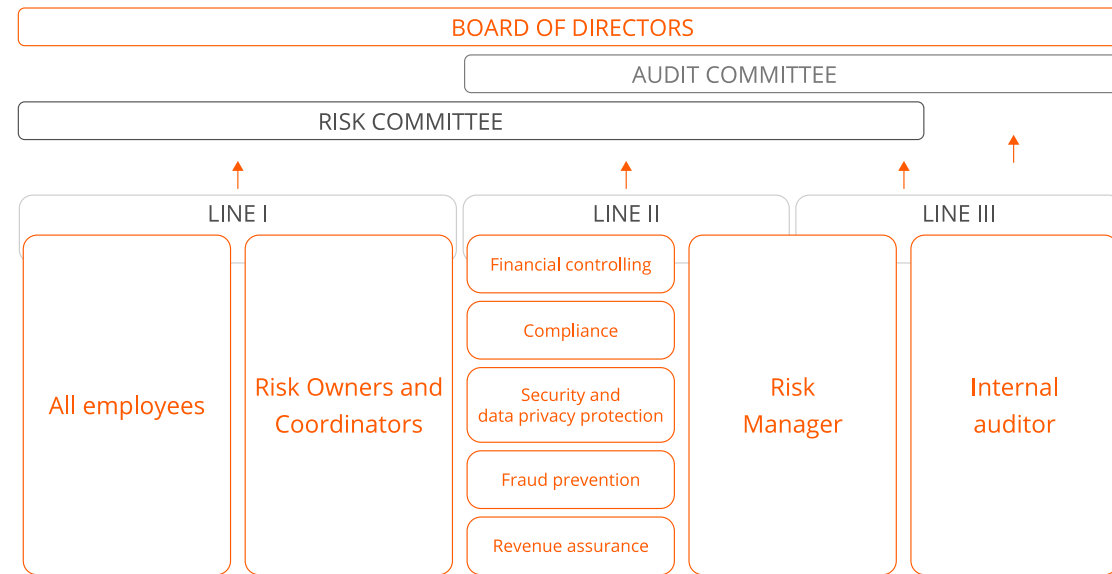


TCFD/SFDR [Risk B]

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 2021, section "Risk Management System, Risk Factors and Regulatory Matters".

GRI [102-11]
TCFD/SFDR [Risk C]

Non-financial risk, or everything counts

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

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.



More about risk management in section **The environment and climate**

Read more about TCFD in the **Risk Management, or Climate under Control** section.

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.

More about risk management in section **Customers at the centre of attention**

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

More about risk management in section **Human rights**

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. The COVID-19 pandemic has profound implications for employees who are required to continue operating in the workplace (especially at the warehouse). Employees working remotely may not have ergonomic and appropriate workspaces at home.

More about risk management in sections: **Employees** or **Diversity and inclusion**.

The Board of Directors oversees matters of sustainable development and climate, especially by monitoring and supervising the company's CSR & Sustainability Strategy

At the same time, since climate and environmental risks are subject to risk management and the Risk Management Policy, all Allegro.eu 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.

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.

More about risk management in section **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.

More about risk management in section **Cybersecurity and personal data protection**

In line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), Allegro.eu 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 Allegro.eu Group. Read more about TCFD in the Climate Section.

GRI [102-13 103-1 103-2 103-3 418-1]
ESG [G-S1]

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:

- Security (including cybersecurity) policy
- Incidents Management Process
- NDA circulation procedure
- Rules on storing personal data at Allegro.pl sp. z o.o.
- Procedure for exercising the rights to Allegro.pl users' data
- Procedure for reporting personal data breaches to the Personal Data Protection Office
- Business Continuity Policy

We commission the Cybersecurity Maturity Assessment (Ocena Dojrzałości Cyberbezpieczeństwa), which is a every two years external audit carried out by an external company. In the most recent review in 2021, Allegro.pl scored higher than the market average and higher than two years ago. 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.

CERT, an 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 by 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.

GRI 102-13

We are a member of Trusted Introducer, an initiative of the biggest European organization 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) and the Working Group for Cybersecurity in the Supply Chain at the Chancellery of the Prime Minister.

Personal data, or compliance at all times

GRI [103-1 103-2 103-3]

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 also 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 between September and December 2020 did not reveal any significant shortcomings.

Proceeding against Allegro

GRI [418-1] ESG [G-S1]

In 2021, there were no serious incidents or data breaches. The most serious incident in 2021 which was reported to the PDPO regarded a lost registered letter between Ceneo.pl and one of the partners containing the agreement and PoA containing personal data of Ceneo.pl employees. The postal operator was unable to explain where the package was. In light of ENISA guidelines followed by the Group in case of Data Protection Incidents, we were obliged to report it.

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.



Proceeding involving Allegro

In 2021, in connection with complaints submitted to the President of the Personal Data Protection Office, Allegro was a party to 5 new proceedings. The five proceedings completed in 2021 resulted in a reprimand issued by the Office (4 concerning Allegro.pl and 1 concerning eBilet.pl) and one positive decision (Allegro.pl). In 2021, 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 privacy infringements

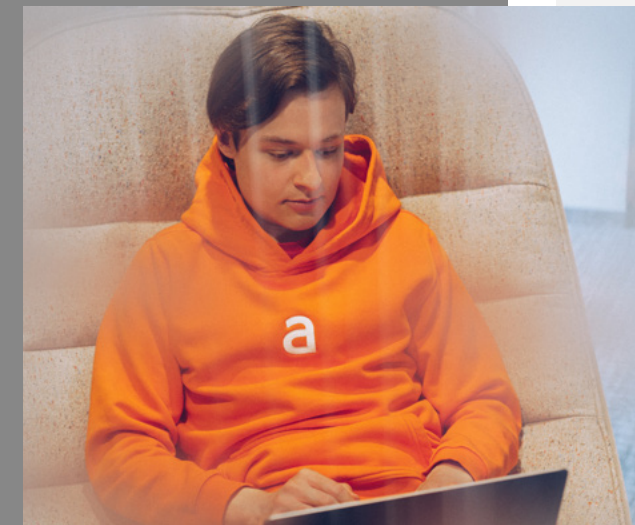
Cybersecurity and data privacy infringements	2021	2020	2019
Cybersecurity infringements (the total number of identified leaks, thefts or customer data loss)	0	0	0
Data privacy infringements (reported to relevant authorities)	1	1	0

The total number of legitimate privacy complaints:

The total number of legitimate privacy complaints:	2021	2020	2019
Complaints submitted to the regulating authority (PUODO) requiring corrective measures	5	1	0

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 recognize phishing campaigns.



We also organize 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 and World Password Day, among other events. We also organize a number of contests and competitions, e.g. on the Computer Security Day.

Allegro.eu is the owner of strong brands such as Allegro, Ceneo, and eBilet. We constantly strive to make them even more recognizable by both buyers and merchants through public relations and strategic partnerships. We engage in both traditional and online marketing.

GRI [103-1 103-2 103-3 102-9 308-1 414-1]
 TCFD/SFDR [wskaźnik]
 ESG [S-P6]
 GC [#1 #2 #3 #4 #5 #6 #7 #8 #9 #10]

Supply chain

GRI [103-1 103-2 103-3 102-9]
 GC [#1 #2 #3 #4 #5 #6 #7 #8 #9 #10]

Verification, or working with the best

In 2021, we worked with over 3,000 reliable companies that provided us with products and services necessary for Allegro to operate efficiently. Choosing a supplier for Allegro.pl/Ceneo.pl is a multi-step process that ensures we identify the best offer and that we are contracting a reliable supplier.



reliable partners
 - number of vendors in 2021

Allegro.pl/Ceneo.pl supplier selection process:



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



GRI [308-1 414-1]
 ESG [S-P6]
 TCFD/SFDR [Wskaźni]

We want to make sure that our suppliers respect principles that are similar to ours.

If the total value of contracts with a supplier exceeds PLN 100,000, the Allegro.pl/Ceneo.pl 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.

This enables us to verify their ethical, social and environmental practices.

In 2021, 95% of the suppliers that were subject to evaluation met the criteria. They represented 10% of all new contractors (the data do not include eBilet.pl). The particulars of Allegro.pl's supply chain and supplier characteristics are internal information of the company.

Supplier assessment

Supplier assessment*	2021	2020
% assessed new suppliers that met the social, environmental and ethical standards	95%	99%
% of all new suppliers assessed	10%	9,7%

*the data do not include eBilet.pl
 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.

In accordance with the recommendations of the Ministry of Finance, the group companies 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 minimizing 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.pl and Ceneo.pl

are based on integrated IT systems that ensure full transparency of compliance with the procedures.

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.

Our system extends to not only 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 100,000). Following the guidelines of the Ministry

of Finance, Group companies have introduced a complex verification process for choosing suppliers. Reviewing financial documents, company registration documents and bank accounts makes it possible to reject service providers whose credentials raise concerns.



Network Poland

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



GRI [102-40 102-42 102-43 102-44]

Stakeholders



GRI [102-40]

Stakeholder map, or who is influenced by our company

At the Allegro 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:

- customers
- merchants
- business partners
- suppliers
- employees
- local communities and non-governmental organizations
- administration
- national and international regulators
- the stock market environment
- the business environment

Encouraging conversation, or how we communicate

GRI [102-42 102-43]

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.

Forms of contact with stakeholders

Customers

- Contact form
- Allegro chat
- Phone call
- WhatsApp
- Allegro Gadane community
- Hotline for Seniors
- Buyer Protection Programme
- Online help centre
- Media relations
- Educational website for buyers
- Advertising and educational campaigns in the media
- Shopping guides and inspirations on the platform
- Corporate website: Allegro.eu, social media
- Allegro Gadane community
- Discussion with the merchant
- Internal complaint-handling system
- Out-of-court procedures for merchants
- Channels of direct communication with Allegro advisers



- Social media accounts
- NPS survey
- Special Case Team
- Safe Online Shopping programme (Bezpieczne z@kupy)

Merchants, business partners and suppliers

- Contact form
- Allegro chat
- Phone call
- WhatsApp
- Allegro Gadane community
- Periodical reports
- Rights Protection Cooperation
- Expert meetings
- Media relations
- Online presentations
- For Sellers site
- Online Help Centre
- Mailings
- Key Account Manager
- Sales Manager
- Training courses and webinars, including the Allegro Academy
- Regular surveys
- Allegro Gadane community
- Channels of direct communication with Allegro advisers
- Guides
- Webinars, e.g. for Super Sellers
- Corporate website: Allegro.eu, social media
- Discussion with the buyer
- Internal complaint-handling system
- Out-of-court procedures for merchants
- Code of ethics for suppliers and business partners

Employees

- Allegro Town Hall (a strategic conference for all employees)
- 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
- Thematic communities
- Allegro Tech Meeting
- BaZa annual engagement survey
- Email communication
- Employee Representation
- Meetings, workshops
- Training courses and the MindUp Platform
- Annual and semi-annual review (an opportunity for mutual feedback)
- Mentoring
- Whistleblowing system
- Alumni Allegro program
- Employee Advocacy #AllegroLife program
- Ambassador Programme
- Podcasts

Local community and non-governmental organizations

- Fundacja Allegro All For Planet
- Allegro's charity work
- Collections under Allegro Lokalnie
- Educational meetings at schools and universities
- information desks at events

Administration and national and international regulators

- Work with the Polish government, including market regulators
- Work with business organizations and chambers of commerce
- Work as part of EU institutions (European Commission, European Parliament)
- Cooperation in business organizations in e-commerce and other industries
- Participation in public consultations on draft legislation

The stock market environment, including shareholders

- Current and periodical reports
- Meetings, conferences and roundtables
- Email contact
- Investor Relations Department
- Corporate website
- Newsletters
- General Meeting

The business environment, media and competition

- Membership in industry organizations
- Industry initiatives
- Participation in conferences and meetings
- Public consultations
- Media relations
- Email communication, direct contact for the media
- Website <https://magazyn.allegro.pl/>

Frequency of communication with our stakeholders depends on the needs and requests of our stakeholders.

GRI [102-44]

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

In 2021, we held a meeting on delivery practices and the impact of deliveries on neighbourhoods. We invited experts from various industries and representatives of urban movements from major Polish cities to contribute

to the discussion. Held in April 2021, the workshop was attended by 21 people and was moderated by Fundacja Stocznia. Conclusions from the event, broken down into a diagnostic part describing current industry practices and a recommendation part compiling suggested solutions, were recapped in the summary.

We also learn about stakeholders' expectations through consumer surveys; in April 2021, Allegro was a partner of the Green Generation 2.0 study into Poles' environmental awareness and other issues.



Here are selected conclusions from the “Green Generation 2021. Together for the Earth” study:

1. 85% of respondents notice various unsustainable practices of stores when shopping online
2. 55% of respondents describe sustainability as a conscious choice and an attitude that does not pass.
3. 31% of internet users would like to be able to choose sustainable packaging for an additional fee.
4. 33% of respondents would like to use the option of reusable parcel packaging, which should be returned to the indicated place.
5. 33% of respondents are prepared to walk up to 5 minutes from their location to pick up a package from a pickup point instead of having it delivered by a courier. 22% declare that they are ready to walk within 20 minutes to collect the package.
6. 35% of respondents believe that their approach to sustainability results in more informed purchase decisions.



allegro

Society and employees

GRI [102-8 404-1 404-2 404-1 404-2 404-3 103-1 103-2 103-3 401-1 401-2 103-1 103-2 103-3 403-3 403-6 403-2 403-5 403-7 403-9]
 ESG [S-P3]
 KPI [7]
 SDGS [Cel 4, Cel 8]

Employees

4,848 reasons to be proud, or our team

The Group's ambition is to be a career platform for diverse, talented and ambitious teams and individuals who thrive in a fast-paced, changeable and complex environment. Our employees are committed to high performance, continuously looking for development opportunities and aspiring to the next big challenge, wherever it comes from.

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the entire Allegro.eu team consisted of 4,848 people at the end of 2021

At the end of 2021, the entire Allegro.eu team consisted of 4,848 people, exactly 1,559 more than a year ago. That means that the number of all Allegro.eu employees in 2021 increased by nearly a half, and the company hired almost twice as many new employees as in 2020.

Allegro ranks among the best employers in Forbes' Poland's Best Employers 2021 ranking. In the latest ranking prepared by Forbes and Statista, we came in first among employers in the retail and wholesale industry. We are all the more pleased with our success because we owe it largely to the votes of our employees!



GRI [102-8]

Workforce structure

Types of contracts at the Allegro.eu Group ⁸	2021		2020 ⁹		2019	
Contract of employment	3,613	74.53%	2,721	82.73%	2,194	88.50%
incl. women	1,545	42.76%	1,133	41.64%	912	41.57%
incl. men	2,068	57.24%	1,588	58.36%	1,282	58.43%
Contractors (B2B)	535	11.04%	240	7.30%	17	0.69%
Work agencies & outsourced service	700	14.44%	328	9.97%	268	10.81%
TOTAL	4,848	100%	3,289	100%	2,479	100%

⁸ The data include active and suspended workers.

⁹ [GRI 102-48] The number of total employees in 2020 has been retrospectively adjusted to include 130 temporary agency workers in the Błonie warehouse (previously excluded from the headcount of 3,159 reported in 2020).

The presented number of workers takes into account people working at the following companies: Allegro.pl, Ceneo.pl, eBilet.pl, Allegro Finanse, Allegro Pay, Opennet, X-press Couriers, Skynet Custom Brokers, Adinan Midco and Allegro.eu.

Form of Employment

Form of Employment	2021		2020		2019	
Permanent employment contracts	2,868	79.40%	2,162	79.40%	1,738	79.20%
Fixed-term employment contracts	745	20.60%	559	20.60%	456	20.8%

Form of employment broken down by gender

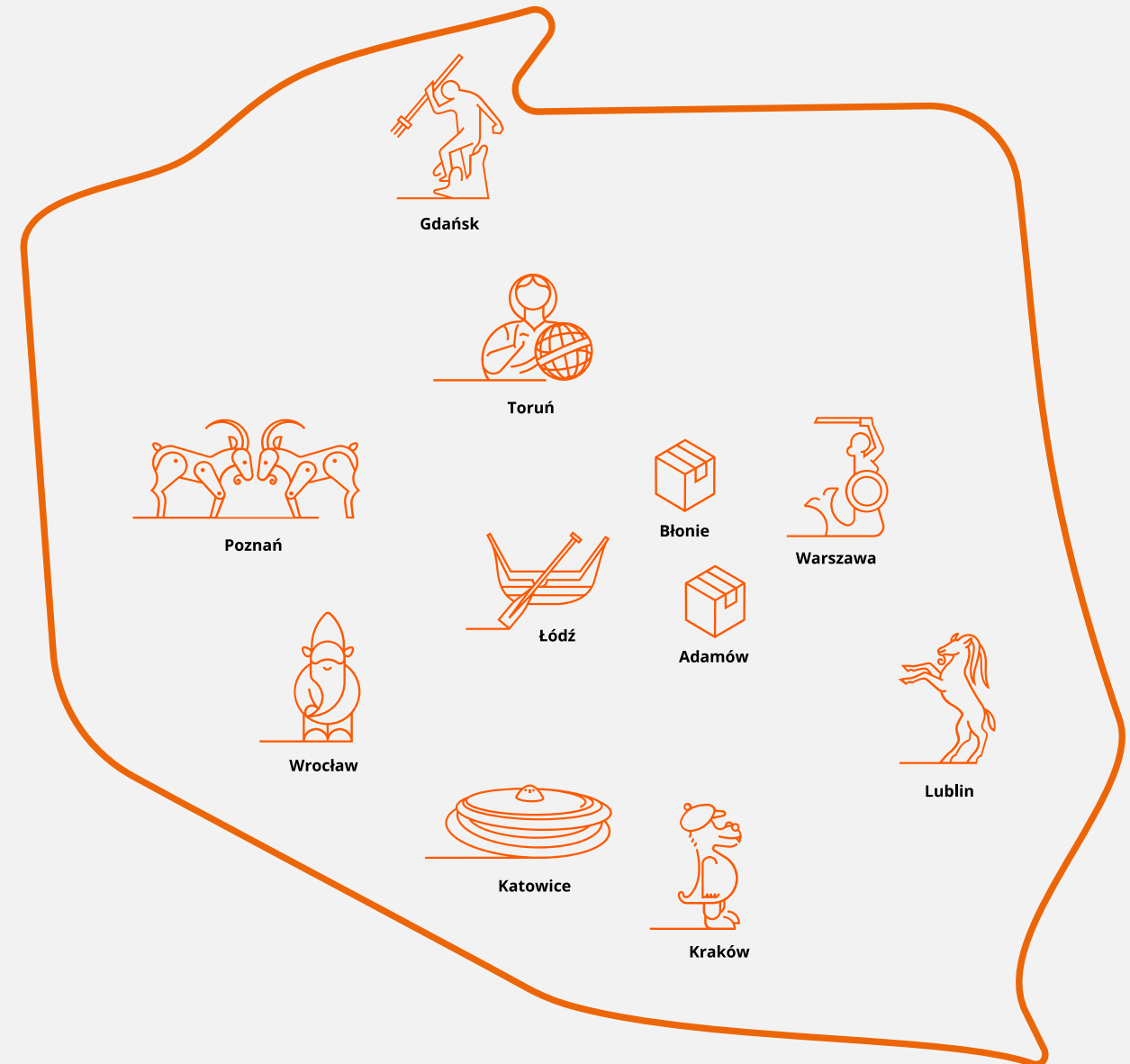
Form of employment broken down by gender	2021		2020 ⁹		2019	
Permanent employment contracts – women	1,2	33.2%	874	32.1%	702	32.0%
Fixed-term employment contracts – women	343	9.5%	264	9.7%	211	9.6%
Permanent employment contracts – men	1,669	46.2%	1,286	47.3%	1,036	47.2%
Fixed-term employment contracts – men	401	11.1%	297	10.9%	246	11.2%

We are working in many cities

Workplace	2021	2020	2019
Poznań office	45.3%	51.3%	57.0%
Warsaw office	33.5%	30.7%	25.5%
Wrocław office	6.5%	7.2%	8.2%
Kraków office	4.7%	3.7%	2.3%
Toruń office	3.0%	3.5%	3.8%
Błonie (Distribution Centre)	2.8%	2.6%	2.6%
Adamów (Fulfillment Centre)	2.6%	-	-
Remote work	1.2%	-	-
Other	0.4%	1.0%	0.6%

Employment in Allegro Group companies

Legal entity	2021	2020	2019
Allegro.pl	4,212	2,933	2,227
Ceneo.pl	219	198	194
Allegro Pay	126	61	-
eBilet.pl	59	56	56
Opennet	67	30	-
Allegro.eu	7	6	-
Allegro Finance	10	3	-
Adinan Midco	2	2	2
Xpress Couriers	141	-	-
Skynet Custom Brokers	5	-	-
Allegro.eu Group	4,848	3,289	2,479





PROFESSIONAL DEVELOPMENT, OR CAREERS AT ALLEGRO

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. We are very pleased with the high marks that we receive in the annual surveys from our employees.



Values and skills, or working at Allegro

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:

<p>Raising the bar</p>	<p>Customer-centricity</p>	<p>Agile</p>
<p>Curiosity, learning and growth</p>	<p>Contribution to others' success</p>	<p>Honesty and respect</p>

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 re-

cognize and apply them. Allegro Essentials have been based on nearly 1,100 responses to questions in the 2020 BaZa questionnaire ("How would you describe Allegro's culture?") and created in cooperation with the Management Team.



Allegro Factors

Career Levels

Career Levels is a system that classifies all roles at Allegro into levels. Its purpose is to introduce transparency and organize our internal job structure and to provide employees with a clear vision of their career path within the company. We have defined 10 Career Levels, although this number may increase as the company grows. Allegro.pl selected 5 important competencies across all our roles and people, which we called level factors. Allegro Factors 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 seniority (the Career Level) within the organizational structure. All new recruitment processes require Allegro Factors to be implemented.

GRI [404-1, 404-2]

Shared success, or training and reviews

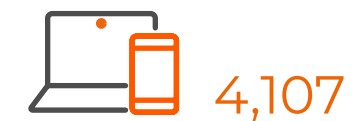
The professional development of employees is crucial for the development of Allegro. We have prepared

a large selection of training sessions, workshops and conferences for them, available through a special development platform called MindUp. It includes training in the so-called soft skills, technical training, managerial programmes and development tools. In 2021, the company conducted 458 internal training sessions with a total of 4,107 participants. An average employee received 6.2 hours of training, compared to 8.2 hours in 2020. In 2021, the average number of training hours was 6.2 per woman and 6.0 per man.

In 2021, female employees participated in a similar number of training courses as in the previous year, taking into consideration the increase in employment. 41% of Allegro employees are women, and women constitute 45% of all training participants.

The data concern only Allegro.pl, Allegro Pay and Allegro Finance employees, as employees of other companies do not have access to the MindUp! training platform where the data come from. Training was not monitored in other companies.

GRI [404-1, 404-2]



Total number of training participants

Łącznie szkolenia

All Trainings ¹⁰	2021	2020	2019
Total number of training participants	4,107	5,247	4,416
Women	45%	45%	32%
Men	55%	55%	68%
Number of unique participants	1,726	1,416	1,386
% of employees who participated in at least one training course	55%	59%	74%
Women	726	638	443
Men	1,000	778	943
Average hours of training per employee	6.2	8.2	0.74
Average hours of training per woman	6.4	9.4	nd
Average hours of training per man	6	8.6	nd

¹⁰ The data include active employees.

Data for: Allegro.pl, Allegro Pay and Allegro Finance. At Allegro, we do not analyse training hours in distribution across the employment structure.

Internal training

Szkolenia wewnętrzne	2021	2020	2019
Number of internal training sessions	458	501	443
Average rating of training (on a scale of 1 to 5)	4.5	4.5	4.5
Number of internal trainers	241	171	191

Data for: Allegro.pl, Allegro Pay and Allegro Finance. At Allegro, we do not analyse training hours in distribution across the employment structure.



MindUp, the education programme for all employees, includes:

- development activities categorized 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
- internal workshops within business-specific development academies, e.g. Commerce Academy, CX Leader Academy
- application forms for external events, including conferences, training sessions as well as studies, etc., to cover the cost of conferences, training as well as studies and postgraduate courses – as per the internal regulations
- language classes.



Additionally, we run the JUICE project where we invite inspiring guests for Allegro employees to meet, and Health Action, workshops and lectures about general well-being and healthy lifestyle.

In 2021, we continued #zdalninzdalna (#remote-forremote), a special programme on effective remote work, which includes psychological guidance, workshops and webinars, as well as practical content and advice.

Support for degree programmes or 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, as well as the opportunity to participate in paid conferences or individual coaching sessions.

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

Managerial and leadership development training

Allegro conducts many training courses and webinars at managerial level, such as:

- the Neuroscience of Creating Clarity in a Complex World
- Leader of IMPROWizator, i.e. IMPRO = I'M PRO
- Strategy Leader, or How to Build Strategies in a Complex World
- Happiness in Team Work for Leaders/Managers
- Stress: Enemy and Friend – How to Build the Leader's Emotional Resistance
- Inclusive Leadership – How an Inclusive Leader Builds a Committed, Creative and Highly Effective Team
- NVC – Reconciling Family and Professional Roles and Satisfaction with Life.

Leaders could also join leadership development programmes, e.g. the dedicated AlleGrow programme for directors, StepUP "Transformational leadership" programme for senior managers or WarmUp programme for first-time leaders. 25 leaders (68% of directors) are part of the AlleGrow programme (10 started on 3 December, 15 in 2022); 25 (27% of senior managers) attend the StepUp programme. 67 people attended

the 6th edition of the WarmUp programme in 2021. The scope of this training programme covers Allegro Factors: the impact on business, leadership, managing complex problems, communicating with clarity and positivity and well-being. The participants could 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 training in 2021:

- among team leaders and managers/project managers, all training sessions were attended by an

aggregate of 1,494 participants, 540 individuals in total (82% of the group)

- among senior managers and directors, all training sessions were attended by an aggregate of 138 participants, 64 individuals in total (65% of the group).



ATM/Allegro Tech Meeting

is an annual meeting of Allegro technology teams where employees share updates on the current projects, comment on the problems they encounter and present unusual solutions they have implemented. The employees also have a chance to get to know each other better, as they usually work in different locations. "From IT for IT" ("Od IT dla IT")

is the motto that has accompanied us from the very beginning, back in 2009, when the first two-day event for Allegro engineers was organized in Poznań.

The fourteenth edition of ATM took place in September 2021 entirely online. On the agenda, there were 75 presentations and 7 thematic blocks (Product and People, Software, Security, Infrastructure, Machine Learning and Big Data, UX, Front-end and Lighting Talks). Almost 1,300 employees registered for the event.

Allegro runs a mentoring programme and an internal mobility programme

Where employees temporarily change their workplace for two weeks to three months.

The main goals of this programme are:

- to support sharing knowledge 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 retain talented employees. If an employee is considering changing jobs, 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/organizational unit. Any employee can participate in the programme, provided that both their current and prospective supervisors agree and that there are benefits for all parties involved.

GRI [404-3]

Performance Management, or continuous development

Performance Management is a process where the individual performance of each employee can be assessed consistently based on objective, factual and 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 (such as the impact on the work of the organization, the need for solving complex problems analytically and innovatively, communication skills and expert knowledge).

Percentage of employees receiving regular performance and career development reviews

Employee assessment ^{11,12}	2021 ¹	2020	2019
% of employees assessed	94.7%	93.9%	92.5%
Women	91.3%	86.4%	85.2%
Men	97.0%	99.3%	97.5%
Experts and specialists	95.3%	-	-
Women – experts and specialists	92.2%	-	-
Men – experts and specialists	97.1%	-	-
Managers	96.0%	-	-
Women – managers	92.0%	-	-
Men – managers	97.7%	-	-

¹¹ The data include active employees on contract of employment.

¹² Excluding eBilet.pl employees and employees on a trial period.

* The assessments relate to a process carried out in June-September 2021. No available data for 2020 and 2019.

Employee assessment is a process that applies to everyone with at least 3 months of work experience, including employees returning from leave (i.e. long-term sick leave, parental leave, maternity leave).

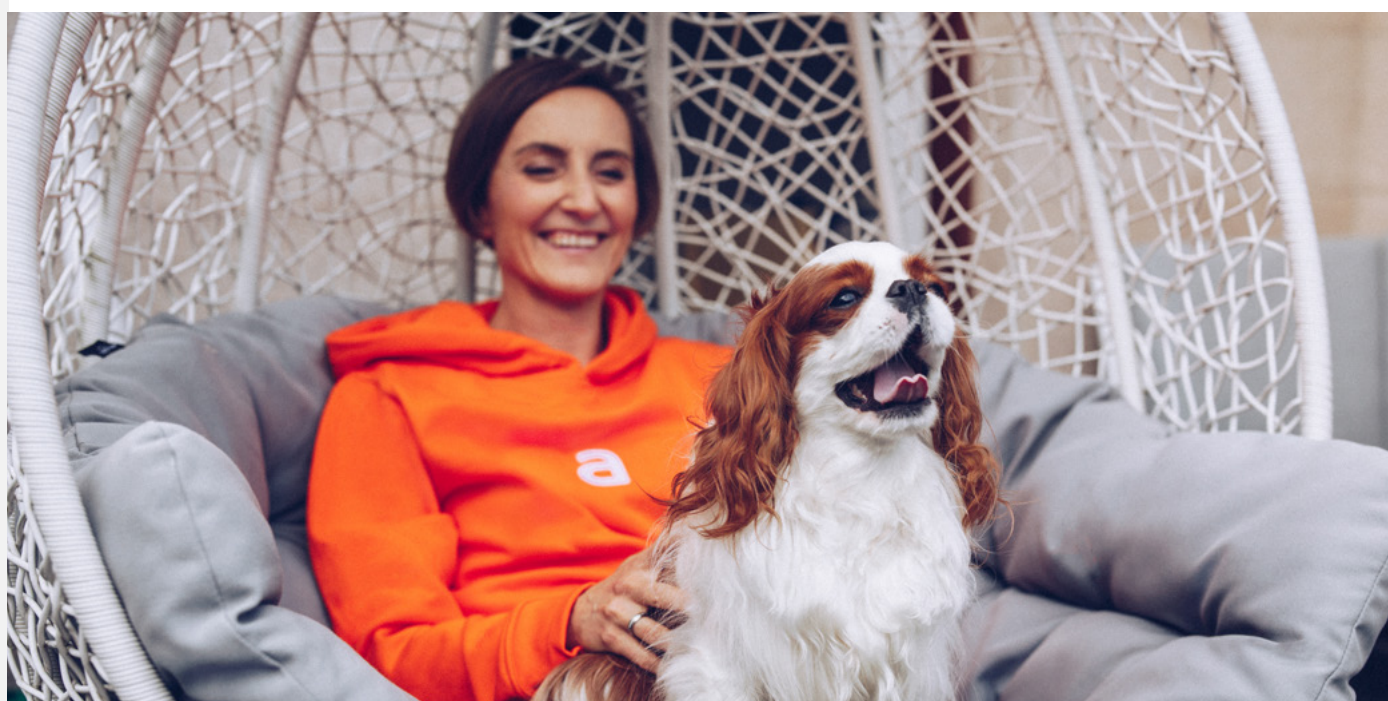
Returning employees typically do not work long enough to get their performance appraised. This is the main reason why the rate presented above is below 100%, especially for women.

Remuneration

At Allegro, 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. Our remuneration policy is aimed at acquiring, motivating and retaining employees who represent the highest level of competence and experience. It is based on equal treatment of employees and creates a framework that ensures that everyone who performs the same tasks is equally compensated.

Staff costs increased by PLN 65.1 million, or 13.3%, from PLN 490.1 million in FY 2020 to PLN 555.2 million in FY 2021. Excluding one-off costs¹³ in both periods, staff costs increased by 31.3% YoY, driven by growth of 47.4% YoY in the number of employees. Staff costs also include one-off costs of PLN 1.3 million resulting from COVID-19 support for employees. The company did not reduce salaries or benefits of any employee in response to COVID-19.

¹³ Staff costs in the reference period included PLN 52.2 million in respect of share-based compensation for managers who had invested in the Management Investment Plan that was settled at the IPO, a further PLN 25.4 million related to shares granted to employees at the IPO, as well as PLN 3.3 million related to COVID-19 support for employees. For FY 2021, one-off items included in staff costs comprised PLN 16.7 million of share-based payment costs related to the new Allegro Incentive Plan and PLN 1.3 million spent on protective equipment against COVID-19.





At Allegro, we conduct an annual remuneration review process, which involves evaluating jobs. An independent internal audit of job evaluation was carried out in 2020 and 2021. The audit confirmed that the selected methodology was correctly applied to the evaluation of positions in the Group, and that the salaries in positions classified with it were compared with the relevant market data from the methodology provider.

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

Allegro shareholder culture

Obtaining the status of a public company has allowed the Group to introduce the Allegro Incentive Plan (AIP), a long-term incentive programme based on Allegro.eu shares, enabling employees to become co-owners. This is a unique programme in terms of the scale and scope of the transfer of shares.

In October 2020, at the time of the Company's IPO, all employees employed at Allegro.eu under an employment contract at the time received a one-off allocation of 233 Allegro.eu shares. The shares were awarded free of charge one year later in October 2021.

The second part of the AIP is a plan to 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. The first tranche of 25% of the total AIP award value is set to vest in April of 2022.

Company evaluation and remuneration audit

To be able to benchmark ourselves against the local and global market, we decided to approach Mercer, a well-known job evaluation company, for support. Their methodology is based on a detailed analysis of the scope of duties in the workplace. Our 5 Allegro Factors are largely consistent with Mercer's methodology but represent Allegro's specific context, outlining skills and competencies necessary for our business to grow, as well as keeping a competitive advantage over current and future competitors. In 2020, we completed the evaluation of positions at Allegro.pl.

Employee engagement survey

We create a friendly workplace and regularly check the level of engagement of our employees. Every year we conduct an engagement survey, 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 2021, we achieved an engagement score similar to the 2020 BaZa result. In 2021, the survey covered all Allegro.eu companies.

KPI [7]

Annual Engagement Survey – Allegro.pl, AllegroPay and Allegro Finance

Annual Engagement Survey – Allegro.pl, AllegroPay and Allegro Finance	2021	New Tech 2021 ¹⁴	2020	2019
Engagement score	74%	74%	78%	73%
Company Confidence	90%	80%	91%	78%
Performance	91%	n/a	89%	–
Teamwork & Ownership	88%	80%	88%	88%
Learning & Development	85%	75%	85%	83%
Collaboration & Communication	86%	73%	85%	83%
Culture	85%	n/a	85%	76%
Enablement	84%	79%	84%	80%
Management	84%	78%	83%	83%
Alignment & Involvement	79%	83%	79%	71%
Leadership	74%	81%	79%	71%
Feedback & Recognition	72%	70%	75%	76%
BaZa Action	61%	n/a	64%	65%
Remote work	76%	n/a	n/a	n/a
Work & Life Blend	61%	54%	n/a	n/a
Diversity & Inclusion	87%	n/a	n/a	n/a
Participation in the survey	93%	n/a	94%	94%

¹⁴ Culture Amp Reports

Annual Engagement Survey – Ceneo.pl

Annual Engagement Survey – Ceneo.pl	2021	New Tech 2021 ¹⁵	2020	2019
Engagement score	78%	74%	77%	n/a
Company Confidence	82%	80%	80%	n/a
Performance	n/a	n/a	n/a	n/a
Teamwork & Ownership	90%	80%	1%	n/a
Learning & Development	85%	75%	82%	n/a
Collaboration & Communication	85%	73%	87%	n/a
Culture	81%	n/a	81%	n/a
Enablement	87%	79%	82%	n/a
Management	86%	78%	84%	n/a
Alignment & Involvement	81%	83%	80%	n/a
Leadership	84%	81%	83%	n/a
Feedback & Recognition	82%	70%	78%	n/a
BaZa Action	55%	n/a	55%	n/a
Remote work	79%	n/a	n/d	n/a
Work & Life blend	60%	54%	n/d	n/a
Diversity & Inclusion	88%	n/a	n/d	n/a
Participation in the survey	92%	n/a	96%	n/a

¹⁵ Culture Amp Reports

Coroczna ankieta zaangażowania – eBilet.pl

Annual Engagement Survey – eBilet.pl	2021	Entertainment & Recreation Top 10% 2021 ¹⁶	2020	2019
Engagement score	63%	83%	n/a	n/a
Company Confidence	98%	91%	n/a	n/a
Performance	n/a	n/a	n/a	n/a
Teamwork & Ownership	72%	n/a	n/a	n/a
Learning & Development	67%	85%	n/a	n/a
Collaboration & Communication	82%	n/a	n/a	n/a
Culture	74%	n/a	n/a	n/a
Enablement	75%	n/a	n/a	n/a
Management	81%	n/a	n/a	n/a
Alignment & Involvement	73%	n/a	n/a	n/a
Leadership	82%	n/a	n/a	n/a
Feedback & Recognition	59%	79%	n/a	n/a
BaZa Action	n/a	n/a	n/a	n/a
Remote work	71%	n/a	n/a	n/a
Work & Life blend	50%	92%	n/a	n/a
Diversity & Inclusion	n/a	n/a	n/a	n/a
Participation in the survey	100%	n/a	n/a	n/a

¹⁶ Culture Amp Reports



GRI [103-1 103-2 103-3]

We recruit talent

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. We use a standardized competency-based behavioural interview, and 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.

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.

One of the best incentives to take up a job in our organization is the testimonials of people who already work for us. 89% of our employees would recommend Allegro as an excellent place to work (internal data).

New joiners

In 2021, 1,168 people took part in the two-day onboarding process, including 56 people returning after a long absence.

Nowi pracownicy	2021		2020		2019	
Women	42.4%	506	42.3%	289	43.7%	206
Men	57.6%	687	57.7%	394	56.3%	265
Aged <30	54.7%	652	60.6%	414	62.6%	295
Aged 31-50	44.4%	530	39.4%	220	37.4%	163
Aged >50	0.9%	11	0%	0	0%	0

Employee turnover rate ¹⁷	2021		2020		2019	
Total	14.2%		8.9%		10.5%	
Women	13.5%		9.3%		12.1%	
Men	14.7%		8.5%		9.4%	

Average number of years of employment in the company	2021		2020		2019	
Total	3.46		3.56		3.74	
Women	3.23		3.4		3.58	
Men	3.62		3.66		3.86	

In the past years, Allegro has been successfully attracting, developing and retaining talent, keeping attrition levels below the market average.¹⁸ With the COVID-19 pandemic disrupting retail and technology sectors, the past two years created strong demand for Allegro expertise, both locally and from global players. Globally, we witness increased total attrition; however, it remains in line with market dynamics and the globalizing talent market.

#Dobrze_tu_być

In 2021, we implemented a comprehensive Employer Branding strategy that takes into account target groups of our potential employees and corresponds with the organization's rapid growth. Based on research within our organization and the wider job market, the strategy describes ways we want to promote Allegro as a workplace in the coming years.



SUMMER E-XPERIENCE

Every year we open our doors to people starting their professional careers. The paid internship programme called Summer e-Xperience allows them to get to know how the largest e-commerce platform in Europe operates, and the best-performing interns have a chance to stay with the company. In 2021, 78 people (+25 people YoY) took part in the e-Xperience programme, of whom as much as 88% were employed at Allegro (+18 pp YoY).

All programme participants are supervised by a mentor. Not only can they take part in training but also prove themselves by working independently on real projects and challenges. The Summer e-Xperience programme is recommended by 100% of the trainees who attend it. In 2021, Allegro received the "Trustworthy Employer" title in the Internship Programmes category for its 2021 Summer e-Xperience.

¹⁷ Employee turnover rate (%) = employees who leave the company/average number of employees in the period analysed. The average employee turnover rate in 2019 in Poland was between 16% and 18%, according to external reports by Mercer and Korn Ferry published in 2020. The data include active employees.

¹⁸ Spot Poll for High Tech Sector Survey (August 2021) by Mercer; the average voluntary turnover for Polish high-tech companies between July 2020-June 2021 was 24%.

EXTERNAL AND INTERNAL REFERRAL PROGRAMME

The employee referral programme is one of the most effective sources of recruitment at Allegro. Our employees are happy to share their opinion about their job with their friends and recommend advancing their careers with our company. In 2021, we developed a system where referrers are awarded a monetary bonus for every successful employee referral.

The amount of the bonus depends on the difficulty in acquiring a candidate for a specific position. To promote the programme, we decided to plant a tree for each referral, whether successful or not, in October and November 2021. We planted 475 trees in partnership with the Posadzimy.pl platform.

In addition, Allegro has an external referral programme implemented in spring 2021. At Allegro.sharehire.pl, we share current job openings at Allegro that third parties may refer candidates for. These referrals are awarded a bonus of PLN 5,000.



ALLEGRO LIFE

The Employee Advocacy #AllegroLife programme helps employees build a strong personal brand in the industry and thereby strengthen the brand of their employer, Allegro. #AllegroLife is an internal community of Allegro ambassadors, people who are active on social media. The programme enables us to showcase our organizational culture, present experts and reach a greater number of potential job candidates. A

dedicated platform gives our ambassadors access to knowledge of the company's operations, and we hold training sessions or events every quarter to help employees build their personal brand.

In 2021, there were nearly 150 ambassadors at Allegro. In the nine months of the programme, they posted more than 5,600 social media publications, reaching an estimated 16 million audience members.



PODCASTS

In 2021, we released the second season of our Allegro Tech Podcast, with 12 episodes being listened to nearly 43,000 times. The podcasts are a collection of engaging stories, good practices and inspiring case studies and highlight the values that Allegro stands for. We have also launched a business equivalent of the tech podcast, Allegro Podcast, where we publish conversations about good practices, inspiring ideas and interesting solutions used at Allegro. The podcasts are created from start to finish by our employees, who conduct and appear in interviews and prepare episode scripts.

AMBASSADOR PROGRAMME

In 2021, we teamed up with Campus Ambassadors, students from five Polish universities: the AGH University of Science and Technology in Kraków, the Warsaw School of Economics, the Adam Mickiewicz University in Poznań and the Warsaw University of Technology. The main objective of the ambassadors is to build awareness of Allegro as a good place to work for young people.



ELO MOLO!

Jesteśmy w Trójmieście!
Deal with IT!

allegro.pl/praca
#dobrzezaprogramować



NEW CITIES CAMPAIGN

In 2021, Allegro decided to open five technology hubs in Poland, in cities where we previously did not have an office. Planning our employer branding campaign, we wanted to both publicize the opening of our offices in the local job markets and integrate with the local IT communities. Consequently, we used local customs, sayings and landmarks in our campaign which served as the main themes in individual cities, Gdańsk, Łódź, Katowice, Wrocław and Lublin. Our campaign featured

Wrocław's gnomes, the Katowice district of Tauzen, Gdańsk's seagulls, Lublin's "ciapy" (the local term for slippers) and references to the Łódź film industry.

GRI [401-2]

Employee benefits

In addition to competitive pay, each person employed at Allegro has access to attractive benefits. These can be adapted to individual preferences. We are constantly expanding the list of benefits offered to our teams under the My Benefit System. Employees can choose the most attractive benefits using credit points awarded to them every month:

- medical care for employees and their relatives
- sports cards for employees and their children and possibly their plus ones
- co-financing kindergarten, nursery or child-care
- transport allowance or company parking space, season ticket for a bus or petrol
- a restaurant card to use catering services in the offices or in nearby restaurants
- shopping vouchers, cinema tickets and many more.

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

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.



GOOD PRACTICE

The company's "WOW" kindergarten and nursery for children of Allegro employees in Poznań has 57 places in three kindergarten groups and 20 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. In 2020, as a way to support parents who were left alone at home with children, the employees of the kindergarten and nursery prepared interesting ways to spend time together during quarantine, using a special Slack channel. In 2021, the kindergarten and nursery staff participated in an NVC training to respond to the needs of children even better.

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 2021, we could not hold Children's Day due to the COVID-19 pandemic; instead, all employees got an additional day off, and their children received gifts.



Communication with employees

There are many channels of communication with employees at Allegro, including our Insite+ social media platform and our qa_allegro Slack channel, where employees can ask questions about the company's strategy and employee matters. We also have Allegro Home, a page with the most important documents, links and other information.

In 2021, we organized the Allegro Outlook 2021 meeting for all of our employees, where they could learn about the company's strategy and new projects and ask questions to the Board. Q&A sessions were also organized at three quarterly Allegro Business Update meetings (attended by an average of around 2500 employees), where the company presented its results and the most important business news. We also held an additional meeting with the Board to discuss the acquisition of Mall Group.

Employee volunteering – Together we can do more!

At Allegro, we are proud to support employee volunteering. Employees are involved not only in well-known nationwide initiatives such as WOŚP or Szlachetna Paczka but also in numerous local charitable and educational activities. In 2021, volunteers from Allegro organized mentoring for students, supporting their community projects under Mam Swoje Alle, an educational project developed in partnership with Fundacja Zwolnieni z Teorii.

Employee volunteering programme in 2021



volunteers



hours of volunteering

Employee Representation

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

GRI [103-1 103-2 103-3 403-3 403-6]

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.

GRI [403-7 403-5 403-7 403-9]

Safe Workplace

GRI 403-7

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.

GRI 403-2

The Group has been monitoring the effects of the Occupational Health and Safety Policy and the number of work accidents. In 2021, only two minor accidents were recorded.

The company has introduced 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. The COVID-19 pandemic changed our office reality, as most of the employees worked from home, as recommended. Given the need to adapt the occupational risk assessment to the current situation, we have updated this document with additional provisions related to COVID. 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 thre-

ats and to determine what still needs to be done. All employees became acquainted with the new regulations during the mandatory e-learning training.

There is a special alias and a dedicated channel on the company messenger for communication with the OHS department. Our offices as well as our supply points (warehouses and depots) 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.

GRI 403-5

Allegro complies with all regulations that concern OHS training. Each employee hired in 2021 has undergone mandatory initial training. In accordance with current regulations, we also conduct periodic safety training for selected types of positions and for employees working longer in our organization. Participation in such training is mandatory, and failing to complete it may result in exclusion from work.

GRI 403-9

Number of accidents	2021	2020	2019
Minor accidents	2	1	5
Serious accidents	0	0	1
Fatal accidents	0	0	0

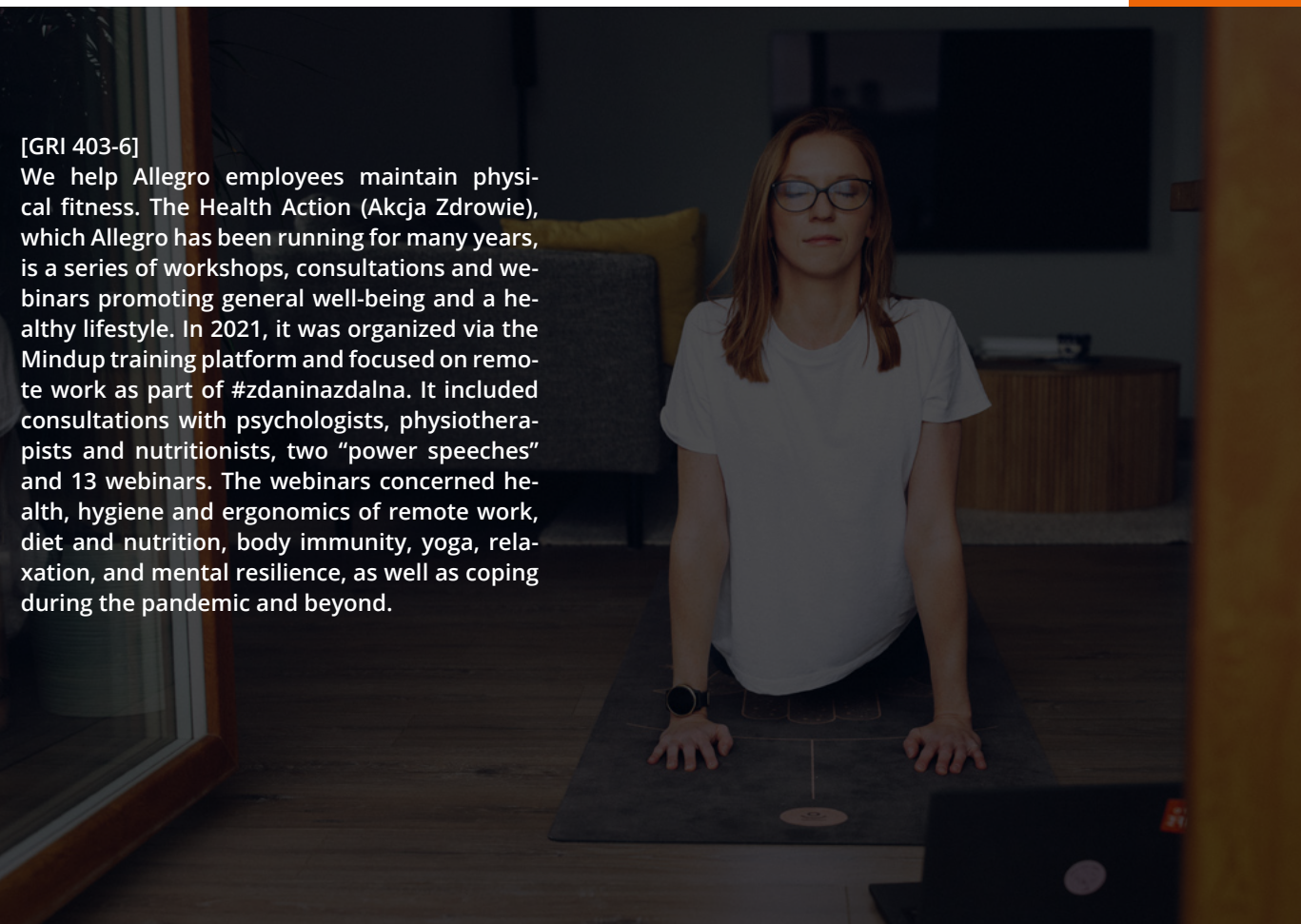
We supported employees during the pandemic

In response to the COVID-19 pandemic:

- we enable employees to work remotely while giving them the opportunity to work from the office
- in 2021, every new employee received a PLN 1,000 voucher to equip their home office
- training is organized online
- we ensure a safe environment in our warehouses and offices.

In 2021, we continue to follow our remote work and safety guidelines in our warehouses, among other regulations. With the help of a qualified external company, as a follow-up, we also audited our Distribution Centre in Adamów to assess the possibility of coronavirus transmission and implemented all countermeasures to minimize the risk of infection, both in the office and in the warehouse.

Warehouse employees who cannot work remotely have been provided with all necessary personal protective equipment. We have also implemented a social distancing system, divided working hours into shifts, increased cleaning frequency and installed thermal imaging cameras.



[GRI 403-6]

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 2021, it was organized via the Mindup training platform and focused on remote work as part of #zdaninazdalna. It included consultations with psychologists, physiotherapists and nutritionists, two "power speeches" and 13 webinars. The webinars concerned health, hygiene and ergonomics of remote work, diet and nutrition, body immunity, yoga, relaxation, and mental resilience, as well as coping during the pandemic and beyond.

GRI [103-1 103-2 103-3 406-1 405-1 405-2 401-3]
TCFD/SFDR [wskaźnik]
ESG [S-P1 SP-2]

GC [#4 #5 #6]
KPI [7]
SDGS [Cel 5, Cel 10, Cel 17]

Diversity and inclusion

GRI [103-1 103-2 103-3]

At Allegro, only competencies count. An employee's age, gender, political views, beliefs, origin or religion do not matter to us. We see no obstacles in the differences, but rather view them as an opportunity to build a competitive advantage and create an inspiring workplace. We treat everyone equally and we require the same from every person employed in our company. 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 this issue to our stakeholders.

We create an inclusive working environment, free of prejudice and one that fosters the development of people with different views and experiences. In 2016, we introduced the Anti-Discrimination and Anti-bullying Policy, as well as the Whistleblowing Procedure. This policy states that all employees, especially managers, should treat their colleagues with dignity and uphold the principles of ethics. All employees learn those principles during the onboarding process and also receive regular training.

We introduced a diversity policy that defines good practices and processes conducive to the creation of a diverse and creative workplace. The company also holds anti-bullying and anti-discrimination training sessions, the purpose of which is to support the recognition and prevention of undesirable behaviour and the creation of positive relations between employees.

GRI [406-1]

Diversity and inclusion policy

Allegro makes every effort to be an equal opportunity employer; a place where every employee is respected and supported in achieving their highest potential. We create a working environment where everyone can speak up to remove barriers to success, collaborate with others and bring their best ideas to life.



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 2020 Annual Engagement Survey conducted in Q2 2021).

These are the most important diversity and inclusion initiatives undertaken by Allegro.eu as part of the Diversity and Inclusion Policy adopted by the Board in 2020:

- Adopting and implementing the "Stay Safe/Stay Fair" Code of Conduct
- Adopting and implementing the Anti-discrimination and Anti-bullying Policy
- Adopting and implementing the Whistleblowing and Whistleblower Protection Policy and system
- Conducting diversity promotion training
- Striving for equal treatment of all employees, regardless of gender, gender identity, age, race, form of employment, political views, psychosexual orientation, disability, health condition, nationality, ethnic origin, religion, creed, non-denominational status, beliefs, trade union membership, marital status or lifestyle, also when assessing an employee and making decisions regarding employment and promotion
- Supporting women choosing a career in the technology industry
- Supporting diversity in the selection of members of the Board of Directors
- Supporting diversity and inclusion initiatives
- Creating more opportunities to change positions within the company
- Monitoring and reporting on activities in this regard.

In 2021, Allegro.eu announced the Allegro Declaration that presents the company's core D&I principles:

- Merit- and competency-based decisions (merit-based processes) involving proactive efforts to minimize unconscious bias in the decision-making process
- Diverse working environment that accepts various ideas and encourages innovative and creative solutions
- Inclusive and diverse workforce that matches our target customer base so that our products/services reflect a broad range of perspectives
- Balanced organization in terms of women/men representation, especially in leadership positions.



In 2021, Allegro.eu also introduced D&I Champions, a group of Allegro employees who have supported building an inclusive working environment with their actions. They will recommend, advise and approve all programmes, approaches and strategies that will help Allegro D&I, but also listen to Allegro employees to enhance the company's activities by adding new proposals in response to specific needs.

Allegro.eu also introduced a series of dedicated webinars, workshops and events that celebrated Global D&I Month in October 2021. The webinars focused on topics of unconscious biases, inclusive leadership and management of diverse working environments. The workshops enabled our employees to share their thoughts, opinions and ideas on how we can create an even more inclusive Allegro in the future.



Allegro.eu supports initiatives that promote diversity and openness. In 2018–2021, representatives of the company took part in more than 30 events on this subject. In 2021 these included WomenTech Global, Women in Technology and Women in Business 2021 (Kobiety w Biznesie 2021). Allegro.eu was also involved in Dare-IT – Poland's biggest individual three-month mentoring programme led by female IT experts for women wishing to start their careers in the industry. Allegro also runs an internal mentoring programme.

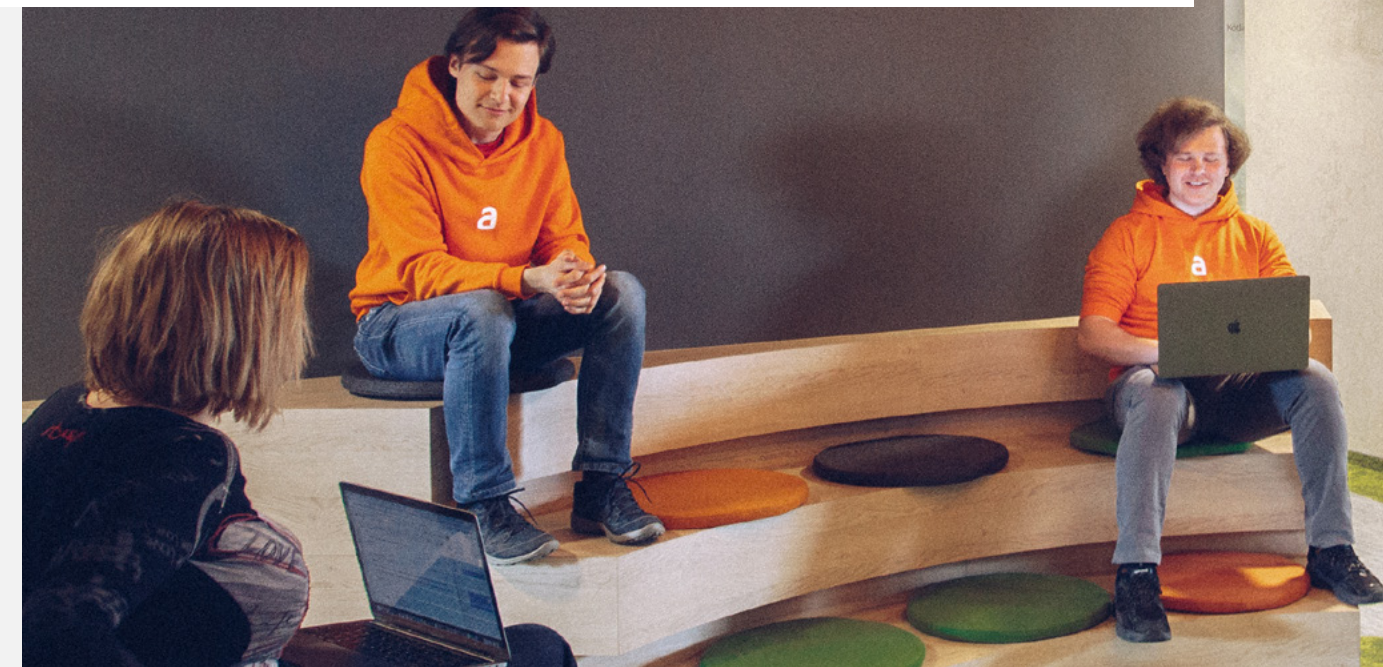
All employees know the Anti-discrimination and Anti-bullying Policy as well as the Whistleblowing Procedure as soon as they come to work at the company. In 2020, the company introduced the Diversity Policy.

Employee participation in Anti-discrimination and Anti-bullying Policy training sessions	2021	2020	2019
Training sessions (annual online workshop for all employees and contractors)	73%	88.8%	92.8%
Onboarding training sessions (monthly training session for all joiners – new employees and contractors)	100%	100%	100%

Anti-discrimination and Anti-bullying Policy	2021	2020	2019
Reported cases of discrimination and bullying in Allegro	2	5	2

All reports regarding suspected discrimination and harassment have been thoroughly verified. Some cases were referred to the Ethics Committee. No allegations were confirmed in any of the reported cases. After the applications 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.



GRI [405-1] ESG [S-P1] TCFD/SFDR [Indicator]

Diversity indicators

Board members

Board members	2021		2020		2019
Board members – women	2	25%	2	25%	not applicable
Board members – men	6	75%	6	75%	not applicable
Board members aged <30	0	0%	0	0%	not applicable
Board members aged 31–50	3	37,5%	4	50%	not applicable
Board members aged >50	5	62,5%	4	50%	not applicable

Pracownicy

Employees ¹⁹	2021		2020		2019	
Women	40.8%	1,416	41.8%	1,133	41.6%	912
Men	59.2%	2,056	58.2%	1,576	58.4%	1,28
Women in senior management roles	28.6%	191	28.2%	122	28.9%	98
Men in senior management roles	71.4%	477	71.8%	310	71.1	241
Women in executive management roles (C-Level)	25%	2	25%	2	0%	0
Men in executive management roles (C-Level)	75%	6	75%	6	100%	5

¹⁹ The data include active employees.

Women accounted for 40.8% of all active Allegro.eu workers in 2021.

Diversity Charter, or equal opportunities for everyone

In addition to internal activities, Allegro.eu wants to support external (national and global) initiatives. In 2021, Allegro.pl 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 organizations 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. Organizations that decide to implement this tool support social cohesion and equality.

Signing the Diversity Charter means:

- Joining the international group of organizations 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 organization
- Joining the group of organizations 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 organization 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.



THE 2021 LINKEDIN TALENT AWARDS

In 2021, Allegro.pl became a winner of the LinkedIn Talent Awards competition in the Diversity Champion category in Poland. The 2021 LinkedIn Talent Awards recognized companies worldwide that have demonstrated remarkable adaptability, innovation and creativity in the talent acquisition space.

GRI [405-1]

Diversity Indicators

Where possible, all diversity indicators are presented for all employees in the Allegro.eu Group, as well as regarding managerial, expert, specialist and Board Management positions.

The company does not disclose ethnic minority information about its employees because we do not collect such data. There is no legal basis for us to collect it.

Grupa Allegro.eu	2021	2020	2019
Women	40.8%	41.8%	41.6%
Men	59.2%	58.2%	58.4%
New joiners – women	42.4%	42.2%	43.7%
New joiners – men	57.6%	57.8%	56.3%
% of employees with disabilities	0.7%	0.7%	0.9%
% of employees with disabilities – women	0.4%	0.5%	0.5%
% of employees with disabilities – men	0.3%	0.3%	0.4%
Aged <30	40.2%	38.4%	37.4%
Aged 30–50	58.8%	60.8%	62.0%
Aged >50	1.0%	0.8%	0.6%
Aged <30 – women	42.2%	40.7%	38.9%
Aged 30–50 – women	57.2%	59.2%	60.9%
Aged >50 – women	0.6%	0.2%	0.2%
Aged <30 – men	38.8%	36.8%	36.3%
Aged 30–50 – men	59.8%	62.1%	62.9%
Aged >50 – men	1.4%	1.1%	0.8%
% of foreign employees	0.9%	1.1%	0.8%
% of foreign employees – women	0.3%	0.3%	0.2%
% of foreign employees – men	0.6%	0.8%	0.6%

Managers	2021	2020	2019
Women	28.6%	28.0%	29.0%
Men	71.4%	72.0%	71.0%
Aged <30	11.8%	8.7%	10.1%
Aged 30–50	86.4%	89.3%	88.7%
Aged >50	1.8%	2.0%	1.2%
Aged <30 – women	11.5%	8.8%	10.9%
Aged 30–50 – women	87.5%	91.2%	89.1%
Aged >50 – women	1.0%	0.0%	0.0%
Aged <30 – men	11.9%	8.7%	9.7%
Aged 30–50 – men	86.0%	88.5%	88.7%
Aged >50 – men	2.1%	2.8%	1.6%

Experts and specialists	2021	2020	2019
Women	36.5%	37.5%	34.5%
Men	63.5%	62.5%	65.5%
Aged <30	39.8%	37.5%	35.8%
Aged 30–50	59.8%	62.3%	64.0%
Aged >50	0.4%	0.2%	0.2%
Aged <30 – women	34.4%	33.6%	32.7%
Aged 30–50 – women	65.3%	66.4%	67.3%
Aged >50 – women	0.3%	0.0%	0.0%
Aged <30 – men	42.8%	39.8%	37.5%
Aged 30–50 – men	56.6%	59.8%	62.3%
Aged >50 – men	0.6%	0.4%	0.2%

Fair and equal pay

A key factor influencing the gender pay gap is the under-representation of women in technology and management positions.

We have developed a detailed intervention plan focusing on:

- 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 resulting changes in

remuneration

- joining external organizations 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 organization.

All these activities are aimed at systematically solving the identified problems and striving to bridge the remuneration gap.



GRI [405-2] ESG [S-P2] TCFD/SFDR [Indicator]

Differences in pay between men and women ²⁰	2021	2020	2019
Women's remuneration against average remuneration	96.7%	95.2%	95.7%
Men's remuneration against average remuneration	102.1%	102.7%	101.5%
Women's remuneration against men's (men=100%)	94.3%	91.9%	92.9%

Managers' remuneration ²¹	2021	2020	2019
Women managers' remuneration against average managers' remuneration	92.8%	93.3%	92.0%
Men managers' remuneration against average managers' remuneration	102.7%	102.1%	101.3%
Women managers' remuneration against men managers' (men=100%)	90.1%	90.8%	88.9%

Expert & specialist remuneration ²²	2021	2020	2019
Women expert & specialist remuneration against average expert & specialist remuneration	96.2%	93.3%	92.0%
Men expert & specialist remuneration against average expert & specialist remuneration	102.4%	102.9%	101.7%
Women expert & specialist remuneration against men expert & specialist remuneration (men=100%)	93.8%	90.1%	92.5%

The data presented above relate only to employees on employment contracts. In 2021, the company noted some improvements in the overall balance between average women's and men's remuneration.

^{20,21,22} Weighted average for group size at each level of the corporate structure and in a given business area

GRI [401-3]

Number of employees who returned to work after parental leave	2021	2020	2019
Employees who took parental leave	84	79	74
Employees who returned to work after parental leave	99	60	71
Employees who returned to work after parental leave in the previous year and continued to be employed for 12 months after the return	52	58	59
Employees who went on parental leave – women	77	74	59
Employees who returned to work after parental leave – women	90	55	54
Employees who returned to work after parental leave in the previous year and continued to be employed for 12 months after the return – women	48	52	49
Employees who took parental leave – men	7	5	15
Employees who returned to work after parental leave – men	9	5	17
Employees who returned to work after parental leave in the previous year and continued to be employed for 12 months after the return – men	4	6	10

Data for: Allegro.pl, Ceneo.pl, Allegro Pay, eBilet.pl, Opennet, Allegro.eu, Allegro Finance, Adinan Midco

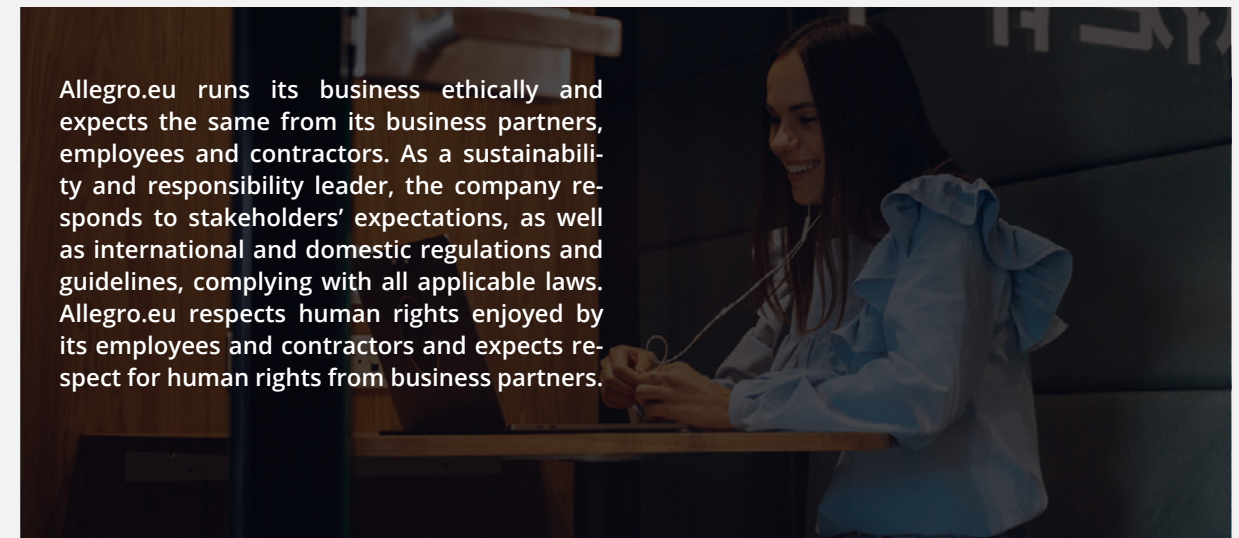
In 2021, 86% of employees who returned to work after parental leave in the previous year continued to be employed for 12 months after their return (87% for women and 80% for men).

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 2021, no actions violating these regulations were identified.

GRI [102-41]
ESG [S-P4 S-P5 S-P4]
GC [#1 #2 #3 #4 #5 #6]

Human rights



Allegro.eu 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.eu respects human rights enjoyed by its employees and contractors and expects respect for human rights from business partners.

International standards

Allegro.eu's responsibility for respecting human rights stems from universally recognized 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 Organization'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.eu 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.

ESG [S-P5]

Human Rights Policy

In January 2022, the Board of Allegro.eu accepted the Allegro.eu Human Rights Policy. The policy applies to all employees, contractors and business partners. It sets out the requirements for Allegro.eu'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. In 2022, we are going to organize additional training for employees on the Human Rights Policy.



Allegro.eu 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.

- Allegro.eu 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.

Human Rights Policy Guidelines

In terms of human rights, Allegro.eu aims to:

1. identify potential human rights impacts and where they could occur
2. identify the scope of Allegro.eu'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 Allegro.eu 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.

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

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

Allegro.eu commits to prevent:

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

Allegro.eu 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 Allegro.eu 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 organization or companies willing to work with the Allegro Group. We have implemented an efficient and confidential human rights reporting system at our company.

GRI [102-41] ESG [S-P4] GC [#3]

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 Organization'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 2021 and 2020, there were no incidents or instances of violation of labour or human rights.

GRI [103-1 103-2 103-3 103-1 103-2 103-3] GC [#7 #8 #9]
 TCFD/SFDR [Cele i mierniki A, Cele i mierniki C] SDGS [Cel 13]
 ESG [E-S2]

Social and charity work

The Allegro.eu Group is engaged in charitable, social and sponsorship, as well as corporate social responsibility (CSR) activities. Allegro's social impact spans technological education, including youth education, charity work and employee volunteering.

Social and charity work policy, or putting our heart into it

In December 2021, the Allegro.eu Group implemented the Allegro.eu Charity, 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.

Allegro All For Planet operates as a foundation within the Group. Through the work of Allegro All For Planet, we have been trying to increase environmental awareness among Poles and promote environmentally friendly behaviour since 2008. Combining environmentalism and sustainable transport with technology, we have created an employee volunteering programme. The Foundation also supports various social programmes of other Polish NGOs. The social impact activities have been outlined in the Allegro CSR & Sustainability Strategy for 2020–2023. Our main goals are:



To invest in education and development skills for young people

- Long-term educational programmes for the youth (open-ended or selected groups) to foster entrepreneurial and tech skills
- Educational and mentoring initiatives for the youth
- Partnerships with universities to increase the applicability of university courses and development

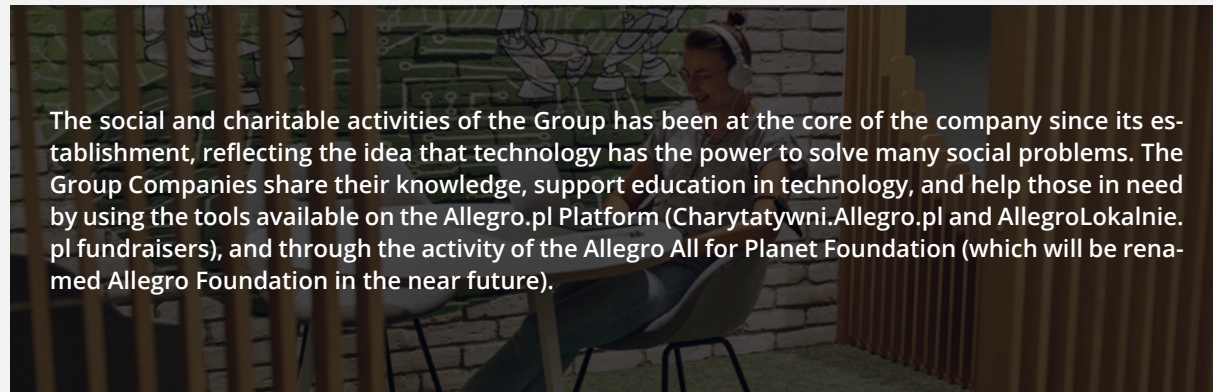


To support communities we operate in

- Continue and scale up Allegro Charytatywni
- Continue and scale up existing initiatives
- Work with selected charities
- Local fund-raising on Allegro Lokalnie
- Develop employee volunteering programmes
- Participate in initiatives, eg. hackathons that address issues affecting Allegro stakeholders (e.g. senior users, persons with disabilities) and support sustainable development (e.g. climate change, smart cities)

Social, Charity and Sponsorship Activities Policy

- Create and introduce the Social, Charity and Sponsorship Activities Policy, which will identify the scope of activities and outline how Allegro.eu operates in this area.



The social and charitable activities of the Group has been at the core of the company since its establishment, reflecting the idea that technology has the power to solve many social problems. 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 All for Planet Foundation (which will be renamed Allegro Foundation in the near future).

Details on charitable, social and sponsorship activities are publicly available

The company monitors expenses, as well as in-kind donations: donations of products or services, projects/partnerships, etc.

As a member of the UN Global Compact, Allegro confirms that its sponsoring, social, and charity activities follow the Ten Principles of the UN Global Compact and that it pursues Sustainable Development Goals, contributing to meeting the 2030 Agenda for Sustainable Development.

The goal of Allegro.eu Charity, Social and Sponsoring Activities Policy is to establish the obligations of the Group, its employees, contractors and all staff members with a view to discharging the Company's obligations pertaining to charitable, social and sponsorship activities.

The policy ensures the transparency of expenses on charity, social and sponsoring initiatives undertaken by the Group. The Policy organizes 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 organizations 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' organizations, professional self-governing bodies, or sports clubs established as commercial companies. This prohibition also includes military organizations or persons, as well as the arms industry.

KPI [5]

Donation to social and charity organizations and to support culture	2021
Expenditure incurred to support charitable institutions and social organizations and as charity donations*	PLN 4.3 mln
Expenditure incurred to support culture**	PLN 0.5 mln

* including a donation to Allegro All For Planet Foundation, the Great Orchestra of Christmas Charity (Wielka Orkiestra Świątecznej Pomocy), Lekarze Lekarzom Foundation, Zwolnieni z Teorii Foundation, Stowarzyszenie WIOSNA, as well as others organizations and institutions.
 ** including the Allegro Prize and the Best Book of the Year.

In 2021, in accordance with the Allegro.eu's Charitable, Social and Sponsoring Activities Policy, the company made no expenses to support trade unions or political parties and made no donations to the media.

Social engagement, or technology for society

At Allegro, we believe technology has the power to solve many social problems. Using our platform and reach, we help people in need and support social organizations in organizing charity initiatives.

ALLEGRO CHARYTATYWNI

Throughout the seven years of its activity, Allegro Charytatywni has proved how much demand there is for an online space that brings together those who can offer support to those who may need it

Allegro Charytatywni is an online space where any non-for profit organization can raise funds to achieve goals that it considers especially important. No fees or commissions are charged. We provide the necessary technological tools and engage in selected initiatives as partners. Allegro customers who wish to support a given person or cause can put their own items on sale, and the proceeds will be donated to a cause of their choice, or buy unique items on charity auctions.

In some of the charity auctions, customers can make a direct payment. In most cases, they opt for the Virtual Collection Box (Wirtualna Puszka) or a fast PayU transfer.



Charytatywni Allegro.pl results in 2021:

almost **39.3** PLN million

zebranych środków created

845,600

unique offers to

955

charity goals... for

247

NGOs

Since its launch, the platform has donated:

over **1,500** NGOs

113.6 PLN million more than

ALLEGRO FOR THE GREAT ORCHESTRA OF CHRISTMAS CHARITY

Allegro has supported the Great Orchestra of Christmas Charity (WOŚP) since its inception. 21 years of partnership have translated into nearly PLN 80 million transferred to the account of the Great Orchestra of Christmas Charity Foundation. An additional PLN 31 million was donated to the Foundation following the 29th Grand Finale. All funds were used to purchase laryngology, otolaryngology and head diagnostics equipment.

In 2021, we supported the Orchestra in the following ways:

- Auctions on the platform
- Rzeczyodserca.pl – a platform for celebrities and Allegro customers to put items on sale, with proceeds being donated to initiatives that WOŚP is collecting money for in the given year. Donors are also encouraged to record videos describing the items they are putting on sale
- Virtual Collection Box (Wirtualna Puszka)
- Video streams
- Participation in the Grand Finale in the studio
- Allegro Staff (Sztab Allegro), volunteering by Allegro employees.

THE 29TH FINALE OF THE GREAT ORCHESTRA OF CHRISTMAS CHARITY SET ANOTHER RECORD:

- Over 205,000 offers and Virtual Collection Box donations helped raise PLN 30.1 million for WOŚP. This amount is over twice as high as in the previous year.
- Allegro helped break the record by donating PLN 1 million to the Great Orchestra of Christmas Charity.
- 425 teams posted a total of over 38,000 auctions on Allegro. The engaged foreign teams included even the Polish Polar Station in Hornsund in Spitsbergen. Allegro customers also eagerly turned to their computer screens and smartphones to support the Foundation.
- In 8 weeks, the aukcje.wosp.org.pl website was visited by over 8.3 million unique users, and mobile devices generated as much as 77% of the overall traffic.

SZLACHETNA PACZKA

For years, Allegro has been supporting Szlachetna Paczka (Noble Gift). In December 2021, our customers could add a donation to their order to support this initiative for the second time. A total of 94,684 charity shopping actions under the Noble Cart campaign helped collect PLN 1,050,040 to support disadvantaged families.

40 of Allegro.eu's volunteer leaders, together with their 700 volunteers, prepared Noble Gifts for 36 families struggling financially. During the Weekend of Miracles (Weekend Cudów), the parcels of a total value of over PLN 145,000 reached the needy to fulfil their dreams and satisfy all needs.

KRĘĆ KILOMETRY

Since 2012, Allegro has been organizing Kręć Kilometry (Log Miles for Charity), a campaign that promotes physical activity and the bicycle as an alternative to other means of transport (on account of its positive impact on the environment) among Group employees. The ninth edition of the campaign was held from July until the end of September 2021. We encourage individual

and team competition through Activy, a mobile gamification app that monitors a cyclist's activity. As part of individual competition, Allegro employees could join monthly challenges and the main challenge. The winners received prizes, and teams donated funds to charity. It was also partially an educational campaign as we published a dozen articles with cycling tips on a dedicated website and held three webinars with cycling experts, the influencer Ministra Kolarstwa, a professional bikefitter and Maja Włoszczowska, an Olympian and multiple cycling world champion. We set up bike maintenance and service sites in four cities.

During the three months of the campaign, nearly 400 Allegro Group employees logged more than 182,000 kilometres as part of 11,800 cycling activities, saving 46 tonnes of carbon dioxide. As part of Kręć Kilometry, we donated PLN 30,000 to Fundacja Przyjaciele Palucha (an animal shelter in Warsaw), which was selected by the employees in a public vote. In addition, the winning team donated PLN 5,000 to Fundacja Pomocy Dzieciom Chorym Onkologicznie, a childhood cancer charity in Poznań.

400
employees

182,000
kilometers

11,800
biking activities



SUPPORTING CULTURE



THE ALLEGRO PRIZE COMPETITION IS AN OPPORTUNITY FOR VISUAL ARTISTS

The Allegro Prize competition gives artists from around the world the opportunity to gain wide recognition. The jury consisting of well-known figures such as Andrzej Chyra, Natalia Sielewicz, Valeria Napoleone, and Rafał Milach discovered new talented artists and offered them the opportunity to present their art to a large audience. In 2021 3 winners were chosen and 10 distinctions awarded. The total amount of the awards was PLN 50,000. Paul Debashish, Latifa Zafar Attai, and Ewa Ciepiewska are the three artists who impressed the jury with their works and won the second edition of the international competition for visual artists – Allegro Prize 2021.



BEST BOOK OF THE YEAR 2020 AND SUPPORTING THE BOOK INDUSTRY

Allegro became involved in another edition of the Best Book of the Year 2020, a country-wide poll organized together with Lubimy Czytać (Polish GoodReads). A new, socially responsible category was created in 2021 to support the book industry. The offline book segment was devastated by the pandemic no less than other industries. Participants could vote for one of the five well-known NGOs promoting readership and supporting booksellers during the pandemic. As the poll organizer, Allegro supported those institutions with a donation of PLN 250,000 for their declared charity goals.

HELPING REFUGEES FROM UKRAINE IN 2022

The Russian aggression against Ukraine did not leave Allegro indifferent. Within the first few days of the Russian aggression against Ukraine, the Allegro Group launched efforts to support humanitarian aid organizations. To date, the Allegro Group has donated PLN 2 million, including PLN 1 million to support the Polish Migration Forum (Polskie Forum Migracyjne), PLN 700,000 to Rescue Foundation (Fundacja Ocalenie) and PLN 300,000 to Homo Faber.

The company has also engaged customers, offering them several options to support selected initiatives; as part of its Charytatywni platform, Allegro has launched the campaign Donation for Ukraine (Cegiełka dla Ukrainy) in partnership with the Polish Centre for International Aid (Polskie Centrum Pomocy Międzynarodowej, PCPM) in March 2022 and the Saint Nicholas Foundation (Fundacja Świętego Mikołaja) from April 2022.

Customers can also support other charity collections organized by aid organizations via Allegro Charytatywni, including PCPM, the Polish Humanitarian Action (PAH), Fundacja Sierpomaga, Polish Medical Mission (Polska Misja Medyczna), the Saint Nicholas Foundation and the Radio ZET Foundation. Thanks to the generous donors, aid organizations have already received over PLN 9.2 million (as of 31.03) and counting.

Allegro customers eagerly joined the campaign, with donations totalling more than PLN 9.2 million by 31 March 2022 made up by PLN 2 million in donations

made by Allegro as well as NGO collections organized on Allegro Charytatywni and the Donation for Ukraine campaign, with more than PLN 6.1 million collected as part of the latter. The entire amount will go to both Foundations towards humanitarian aid, evacuating the Ukrainian population as well as support for children affected by the war, including after the end of hostilities. We have also joined the economic boycott of Russia and Belarus, imposing a ban on shipments and sales for merchants from these countries. As of 14 March 2022, no Russian or Belarusian products can be listed on the platform.

As a show of solidarity with Ukraine, we have changed the logo colours on our home page and added the Ukrainian flag in the Allegro app icon. In April 2022, we launched the Ukrainian version of our platform to facilitate access to offers for the growing number of Ukrainians living in Poland. The translated user interface enables Ukrainian speakers to use the platform as well as manage their account and payments conveniently. Allegro Group employees from Ukraine have also been supported with additional paid leave as well as access to legal advice, financial aid or free mental health assistance. We have also prepared educational webinars for all Group employees, e.g. a webinar on how to talk to children about war in partnership with the Empowering Children Foundation (Fundacja Dajemy Dzieciom Siłę). Employees could take part in charity collections organized by the company and come forward as volunteers and receive PLN 15,000 in funding to support people affected by the war in Ukraine as part of the third edition of the #Pomagamy_bo_umiemy project.




Technology education

Technology education is very important to Allegro. We perfectly understand the need to increase digital qualifications and skills in various groups. We share knowledge, support technology education and engage in many external initiatives.

ALLEGRO TECH

 160 speakers

 172,184 unique views

Allegro.eu encourages employees to share their knowledge and best practices, both inside and outside the organization. As part of the Allegro Tech initiative, employees participate as speakers in a number of open events, including Allegro Tech Live, Allegro Tech Labs, Allegro Tech Meeting, and UX Research Confetti.

In 2021, Allegro Tech was attended by 160 speakers, who participated in 97 external events and 16 events organized independently by Allegro Tech. Allegro Tech published 12 podcasts, and the Allegro Tech blog had as many as 172,184 unique views! The company introduced a new format of Allegro Tech events dedicated to non-employees and organized two external conferences, Allegro Tech Meeting and UX Research Confetti. The company created 10 episodes of Allegro Tech Live webinars and prepared 4 workshops for the Allegro Tech Labs series. The YouTube channel offers many hours of recordings packed full with knowledge and

inspirations, and Allegro Tech already boasts 104 Open Source projects.

In 2021, for the first time in history, the company held a dedicated external edition of Allegro Tech Meeting for non-employees, available to everyone. The programme included 27 presentations and 6 thematic blocks. 800 people registered for the event.

PFR SCHOOL OF PIONEERS

As part of partnership and knowledge sharing activities, since 2018 Allegro has been a strategic partner of the Polish Development Fund's (PFR) School of Pioneers (Szkoła Pionierów) initiative, an intensive educational and mentoring programme for young and beginning entrepreneurs in the new tech industry. The aim of the programme is to help people starting their careers create innovative projects that, in the long term, may be commercialized and launched on the Polish market, and then globally. The aim of the programme is to help people starting their careers create innovative projects that, in the long term, may be commercialized and launched on the Polish market and then globally. Since its inception, 200 Pioneers have completed our educational programme. In 2021, there were 50 graduates in 12 founding teams, who took part in workshops on 26 different topics. The fourth edition of the PFR School of Pioneers was to prepare the business owners to the challenges their companies will face in the age of green transformation. Programme participants can choose from 9 green challenges or work on their own solutions.



PARTNERSHIP WITH THE CENTRAL HOUSE OF TECHNOLOGY

Since August 2019, Allegro has also been the partner of the Central House of Technology, supporting the education of the youth and sharing practical knowledge. Allegro is the partner of the "Technology" educational path, and the company experts are happy to share their knowledge at meetings and workshops organized for the young, based on the STEAM method (Science, Technology, Engineering, the Arts, Mathematics).

ZWOLNIENI Z TEORII

In 2021 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 12 or above). Thanks to a public fundraiser through Allegro Lokalnie, they can raise funds for social initiatives of their choice. Furthermore, over 30 volunteers from Allegro offered mentoring to the students, supporting their social projects.

Education programme for young people and children

The Bezpieczne Z@kupy w Sieci programme is addressed to schoolchildren aged 13–18 and students, one

of the age groups that shops the most online. Participants learn about the most common threats in online shopping, how to verify sellers, how to safely pay for purchases in cyberspace and how to protect against identity theft. In 2021, we organized 34 workshops, most of them online, for over 3000 participants.

 34 workshops





allegro

The environment
and climate

Climate policy and SBTi goals

At Allegro, we believe that environmental issues are an integral part of our operations. In our CSR & Sustainability Strategy for 2020–2023, we committed to reducing carbon emissions



GRI [103-1 103-2 103-3 103-1 103-2 103-3]
GC [#7 #8 #9]

Allegro is on track to be the platform for sustainable shopping, helping customers make ever more responsible choices through exposure to and promotion of sustainable products, as well as lower footprint of the product delivery process. 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 environmental transformation to join as a leader in a low-carbon economy.

Green Allegro, or climate targets aligned with the Paris Agreement



ESG [E-S2]
TCFD/SFDR Metrics and targets A, Metrics and targets C

Allegro wants to be a leader of sustainability in Poland, setting ambitious goals and paving the way for other companies in the industry and the entire market. To us, setting decarbonization targets is a natural step in defining the reduction of our environmental impact. According to our analyses, our main environmental impact is our carbon footprint.

The initiatives under our Climate Policy are public and reported in Allegro.eu reports. Allegro's Climate Policy is available on the Allegro.eu website. The Board also adopted science-based decarbonization targets for Allegro.eu determined in line with the Paris Agreement. This was a result of joining the global Science Based Targets Initiative (SBTi) in September 2021, when Allegro.eu submitted a letter of intent approved by the Allegro Board where it publicly pledged to set a science-based climate target in line with the SBTi criteria within 24 months..

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.

According the Climate Policy, we will use so-called high-quality offsets to address emissions that cannot be eliminated, based on UN Global Compact and UN guidelines. The Policy also defines the issues of environmental impact monitoring and management. Our Group implemented annual GHG emissions monitoring through calculating the carbon footprint according to the GHG Protocol, based on international reporting standards. We also committed to regularly mapping climate and environmental risks and opportunities and time horizons according to TCFD recommendations.



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

- to reduce Allegro.eu's emissions and energy consumption
- to reduce emissions related to shipping Allegro.eu orders
- to develop low-carbon logistics centres for businesses selling on the Allegro platform
- to introduce a circular economy model, including certified 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 the Group's employees.

Greening our operations: further reduction of GHG emissions. Goals aligned with the SBTi*:



38% reduction of GHG emissions (scope 1 and 2) by 2030, in line with the Paris Agreement 1.5°C pathway.



Engaging at least **69%** of the largest suppliers to determine their science-based targets for Scope 1 and 2 within 5 years from 2021.

Allegro submitted the targets to the SBTi where they are currently undergoing the process of validation and approval



The Science Based Targets Initiative is a prestigious and the most recognized global environmental initiative that currently enjoys the greatest interest from business. The initiative was launched in 2019 and to date includes nearly 3,000 companies. The Science Based Targets initiative (SBTi) developed a methodology that enables companies to set science-based emissions reduction targets in line with the Paris Agreement. The SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

Science-based targets are considered "science-based" if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.

In the area of climate, Allegro.eu aims to:

- Introduce renewable energy, including by acquiring green energy under power purchase agreements (PPA) or guarantees of origin
- Reduce its carbon footprint in line with the Science-Based Target methodology based on targets developed and approved by the Board.
- Introduce solutions to reduce Scope 3 emissions within the Group and its value chain, including efforts to reduce the negative environmental impact extending to Merchant Partners as well as climate education and support in developing emissions reduction targets for suppliers and business partners.
- Offset the remaining (unavoidable) emissions in line with the so-called verified high-quality offsets, based on UN Global Compact and UN guidelines.
- Actively participate in international climate and environmental initiatives, including the UN Global Compact, Science Based Targets Initiatives10, Carbon Disclosure Project (CDP).
- Be transparent in monitoring and disclosing progress towards Policy targets.
- Regularly map climate and environmental risks and opportunities and time horizons in line with Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

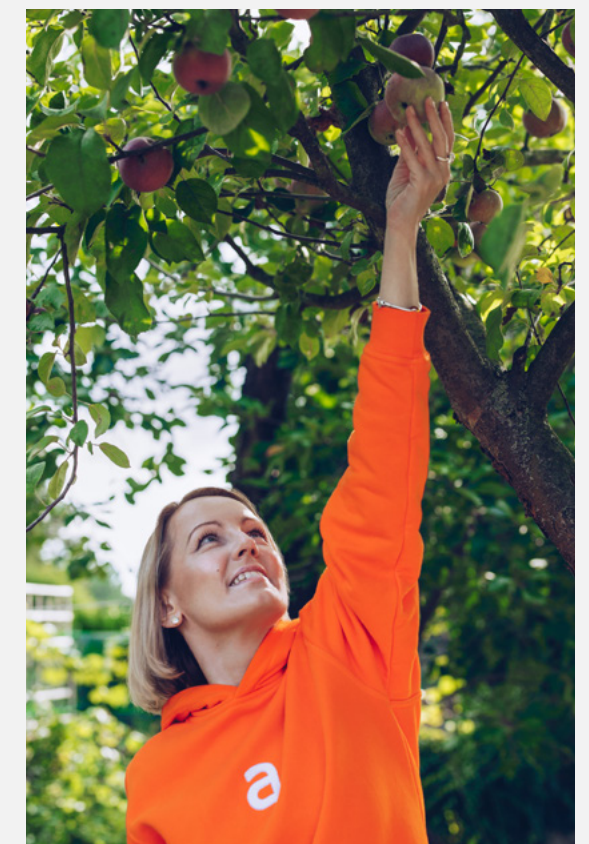
The Group undertakes activities and initiatives:

- to develop projects to reduce Allegro.eu's emissions and energy consumption
- to reduce emissions related to shipping Allegro.eu orders
- to develop low-carbon logistics centres for businesses selling on the Allegro platform
- to introduce a circular economy, including certified 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 the Group's employees.

The Group monitors and manages the environmental impact:

- Allegro.eu launches the annual GHG emissions monitoring by calculating the organization's carbon footprint according to the GHG Protocol, based on international reporting standards. The monitoring results are presented in the Allegro.eu Report. In the case of an acquisition, the Group will measure the impact of the new company to assess its significance in order to set science-based emissions reduction targets.
- Allegro.eu is developing an agenda to reduce average GHG emissions per GMV.
- In line with Task Force on Climate-related Financial Disclosures (TCFD) recommendations, Allegro.eu maps climate and environmental risks and does an annual review.
- The process of identifying, assessing and managing climate risks is part of the overall risk management process in the Group.
- The managerial staff at the Allegro.eu Group Significant Companies oversees sustainability- and climate-related issues, including by monitoring and overseeing the CSR/ESG & Sustainability Strategy. The supreme governing body of the Allegro.eu Group Significant Companies carries out its duties taking into account Climate Policy issues and pursues the agenda defined in the Policy when making executive decisions.

- The Policy results are systematically reviewed by the CSR & Sustainability Management Committee, formed by General Counsel and Corporate Affairs Director, Communications Director and Chief Security Officer. The effects of the review are regularly presented and approved by the Steering Committee, formed by CEO and the remaining members of the supreme governing body of the Allegro.eu Group Significant Companies. The Climate Policy review is supervised by the Allegro.eu Board, and its results are presented in the Allegro.eu Report.
- The Climate Policy extends to all Companies and Entities within the Allegro.eu Group. All Employees, Managers and Board Members are obliged to read and implement it.
- At the same time, given that climate and environmental risks are subject to risk management and the Risk Management Policy, all Allegro.eu employees are responsible for risk identification and reporting. The role of the Board is to supervise corporate risk and climate risk, define the scope of risk management, define directions for the development of the risk management system and determine risk appetite levels.



Sustainable deliveries to customers

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) and green APMs: One Box by Allegro and sustainable packaging.

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.

As of the beginning of November 2021, Allegro started to roll out its own network of APMs, One Box by Allegro. Allegro customers can now join a range of sustainability initiatives when collecting their orders. The map of Poland at one.allegro.pl is turning greener and greener, most notably around Warsaw, Poznań, Bydgoszcz, Gdańsk, Gdynia, Łódź, Wrocław, Katowice, and Kraków. By the end of 2021, Allegro launched 1,001 green machines.



The new network will consist of at least 3,000 green apms across Poland by the end of 2022.

One by Allegro also offers other sustainable delivery options such as Allegro One Punkt, our partner network of PUDO (pick up, drop off) points that allows customers to collect their order on the next day after shipping 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.

3.000 
green apms across Poland by the end of 2022



GOOD PRACTICE

Our One Box APMs seamlessly blend in with the cityscape, being completely ad-free and planted with greenery. The machines are fitted with sensor-controlled lights to reduce energy consumption and light pollution at night. We also set aside a permanent fund in each city for urban and suburban greening, its size depending on the number of parcels collected.

Circular economy

At Allegro, we promote a circular economy. After collecting their first parcel, customers can bring used electrical equipment to a parcel machine to be recycled and given a second life. In addition, for every tenth parcel picked up, our platform will plant a tree with a personalized dedication to the customer. This is only the beginning, with new sustainable initiatives underway as the platform develops its One Box by Allegro network.

Apart from the convenience of delivery, which is key to both customers and sellers, Allegro's ambition spans innovation in a broader sense and paying more attention to the needs of the planet by drawing attention to the amount of waste we produce, the aesthetic appeal of the cities we live in and the amount of greenery surrounding us.

These issues have also been identified, without hesitation, by the buyers, who have experienced the ongoing pandemic. Allegro is developing the One brand by following its strategy of "One better method for merchants, buyers and the planet!" These are just some of the first out of many initiatives that will form the core part of the One by Allegro green delivery and returns services in the coming months.

We wish to give both merchants and buyers the knowledge and tools to introduce the principles of the circular economy across their value chains. We want all products sent by the Official Allegro Store and the One Fulfillment by Allegro service to be packed using sustainable packaging materials such as certified packaging, paper tape and filler, and we intend to implement more processes to minimise waste and lower the carbon footprint across the supply chain.

We have introduced sustainable packaging options for sellers at very competitive prices. At Allegro, we order such packaging in huge quantities at wholesale rates and we do not earn any profit on resale. 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 area.

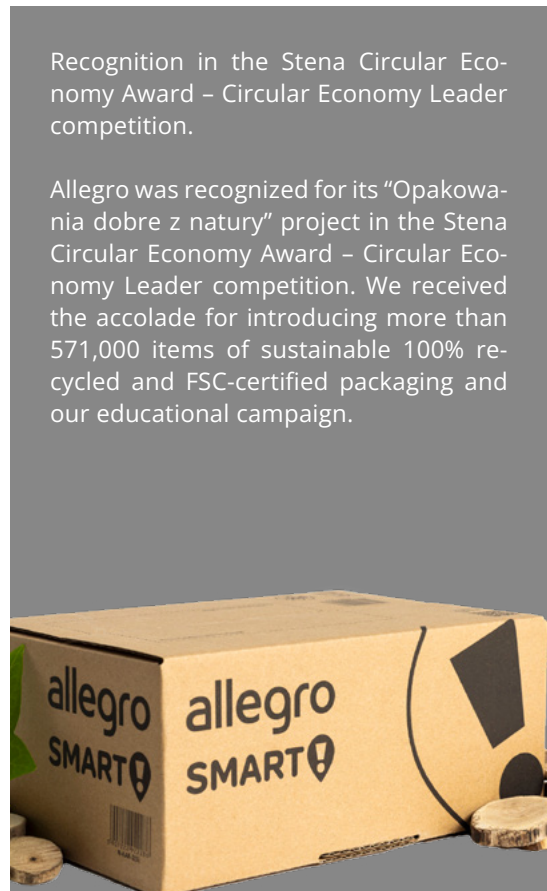


We also engage in numerous initiatives for sellers to raise environmental awareness and offer practical tips on how to be more sustainable, including as part of the Allegro Academy, where we uploaded free webinars and courses on zero-waste packaging and how to be a sustainable merchant. Together with Kantar, we conducted a survey on customer expectations about sustainable packaging and presented the findings at a webinar for merchants. We prepared a campaign of educational materials and website mailings and organized an upcycling workshop for children at the Central House of Technology, which was later used to make educational videos.

KPI 6

571,000 
FSC-certified recycled boxes

In 2021, we introduced more than 571,000 FSC-certified recycled boxes and 458 filler items (including 185 rolls of bubble paper).



Recognition in the Stena Circular Economy Award – Circular Economy Leader competition.

Allegro was recognized for its “Opakowania dobre z natury” project in the Stena Circular Economy Award – Circular Economy Leader competition. We received the accolade for introducing more than 571,000 items of sustainable 100% recycled and FSC-certified packaging and our educational campaign.

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 organization established in 1993 through the joint effort of individuals and organizations representing economic, social and environmental interests.

It is a widely recognized, international forest management certification system. In Poland, approximately 71% of all forests are FSC-certified.

Mondi and Schumacher packaging and fillers sold directly on Allegro (Allegro_Pack account) in 2021 had FSC® CoC and RESY certificates.



GOOD PRACTICE

In our effort to achieve climate neutrality and reduce our environmental impact, we joined the Climate Leadership powered by UN Environment programme organized by the UNEP/GRID-Warsaw Centre. The programme focused on innovation in parcel transport and delivery as well as a circular economy. During the second edition, Allegro launched the “Opakowania dobre z natury” programme, promoting and launching more sustainable packaging.

The Climate Leadership programme included consultations with experts and training in sustainable solutions and regulations regarding waste management for Allegro merchants. Employees attended workshops and shared knowledge and experience at external events, including events organized by UNEP/GRID-Warsaw.

Giving products a second life

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

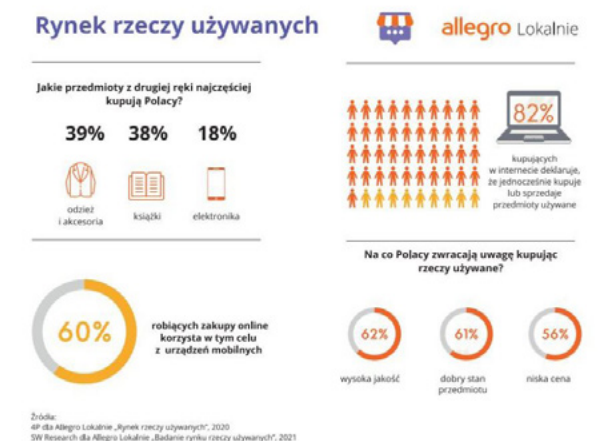
Lokalnie in line with the ‘reuse’ principle (one of the six core principles of a circular economy, along with reduce, recycle, repair, remanufacture and recover). Allegro Lokalnie reports an increase in visits of 105% YOY and an average increase in new users of 30% QOQ. As the next stage of its growth, the platform implemented the Allegro Lokalnie app, released in October 2021.

allegro Lokalnie

Even up to 82% of online shoppers buy and sell used goods online, more than 60% of them via mobile devices.

As of October 2021, Allegro Lokalnie customers can use a convenient app that makes posting an ad even faster and simpler. Sellers can now choose from three types of ads: a free ad, “Buy Now” offer or “Auction”. Importantly, posting ads is entirely free, and sellers pay a fee only when they have sold their item in an Auction or “Buy Now” listing.

This shows the potential market size of second-life-of-products platforms. Interestingly, our survey revealed that over 56% of the respondents decide to buy or sell premium products such as clothes and accessories (61%), smartphones or tablets (33%) and home appliances (23%).

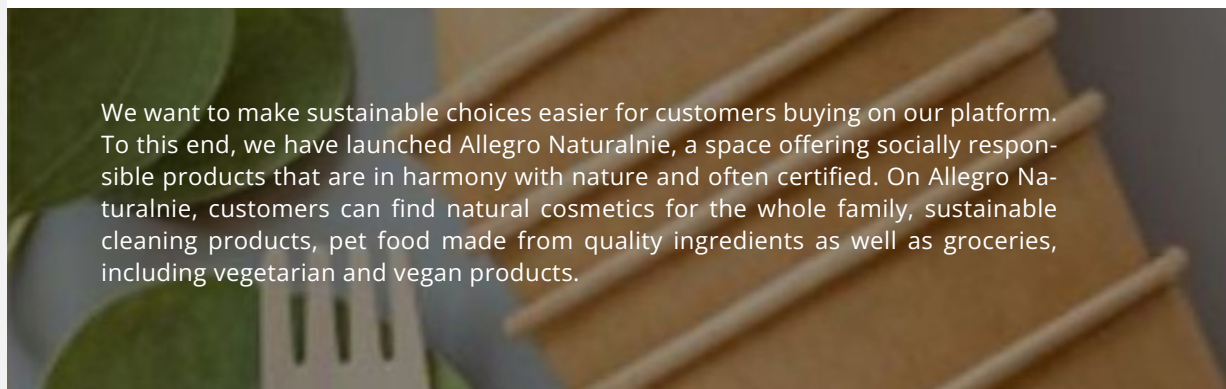


Factors Poles take into account when buying second-hand items:

- 62% good quality
- 61% no visible signs of use
- 56% low price

Customers make sustainable choices

Allegro Naturally (Allegro Naturalnie)



We want to make sustainable choices easier for customers buying on our platform. To this end, we have launched Allegro Naturalnie, a space offering socially responsible products that are in harmony with nature and often certified. On Allegro Naturalnie, customers can find natural cosmetics for the whole family, sustainable cleaning products, pet food made from quality ingredients as well as groceries, including vegetarian and vegan products.

Fight for clean air

All across Allegro, we also do not sell coal stoves that do not meet legal requirements. One of the most important environmental problems in Poland is the quality of the air we breathe. Many Polish cities are at the top of the lists of the most polluted cities in Europe. One of the culprits are domestic coal stoves that do not meet the norms. 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 Anty-smogowa), we have decided to remove from our platform all offers with coal stoves that fail to meet the legal requirements.

In 2021, we removed 413 offers. 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.

Allegro for animals

We also protect wildlife. For many years, we have been working PTOP Salamandra – 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.

GRI [103-1 103-2 103-3 103-1 103-2 103-3 305-4 305-1 305-2 305-3 305-5 302-1 303-3 301-1 306-2] ESG [E-P1 E-P2 E-S6 E-P3] KPI [8] SDGS [Cel 13] TCFD/SFDR [Wskaźnik, Cele i mierniki B, Ryzyko A, Strategia A, Strategia B, Nadzór A, Nadzór B, Ryzyko B, Strategia C]

Environmental impact



GRI [103-1 103-2 103-3 103-1 103-2 103-3]

Three scopes of carbon footprint

The Allegro Group 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 the impact company operations have on the amount of carbon dioxide (CO2) produced through the burning of fossil fuels and is expressed as a weight of CO2 emissions produced in tonnes. Allegro's GHG emissions include:

Compared to 2020, Scope 1 & 2 GHG emissions per GMV (mPLN) increased by 4% (market-based method) and 8% (location-based method) in 2021.



SCOPE 1

all direct emissions released from operations. For the Allegro.eu Group, this includes natural gas, fuel consumption for 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, sewage, paper, packages and also marketing, IT services and consultancy), capital goods, energy and WTT fuel-related emission, waste, business travel, employee commuting, distribution (parcel transportation) from Allegro's warehouse, Allegro fulfillment and Allegro intermediary services, use of sold products downstream leased assets.a.

GRI [305-4]
TCFD/SFDR [Wskaźnik]
ESG [E-P1]
KPI [8]

GHG Emissions

GHG emission in relation to GMV (kt CO ₂ e/m PLN)	2021	2020*	YoY
Scope 1 & 2 emissions (market-based) (kt CO ₂ e) in relation to GMV (m PLN)	0.27	0.26	4%
Scope 1 & 2 emissions (market-based) (kt CO ₂ e) in relation to GMV (m PLN)	0.28	0.26	8%
Total (Scope 1 & 2 & 3) emissions (market-based) (kt CO ₂ e) in relation to GMV (m PLN)	5.11	3.9	31%
Total (Scope 1 & 2 & 3) emissions (location-based) (kt CO ₂ e) in relation to GMV (m PLN)	5.12	3.9	31%

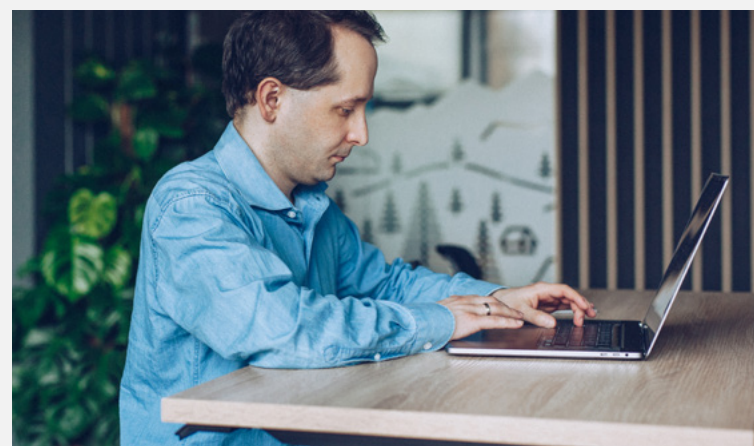
* Data for 2020 and 2019 are not comparable due to the methodology adjustment.

GRI 305-1 305-2 305-3 305-5
TCFD/SFDR [Indicator, Indicator, Metrics and targets B]

Compared to 2020, GHG Scope 1 & 2 emissions increased by 27.3% (market-based method) and 32.7% (location-based method) in 2021. This increase resulted primarily from strong operation growth and increased electricity consumption at the data centres. In order to reduce its GHG emission impact, in 2021 Allegro.eu decided to join the Science-Based Target Initiative and develop a decarbonization strategy in line with the Paris Agreement within two years.

Scope 1 direct emissions increased by 131% YoY. This increase results from natural gas uses in Adamów fulfillment centre.

Scope 2 emissions increased by 29.9% YoY (market-based) and 24.4% YoY (location-based) due to higher consumption of purchased electricity as the new logistic services was introduced in Adamów fulfillment centre. In 2021, over 15% of electricity consumed by Allegro.eu Group was generated from RES. In 2020, the company did not have any RES within its electricity purchase mix.



Scope 3 GHG emission increased 63.3% YoY, mainly driven by Allegro.eu Group business development (more shipments and more packaging being consumed in this period), as well as investments in the roll-out of a proprietary APM network.

Source of GHG emissions [t CO₂e]

GHG emission [t CO ₂ e] ²³	2021	2020 adjusted methodology*	YoY	2020	2019
Scope 1	579.89	250.58	131.4%	226.10	320.75
Scope 2 (location-based)	11,382.50	8,763.48	29.9%	8,286.30	7,509.56
Scope 2 (market-based)	11,122.08	8,941.53	24.4%	8,464.35	7,452.01
Scope 3	206,039.04	126,201.76	63.3%	3,046.33	2,809.84
Scope 1+2+3 (location-based)	218,001.44	135,215.82	61.2%	11,063.18	10,640.15
Scope 1+2+3 (market-based)	217,741.02	135,393.87	60.8%	11,733.01	10,582.60

²³ 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. The emissions in 2020 were selected as the base year. The sources of emission factors were 2021 KOBIZE publications (The National Centre for Emissions Management) for gasoline, diesel oil, natural gas, electricity and heat. For other emission the main source was the 2021 DEFRA database (Department of Environment, Food and Rural Affairs in the British Government). GWP factors were adopted based on the Fourth Assessment Report (AR4). Calculations were made for each subsidiary and the results were consolidated according to operational control. 100% of emissions from individual locations of the Allegro Group 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 factor) and market-based (electricity-related emissions calculated using the energy seller specific emission factor). In the case of the location-based method, the average emission factor for Poland was used. In the market-based method, indicators for energy suppliers were used.

Source of GHG emissions [t CO₂e]

Scope 1 [t CO ₂ e]	2021	2020 adjusted methodology*	YoY	2020	2019
Natural gas	437.46	190.92	129.1%	190.92	226.84
Diesel	27.73	20.35	36.3%	14.18	4.20
Petrol	51.73	37.61	37.5%	21.00	48.71
Hybrid cars	51.96	1.69	29.75%		
LPG	11.01	-	-	-	-

Scope 2 ²⁴ [t CO ₂ e]	2021	2020 adjusted methodology*	YoY	2020	2019
Electricity consumption (market-based method)	10,575.74	8,359.38	26.5%	7,882.21	7,042.43
Electricity consumption(location-based method)	10,836.16	8,181.33	32.4%	7,212.37	7,099.98
Heat consumption	546.35	582.15	-6.1%	582.15	409.58

²⁴ Please note that emission from electricity includes also emission generated by Allegro employees while working from home

Scope 3 [t CO ₂ e]	2021	2020 adjusted methodology*	YoY	2020	2019
Cat. 1 – Purchased Goods and Services	97,803.21	75,030.71	30.4%	340.99	188.20
Cat. 2 – Capital goods	47,582.00	14,642.84	225.0%	-	-
Cat. 3 – Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	2,962.07	1,254.50	136.1%	1,248.02	1,249.88
Cat. 5 – Waste Generated in Operations	13.90	4.93	181.9%	4.93	0.93
Cat. 6 – Business Travel	133.88	73.55	82.0%	73.55	649.21
Cat. 7 – Employee Commuting	3,060.00	3,060.00	0.0%	-	-
Cat. 9 – Downstream Transportation and Distribution	54,455.03	32,041.77	70.0%	1,285.38	639.70
Cat. 12 – End-of-Life Treatment of Sold Products	14.96	6.41	133.4%	6.41	3.29
Cat. 13 – Downstream Leased Assets	14.00	87.04	-83.9%	87.04	79.32

The GHG emissions were calculated in accordance with the following standards: The Greenhouse Gas Protocol A Corporate Accounting and Reporting Standard Revised Edition, GHG Protocol Scope 2 Guidance, and Corporate Value Chain (Scope 3) Accounting and Reporting Standard using Inventory and Screening

approach – in case the first option could not be used (Screening approach was implemented using tools recommended by GHG Protocol and Science Based Targets Initiatives).

Scope 3 emissions were calculated according to the following guidelines:

- **Cat. 1** Purchased Goods and Services: calculations involved DEFRA 2021 factors and an emissions expenditure estimation tool (Quantis). This category does not include products purchased as part of 1P retail operations due to lack of information available on emissions from products and goods. The value could be significant for the Scope 3 carbon footprint, although the 1P retail revenue accounted for 0.9% of Allegro.eu's total GMV in FY 2021 and 0.7% of the total GMV in FY 2020.
- **Cat. 2** Capital Goods – emissions estimated using Quantis based on capital expenditure.
- **Cat. 3** Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2 – emissions from the production and distribution of electricity and transport fuel – based on real Scope 1 and 2 consumption data and DEFRA 2021 emission factors.
- **Cat. 4** Upstream Transportation and Distribution – emissions were excluded from calculation.
- **Cat. 5** Waste Generated in Operations – emissions from waste generated in office buildings and warehouses – based on real data on waste generated and DEFRA emission factors.
- **Cat. 6** Business Travel – air and train travel emissions – based on real information on travel and DEFRA emission factors. ²⁵
- **Cat. 7** Employee Commuting – emissions from employee commuting were estimated using Quantis and based on information on average employment in Group companies, including assumptions about remote work ²⁶
- **Cat. 8** Upstream Leased Assets – emissions not applicable to the Allegro Group.
- **Cat. 9** Downstream Transportation and Distribution – transport emissions from shipments from the 1P warehouse and fulfillment and shipments under Allegro Standard – based on real information about the number of parcels shipped in 2021 and the average emissions per shipment and the average emissivity of one shipment according to DPD data.
- **Cat. 10** Processing of Sold Products – emissions not applicable to the Allegro Group.
- **Cat. 11** Use of Sold Products – emissions not applicable to the Allegro Group.
- **Cat. 12** End-of-Life Treatment of Sold Products – emissions from used packaging waste (cardboard boxes, stretch film, filler, wood) – based on real data on materials purchased and DEFRA 2021 emission factors. This category does not include products purchased as part of 1P retail operations due to lack of information available on emissions from products and goods. The value could be significant for the Scope 3 carbon footprint, although the 1P retail revenue accounted for 0.9% of Allegro.eu's total GMV in FY 2021 and 0.7% of the total GMV in FY 2020.
- **Cat. 13** Downstream Leased Assets – emissions related to offices subleased to third-party companies at locations where the Allegro Group has offices.
- **Cat. 14** Franchises – emissions not applicable to the Allegro Group.
- **Cat. 15** Investments – emissions not applicable to the Allegro Group.

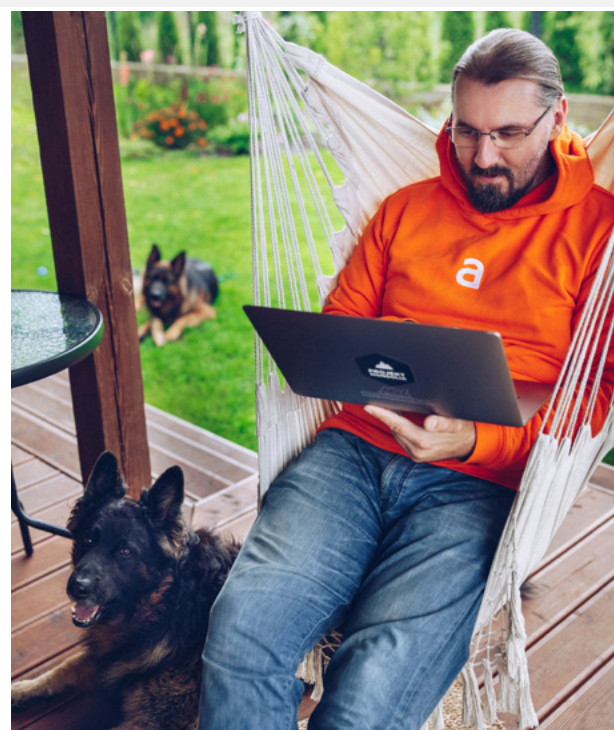
²⁵ Emissions from employees' hotel stays on business trips were excluded.

²⁶ It was assumed that an average of 2,384 people worked remotely at Allegro, Allegro Pay and Allegro Finance in 2021; 70% of employees at eBilet, 100% at CENEO and 0% at Xpress Couriers.

GRI [302-1 303-3 301-1 306-2]
ESG E-P2 E-S6]
TCFD/SFDR [Indicator, Indicator]

Environmental indicators

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



Energy

Energy [GJ] ²⁷	2021	2020 adjusted methodology*	2020	2019
	59,828.79	40,935.77	38,301.20	35,297.50
Heating [GJ]	5,661.64	6,032.60	6,032.60	4,244.37
Natural gas [GJ] (retail distribution and fulfillment centres)	7,893.50	3,445.61	3,445.61	4,092.44
Petrol [GJ]	1,483.50	543.24	303.24	703.42
Diesel [GJ]	372.85	274.20	191.34	609.99
LPG [GJ]	167.27	0	0	0
Total [GJ]	75,407.54	51,231.42	48,273.99	44,947.72

²⁷ Indicators used to convert energy to GJ are based on KOBIZE, calorific values (CV) and carbon emission factors (EF) in 2018 for reporting under the 2021 Emission Trading System and the Ministry of the Environment Regulation of 13 December 2018 on inventories containing information and data on the use of the environment and charges due.

* Please note that in order to be fully compliant with SBTi requirements (Allegro joined the organization in 2021), Allegro supplemented its GHG calculation by the following categories of Scope 3: Purchased Goods and Services (cat. 1), Capital Goods (cat. 2), Downstream Transportation and Distribution (cat. 9) and Employee Commuting (cat. 7) using Screening approach – the methodology adjustment for 2020 was also implemented.

Utilities consumption

Utilities consumption	2021	2020 adjusted methodology*	2020	2019
Electricity consumption [MWh]	16,619.11	11,371.05	10,639.22	9,763.99
Heating [GJ]	5,661.64	6,032.60	6,032.60	4,244.37
Natural gas [m3] – (retail distribution and fulfillment centres)	216,023.40	94,296.82	94,296.82	111,754.36
Petrol [l]	44,354.38	16,241.94	9,066.31	21,031.32
Diesel [l]	10,342.06	7,591.40	5,297.29	16,887.84
LPG [l]	7,072.92	-	-	-

* W celu zachowania pełnej zgodności z wymogami organizacji Science-Based Target Initiative (Allegro dołączyła do tej organizacji w roku 2021), Allegro uzupełniło (rozszerzyło) obliczenia emisji GHG o następujące kategorie Zakresu 3 Zakupy towarów i usług (kat. 1), Dobra inwestycyjne (kat. 2), Transport i dystrybucja (kat. 9) oraz dojazdy do pracy (kat. 7) stosując metodę Screening – dostosowano również emisję za rok 2020.

W latach 2019, 2020 i 2021 nie zostały uwolnione żadne czynniki chłodnicze.

Energy consumption

Energy consumption	2021	2020 adjusted methodology*	2020	2019
Electricity consumption (in MWh)	16,619.11	11,371.05	10,639.22	9,763.99
Electricity usage from renewable sources (RES) ²⁸	2,570.712	-	-	-
% Electricity usage from renewable sources (RES) ²⁹	15.47%	-	-	-
Energy intensity ³⁰ (GWh/million PLN)	0.003913	0.00356	-	0.00482
Revenue (million PLN)	5,352.9	3,997.8	-	2,592.3

²⁸ Renewable energy: Energy taken from sources that are inexhaustible, e.g. wind, water, solar, geothermal energy, and biofuels.

²⁹ Renewable Energy: Energy taken from sources that are inexhaustible, such as wind, water, solar, geothermal and biofuels.

³⁰ Total energy consumption (in GWh) (transport fuels, natural gas, electricity) relative to Allegro's revenue (in PLN m).

* Please note that in order to be fully compliant with SBTi requirements (Allegro joined the organization in 2021), Allegro supplemented its GHG calculation by the following categories of Scope 3: Purchased Goods and Services (cat. 1), Capital Goods (cat. 2), Downstream Transportation and Distribution (cat. 9) and Employee Commuting (cat. 7) using Screening approach – the methodology adjustment for 2020 was also implemented.

Zużycie wody

Water consumption	2021	2020 adjusted methodology*	2020	2019
Water consumption [m³]	5,656.66	4,627.03	4,627.03	9,771.57
Water and effluent emissions [t CO ₂ e]	2.44	5.07	5.07	10.70
Water reclaimed (recycled/reused) [m³]	0	0	0	0
Untreated wastewater discharged [m³]	5,656.66	4,627.03	4,627.03	9,771.57

Water withdrawal is only used for offices and employees' needs, not for production purposes.

* Please note that in order to be fully compliant with SBTi requirements (Allegro joined the organization in 2021), Allegro supplemented its GHG calculation by the following categories of Scope 3: Purchased Goods and Services (cat. 1), Capital Goods (cat. 2), Downstream Transportation and Distribution (cat. 9) and Employee Commuting (cat. 7) using Screening approach – the methodology adjustment for 2020 was also implemented.

Materials purchased in the offices

Materials purchased in the offices	2021	2020 adjusted methodology*	2020	2019
Paper [reams]	1,698	2,438	2,438	3,080
Envelopes [pcs]	40,000	70,000	70,000	190,000
Ticket paper [kg]	-	1,671.90	1,671.90	2,531.20



Packaging used in a warehouse [t]	2021	2020 adjusted methodology*	2020	2019
Cardboard packaging – 100% of recycled paper	555.19	234.85	234.85	117.05
Original stretch film – unrecycled	54.17	48.8	48.8	22.4
Half-pallet wood	91.54	9.97	9.97	10.98
100% recycled foil fillers, HDPE foil	0	7.3	7.3	3.5

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.

* Please note that in order to be fully compliant with SBTi requirements (Allegro joined the organization in 2021), Allegro supplemented its GHG calculation by the following categories of Scope 3: Purchased Goods and Services (cat. 1), Capital Goods (cat. 2), Downstream Transportation and Distribution (cat. 9) and Employee Commuting (cat. 7) using Screening approach – the methodology adjustment for 2020 was also implemented.

Waste

Waste	2021	2020 adjusted methodology*	2020	2019
Total waste [t]	340.62	185.00	183.76	10.59
Recycled waste [t]	297.86	179.60	179.60	-
Non-recycled waste [t]	42.76	6.58	6.58	-

Data from 2019 does not include warehouse waste.

* Please note that in order to be fully compliant with SBTi requirements (Allegro joined the organization in 2021), Allegro supplemented its GHG calculation by the following categories of Scope 3: Purchased Goods and Services (cat. 1), Capital Goods (cat. 2), Downstream Transportation and Distribution (cat. 9) and Employee Commuting (cat. 7) using Screening approach – the methodology adjustment for 2020 was also implemented.

No refrigerants were released in 2019, 2020 and 2021.

Business travel



Business travel	2021	2020 adjusted methodology*	2020	2019
Air travel [km]	587,903.92	292,295.00	292,295.00	3,047,158.00
Train [km]	730,680.00	552,543.00	552,543.00	2,389,917.00
Cars [km]	232,895.44	146,620.93	146,620.93	-

Please note that in order to be fully compliant with SBTi requirements (Allegro joined the organization in 2021), Allegro supplemented its GHG calculation by the following categories of Scope 3: Purchased Goods and Services (cat. 1), Capital Goods (cat. 2), Downstream Transportation and Distribution (cat. 9) and Employee Commuting (cat. 7) using Screening approach – the methodology adjustment for 2020 was also implemented.

Green offices

Our office building in Warsaw, Poznań and Kraków obtained a BREEAM certificate with very high results in its category in Poland. Our data centre is implementing a project to improve energy efficiency, build a photovoltaic system 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.



ESG E-P3
TCFD/SFDR Strategy
TCFD/SFDR Risk A
TCFD/SFDR Strategy A Strategy B Governance A Governance B Risk B Strategy C

As recommended by the Task Force on Climate-Related Financial Disclosures (TCFD), climate-related opportunities and risks are identified, assessed and managed at Allegro. The Company has mapped climate risks and opportunities for two climate scenarios and three time horizons.

TCFD Recommendations	Implementation method:
Defining the short, medium and long term	<ul style="list-style-type: none"> 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)
Analysing two different scenarios, including one assuming a temperature increase of 2°C or less	Risks were analysed in the context of two climate scenarios: 1.5-<2°C and 4°C
Assessing the resilience of strategic plans	Risks are assessed on a residual basis, i.e. taking into account Allegro's existing risk management mechanisms, adopted strategy and set goals.

In preparing climate scenarios and assessing risks, Allegro.eu used data from the IPCC, the Intergovernmental Panel on Climate Change.

Two RCP 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.



Base scenario	Alternative scenario
1.5–2°C scenario (consistent with the Paris Agreement)	4°C scenario
Higher probability and scale of transformational risks (in the medium and long term):	Lower probability and magnitude of transformational risks (in the medium and long term):
<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 decarbonization 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

- 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, World Bank

Risk identification and assessment was performed using the expert method. The process 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 GROUP	CLIMATE RISK	High Trend:				
		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	HIGH	↗	=	=	=
	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)	HIGH	↗	=	↗	↗
MARKET	The risk of decreased availability of RES for strategic objectives	HIGH	↗	=	↘	=
	The risk of increased financial burden due to the purchase of electricity	HIGH	↗	↗	=	↗
	The risk of increased financial burden due to potential development investments (CAPEX)	MEDIUM	↗	=	=	=
	The risk of increased financial burden related to space lease (OPEX)	MEDIUM	↗	↗	=	↗
	The risk of a decline in interest in products that have a negative impact on the environment due to the increasing consumer awareness	LOW	↗	=	↗	↗
	The risk of adopting a so-called carbon tax, possibly leading to a decline in the competitiveness of products offered on the platform	LOW	↗	=	=	=
REPUTATION	The risk of not delivering on climate promises, e.g. insufficient supply of RES energy	HIGH	↗	=	↘	=
PHYSICAL (CHRONIC)	The risk of intermittent electricity supply caused by sudden weather events	LOW	=	↗	↗	↗

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	High Trend: ↗ upward ↘ downward = no change	2025		2030		2050	
				>2°C	4°C	>2°C	4°C
A potential increase in company value to improvement in ESG ratings	✓ HIGH	↗	=	↗	↗		
A potential decrease in energy costs through energy efficiency improvements	✓ HIGH	=	=	=	=		
Greater merchant engagement and loyalty in climate issues and enabling merchants to meet their commitments (including regulatory requirements) arising from climate change	✓ HIGH	↗	↗	↗	↗		
Greater employee engagement by meeting climate targets (company perceived as sustainable)	✓ MEDIUM	↗	↗	↗	↗		
A potential increase in availability or decrease in financing costs for companies with defined climate targets	✓ MEDIUM	↗	=	=	=		
A potential increase in customer engagement and demand for some products that have a sustainable impact on the environment	✓ MEDIUM	↗	↗	↗	↗		

List of identified climate risks and opportunities of Allegro:

PRINCIPAL CLIMATE RISKS:

- 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
- The risk of not delivering on climate promises, e.g. insufficient supply of RES energy

PRINCIPAL CLIMATE OPPORTUNITIES:

- A potential decrease in energy costs through energy efficiency improvements
- Greater merchant engagement and loyalty to climate issues, and ensuring merchants can meet their obligations (including regulatory requirements) associated with climate change
- A potential increase in company value due to improvements in ESG.

Risk indicators are listed in the Environmental Impact section, some of which are currently in development.



The role of the Board of Directors and management of climate risk is described in the Allegro.eu's Sustainability Strategy for 2020-2023. The climate risk identification and assessment process is an integral part of the risk management system described in the Risk Management chapter of the report. Allegro also monitors the company's GHG emissions and environmental impact.

In addition to physical risks, it is also worth mentioning the transformation risks associated with the growing expectations of investors and regulators associated with sustainable development. Due to the nature of our business, we are not able to directly manage and respond to physical risks, both unexpected (resulting from extreme weather events such as droughts, floods or fires) and chronic (resulting from long-term processes such as temperature changes or rising sea levels).

About the Report

GRI [102-32 102-42 102-43 102-45 102-49 102-50 102-51 102-52 102-54]

The ESG Report for 2021 is our fifth report where we present our sustainability approach and practices at Allegro. The previous document (ESG Report for 2020) was published in 2021 and covered the year 2020. The report was prepared by a dedicated project team. The content of the report is approved by CEO and the audit of the report by the Audit Committee.

Our ESG Report for 2021 was drafted in line with the Global Reporting Initiative (Core option) standard. 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). The Report also lists examples of compliance with and implementation of the Ten Principles of the UN Global Compact and references to the Sustainable Development Goals (SDGs). The Report takes into account all entities taken into account in the Allegro.eu Consolidated Annual Report, i.e. Allegro.pl, Ceneo.pl, eBilet.pl, Allegro Pay and Allegro Finance. The reports are prepared annually. The information in this report covers the period from 1 January 2021 to 31 December 2021 and refers to the year end (in isolated cases indicated in the report, they refer to another period). The data we collected come from all offices in which we operated in 2021, namely Poznań, Kraków, Wrocław, Warsaw and Toruń as well as the warehouses in Adamów in Błonie.

GRI [102-48 102-49]

The ESG Report for 2021 contains the following changes from the Report for 2020:

1. The Employees chapter: the number of total employees in 2020 has been retrospectively adjusted to include 130 temporary agency workers in the Błonie warehouse (previously excluded from the headcount of 3,159 reported in 2020).
2. The Environmental Impact chapter: * Please note that in order to be fully compliant with SBTi requirements (Allegro joined the organization in 2021), Allegro supplemented its GHG calculation by the following categories of Scope 3: Purchased Goods and Services (cat. 1), Capital Goods (cat. 2), Downstream Transportation and Distribution (cat. 9) and Employee Commuting (cat. 7) using Screening approach – the methodology adjustment for 2020 was also implemented.

Besides the above, there were no significant report changes from previous reporting periods in the list of material topics and topic boundaries.

GRI [102-46]

When preparing the report for 2021, we used the findings of the project team responsible for the 2020 report. We held two workshops within the organization, attended by more than 30 people. The participants indicated:

- key Allegro stakeholders
- key issues for Allegro. Key issues were defined in reference to two dimensions:
 - impact: the impact Allegro's operations have on an issue
 - significant: how significant an issue is for Allegro's operations



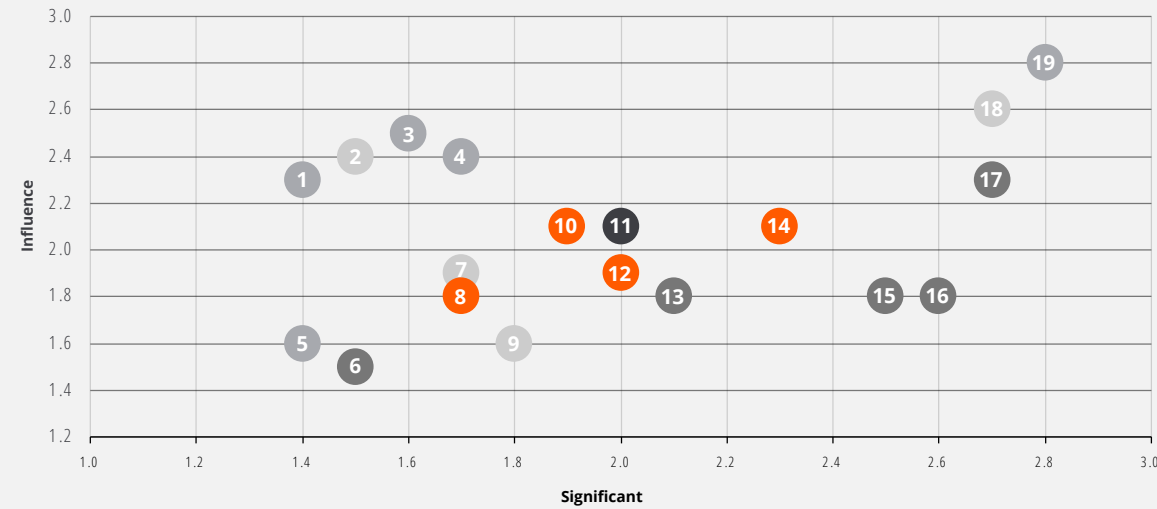
GRI [102-40 102-42 102-47]

Based on the results of the workshops and additional consultations with the project team, we created the Allegro stakeholder matrix

We asked our stakeholders to fill in a survey questionnaire. We asked them to assess the impact

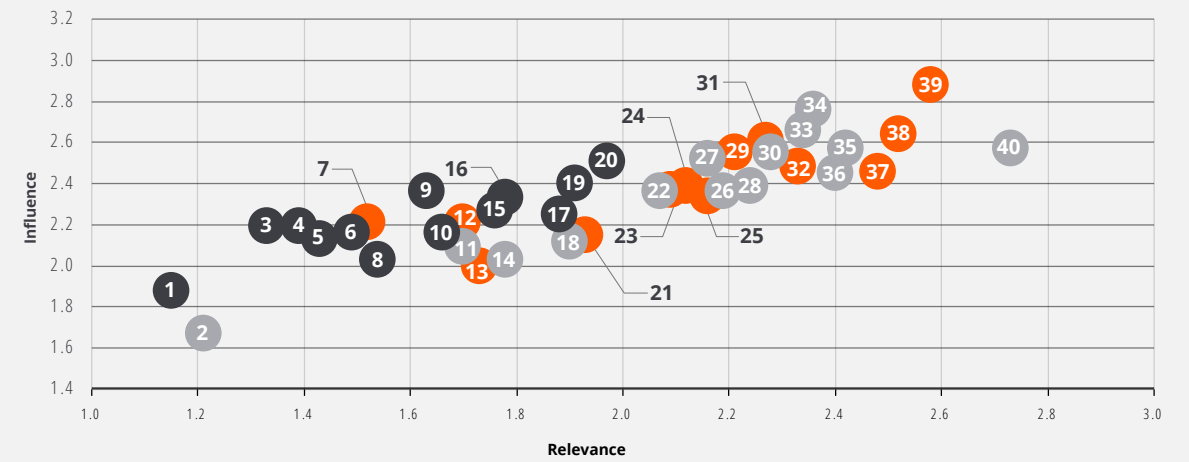
Allegro has on selected issues and the significance of individual issues for our company. The questionnaire was filled in by 92 people. Based on the stakeholders' responses, we created the significance matrix. The matrix was used to prepare the report for 2021 and 2020.

Allegro stakeholder matrix



- | | |
|--|---------------------------------|
| 1. Integrators | 10. community / local community |
| 2. public administration (other than local government) | 11. local government |
| 3. media | 12. consumers |
| 4. shareholders | 13. building administration |
| 5. the academic community | 14. payment providers |
| 6. other | 15. regulators |
| 7. opinion leaders | 16. logistic operators |
| 8. non-governmental organizations | 17. customers |
| 9. ad providers | 18. sellers |
| | 19. employees |

Issue significance matrix



- | | |
|--|---|
| 1. Use of natural resources - water | 21. Industry cooperations for sustainable development |
| 2. Aging society in Poland and Europe | 22. Growing consumer awareness |
| 3. Environmental degradation | 23. Globalne wyzwania w łańcuchach dostaw (ograniczenie dostępności towarów) |
| 4. Sustainable consumption | 24. Integrating environmental and social issues into the requirements for suppliers |
| 5. Climate change | 25. Responsible marketing communication |
| 6. The use of plastics | 26. Diversity and equal treatment |
| 7. Consumer health and safety | 27. Employee well-being |
| 8. Increasing the number of man-made pollutants | 28. Counteracting discrimination |
| 9. Waste management | 29. Employment and job creation |
| 10. Environmental awareness of the society | 30. Employee education and development |
| 11. Social investments | 31. Innovation |
| 12. Labeling of products | 32. Economic development of the country |
| 13. Taxes | 33. Employee health and safety |
| 14. Quality of education / preparation of young people to enter the labor market | 34. New forms of work (remote work, etc.) |
| 15. Energy consumption | 35. Employee rights |
| 16. Use of recycled materials | 36. Respect for human rights |
| 17. Carbon footprint | 37. Development of small and medium-sized enterprises |
| 18. Social involvement / relations with local communities | 38. Digitization / automation |
| 19. The use of raw materials for the production of packaging | 39. Security of consumer data |
| 20. Green logistics | 40. Social and charity activities |

The report contains references to the Sustainability Strategy for 2020–2023, with individual significant issues being described in all parts of the report.

How the Allegro Group's CSR and Sustainability Strategy was created

The Allegro Group's CSR and Sustainability Strategy was created in 2020 as part of wide dialogue and engagement from top management and managers responsible for individual areas. While we were working on the strategy, we held wide-ranging consultations, including meetings with representatives of various business areas. Our strategy is regularly monitored, and its effects are presented to the Board of Directors. The results are presented in annual reports that contain information on sustainability. The strategy was discussed and adopted

by the Allegro.eu Board of Directors at the meeting attended by CSR & Sustainability team members.

When creating the strategy, Allegro aimed to organize internal activities and set the course of action and targets for the near future as well as join the efforts to execute the environmental transformation plan announced as part of the European Green Deal and meet the Sustainable Development Goals. Our strategy also supports customers in making responsible choices and merchants in sustainability-related issues. In the document, we also commit to educate current and future entrepreneurs and support SMEs as well as introduce the climate agenda in the supply chain and product deliveries.

Significance

We created the sustainability strategy taking into account significant issues for Allegro stakeholders that involve problems identified for both the retail sector and the technology industry.

Based on analyses, we created the significance matrix taking into account both significant challenges for Allegro as well as threats and opportunities arising from economic, environmental and social trends and changes that have an impact on the company's competitive position as well as economic, environmental and social dimensions that are important to stakeholders, including investors.

DIMENSION	RETAIL	IT SOFTWARE (IT)
Economic	Supply Chain Management	Customer Relationship Management
	Brand Management	Innovation Management
	Customer Relationship Management	IT Security & System Availability
Environmental	Operational Eco-Efficiency	
	Environmental Policy & Management Systems	
	Packaging	Climate Strategy
Social	Talent Attraction & Retention	
	Human Capital Development	
	Human Rights	

GRI [102-47]

Based on significant issues identified by the stakeholders and issues defined as significant in the creation of the Allegro's CSR & Sustainability Strategy for 2020–2023, we defined a list of significant subjects that should be considered in the report:

Subject	Report chapter
Social and charity initiatives	Social and charity work
Customer data security	Cybersecurity and personal data protection
Digitization/automation	Customers at the centre of attention
Small and Medium-sized Enterprise development	A platform of growth for merchants
Employee rights	Employees
Human rights compliance	Human rights
Employee education and development	Employees
Employee health and safety	Employees



GRI [102-55]

GRI Index

Indicator number	Indicator name	Place in the report
Organizational profile		
102-1 (2016)	Name of the organization	p. 10
102-2 (2016)	Activities, brands, products, and services	p. 10
102-3 (2016)	Location of headquarters	p. 10
102-4 (2016)	Location of operations	p. 10
102-5 (2016)	Ownership and legal form	p. 10
102-6 (2016)	Markets served	p. 10
102-7 (2016)	Scale of the organization	p. 20
102-8 (2016)	Information on employees and other workers	p. 81
102-9 (2016)	Supply chain	p. 70
102-10 (2016)	Significant changes to the organization and its supply chain	p. 11
102-11 (2016)	Precautionary Principle or approach	p. 64
102-12 (2016)	External initiatives	p. 46
102-13 (2016)	Membership of associations	p. 68
Strategy		
102-14 (2016)	Statement from senior decision-maker	p. 08
Ethics and integrity		
102-16 (2016)	Values, principles, standards, and norms of behavior	p. 56
102-17 (2016)	Mechanisms for advice and concerns about ethics	p. 56

Indicator number	Indicator name	Place in the report
Governance		
102-18 (2016)	Governance structure	p. 60
102-22 (2016)	Composition of the highest governance body and its committees	p. 60
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Stakeholder engagement		
102-40 (2016)	List of stakeholder groups	p. 73, 155
102-41 (2016)	Collective bargaining agreements	p. 117
102-42 (2016)	Identifying and selecting stakeholders	p. 73, 74, 154
102-43 (2016)	Approach to stakeholder engagement	p. 73, 74
102-44 (2016)	Key topics and concerns raised	p. 74, 76
Reporting practice		
102-45 (2016)	Entities included in the consolidated financial statements	p. 154
102-46 (2016)	Defining report content and topic Boundaries	p. 154
102-47 (2016)	List of material topics	p. 155
102-48 (2016)	Restatements of information	p. 154
102-49 (2016)	Changes in reporting	p. 154
102-50 (2016)	Reporting period	p. 154
102-51 (2016)	Date of most recent report	p. 154
102-52 (2016)	Reporting cycle	p. 154
102-53 (2016)	Contact point for questions regarding the report	p. 175
102-54 (2016)	Claims of reporting in accordance with the GRI Standards	p. 154
102-55 (2016)	GRI content index	p. 160
102-56 (2016)	External assurance	p. 172

Indicator number	Indicator name	Place in the report
Tax		
103-1 (2019)	Explanation of the material topic and its Boundary	p. 22
103-2 (2019)	The management approach and its components	p. 22
103-3 (2019)	Evaluation of the management approach	p. 22
207-1 (2019)	Approach to tax	s.20, 22
207-2 (2019)	Tax governance, control, and risk management	s.20, 22
207-3 (2019)	Tax governance, control, and risk management	s.20, 22
207-4 (2019)	Tax governance, control, and risk management	s.20,22
Compliance, corruption prevention and anti-competitive behaviour		
103-1 (2016)	Explanation of the material topic and its Boundary	p. 55
103-2 (2016)	The management approach and its components	p. 55
103-3 (2016)	Evaluation of the management approach	p. 55
205-1 (2016)	Operations assessed for risks related to corruption	p. 55, 59
205-2 (2016)	Communication and training about anti-corruption policies and procedures	p. 55,59
205-3 (2016)	Confirmed incidents of corruption and actions taken	p. 55,59
419-1 (2016)	Non-compliance with laws and regulations in the social and economic area	p. 55, 59
Resources, energy, water, sewage and waste		
103-1 (2016)	Explanation of the material topic and its Boundary	p. 130, 139
103-2 (2016)	The management approach and its components	p. 130, 139
103-3 (2016)	Evaluation of the management approach	p. 130, 139
301-1 (2016)	Materials used by weight or volume	p. 139, 144
302-1 (2016)	Energy consumption within the organization	p. 139, 144
303-3 (2018)	Water withdrawal	p. 139, 144
306-2 (2016)	Management of significant waste-related impacts	p. 139, 144

Indicator number	Indicator name	Place in the report
Emissions		
103-1 (2016)	Explanation of the material topic and its Boundary	p. 130, 139
103-2 (2016)	The management approach and its components	p. 130, 139
103-3 (2016)	Evaluation of the management approach	p. 130, 139
305-1 (2016)	Direct (Scope 1) GHG emissions	p. 139,140
305-2 (2016)	Energy indirect (Scope 2) GHG emissions	p. 139, 140
305-3 (2016)	Other indirect (Scope 3) GHG emissions	p. 139, 140
305-4 (2016)	GHG emissions intensity	p. 139, 140
305-5 (2016)	Reduction of GHG emissions	p. 139, 140
Supplier environmental and social assessment		
103-1 (2016)	Explanation of the material topic and its Boundary	p. 70
103-2 (2016)	The management approach and its components	p. 70
103-3 (2016)	Evaluation of the management approach	p. 70
308-1 (2016)	New suppliers that were screened using environmental criteria	p. 70,71
414-1 (2016)	New suppliers that were screened using social criteria	s.70, 71
Employment, training and education for employees		
103-1 (2016)	Explanation of the material topic and its Boundary	p. 96
103-2 (2016)	The management approach and its components	p. 96
103-3 (2016)	Evaluation of the management approach	p. 96
401-1 (2016)	New employee hires and employee turnover	p. 87
401-2 (2016)	Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 100
401-3 (2016)	Parental leave	p. 104, 114
404-1 (2016)	Average hours of training per year per employee	p. 87
404-2 (2016)	Programs for upgrading employee skills and transition assistance programs	p. 87

Indicator number	Indicator name	Place in the report
404-2b (2016)	We do not run programmes to facilitate the transition process	
404-3 (2016)	Percentage of employees receiving regular performance and career development reviews	p. 90
Health and safety		
103-1 (2016)	Explanation of the material topic and its Boundary	p. 102
103-2 (2016)	The management approach and its components	p. 102
103-3 (2016)	Evaluation of the management approach	p. 102
403-2 (2018)	Hazard identification, risk assessment, and incident investigation	
403-3 (2018)	Occupational health services	s.80, 102
403-5 (2018)	Worker training on occupational health and safety	p. 80, 102
403-6 (2018)	Promotion of worker health	p. 80, 102
403-7 (2018)	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 80, 102
403-9 (2018)	Work-related injuries	p. 80, 102, 103
Diversity & equal opportunity and non-discrimination		
103-1 (2016)	Explanation of the material topic and its Boundary	p. 104
103-2 (2016)	The management approach and its components	p. 104
103-3 (2016)	Evaluation of the management approach	p. 104
405-1 (2016)	Diversity of governance bodies and employees	p. 104, 108, 110,
405-2 (2016)	Ratio of basic salary and remuneration of women to men	p. 104, 113
406-1 (2016)	Incidents of discrimination and corrective actions taken	p. 104
Marketing and labeling		
103-1 (2016)	Explanation of the material topic and its Boundary	p. 38
103-2 (2016)	The management approach and its components	p. 38
103-3 (2016)	Evaluation of the management approach	p. 38
417-3 (2016)	Incidents of non-compliance concerning marketing communications	p. 38

Indicator number	Indicator name	Place in the report
Customer privacy		
103-1 (2016)	Explanation of the material topic and its Boundary	p. 68
103-2 (2016)	The management approach and its components	p. 68
103-3 (2016)	Evaluation of the management approach	p. 68
418-1 (2016)	Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 67, 68



Reporting indicators

ESG reporting guidelines

A guide for companies listed on the Warsaw Stock Exchange. Indicators included in the report [GPW]

Place in the report	
ENVIRONMENT (E)	
[GPW E-P1] Greenhouse gas emissions	p. 139, 140
[GPW E-P2] Energy consumption	p. 139, 144
[GPW E-P3] Climate risks and opportunities	p. 139, 149
[GPW E-S2] Emissions management	p. 118, 130
[GPW E-S6] Waste management	p. 139, 144
SOCIETY (S)	
S-P1 Diversity on supervisory bodies	p. 104, 108
S-P2 Equal pay indicator	p. 113
S-P3 Employee turnover	p. 80
S-P4 Freedom of association and collective bargaining	p. 115, 117
S-P6 Due diligence procedures regarding human rights	p. 70, 71
CORPORATE GOVERNANCE (G)	
G-P1 Governing body structure	p. 60
G-P2 Code of ethics	p. 55, 56
G-P3 Anti-corruption policy	p. 55, 59
G-P4 Whistleblowing mechanism	p. 55, 56
G-S1 Data protection policy	p. 67, 68

Indicators aligned with TCFD (Task Force on Climate-Related Financial Disclosures) Guidelines

Place in the report	
Governance	
A. The board's oversight of climate-related risks and opportunities	p. 139, 149
B. The management's role in assessing and managing climate-related risks and opportunities	p. 139, 149
Strategy	
A. The climate-related risks and opportunities the organization has identified over the short, medium, and long term	p. 139, 149
B. The impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning over the short, medium, and long term	p. 139, 149
C. The resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	p. 139, 149
Risk	
A. The process for identifying and assessing climate-related risks	p. 139, 149
B. The process for managing climate-related risks	p. 63, 139, 149
C. How the process for managing climate-related risks is integrated into the organization's overall risk management	p. 64
Metrics and targets	
A. The metrics and targets used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	p. 118, 130
B. Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions, and the related risks	p. 139, 140
C. The targets used by the organization to manage climate-related risks and opportunities and results/performance against targets	p. 118, 130

SFDR (Sustainable Finance Disclosure Regulation) Indicators

	Place in the report
SFDR 1 – GHG emissions	p. 139, 140
SFDR 2 – Carbon footprint	p. 139, 140
SFDR 3 – GHG intensity of investee companies	p. 139, 140
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	p. 139, 144
SFDR 6 – Intensywność zużycia energii w sektorach o znaczącym wpływie na klimat	p. 139, 144
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 water pollutants were emitted 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 Organization 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	p. 70, 71
SFDR 12 – Unadjusted gender pay gap	p. 104, 113
SFDR 13 – Board gender diversity	p. 104, 108
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]

	Miejsce w raporcie
GOAL 4: Quality education	p. 31, 39, 80
GOAL 5: Gender equality	p. 104
GOAL 8: Decent work and economic growth	p. 80
GOAL 9: Industry, innovation and infrastructure	p. 126
GOAL 10: Reduced inequalities	p. 31, 104
GOAL 11: Sustainable Cities and Communities	p. 138
GOAL 12: Responsible consumption and production	p. 39
GOAL 13: Climate action	p. 118, 138, 139
GOAL 15: Life on Land	p. 138
GOAL 17: Partnerships for the Goals	p. 104

UN Global Compact Principles [UNGC]

Area	The Ten Principles of the UN Global Compact	Place in the report
Human Rights	[UNGC 1] Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	p. 46, 52, 70,115
	[UNGC 2] Principle 2: make sure that they are not complicit in human rights abuses.	p. 46, 52, 70,115
Labour	[UNGC 3] Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	p. 46, 52, 70, 115, 117
	[UNGC 4] Principle 4: the elimination of all forms of forced and compulsory labour;	p. 46, 52, 70, 104, 115
	[UNGC 5] Principle 5: the effective abolition of child labour; and	p. 46, 52, 70, 104,115
	[UNGC 6] Principle 6: the elimination of discrimination in respect of employment and occupation.	p. 46, 52, 70, 104, 115
Environment	[UNGC 7] Principle 7: Businesses should support a precautionary approach to environmental challenges;	p. 46, 52, 70, 118, 130
	[UNGC 8] Principle 8: undertake initiatives to promote greater environmental responsibility; and	p. 46, 52, 70, 118, 130
	[UNGC 9] Principle 9: encourage the development and diffusion of environmentally friendly technologies.	p. 46, 52, 70, 118, 130
Anti-Corruption	[UNGC 10] Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	p. 46, 52, 55, 70

Own indicators [KPI]

		Place in the report
In-house indicators [KPI 1]	rNPS index in the customer satisfaction survey ³¹	p. 31, 46, 49
In-house indicators [KPI 2]	professional sellers („B2C”) on Allegro	p. 20, 46, 49
In-house indicators [KPI 3]	active buyers ³² on Allegro	p. 20, 46, 49
In-house indicators [KPI 4]	unique users who visited the Allegro Academy e-learning platform in 2021 and took part in at least one of the 72 available educational courses	p. 39, 46, 49

		Place in the report
In-house indicators [KPI 5]	donations made by Allegro.eu Group to charity and social organizations	p. 46, 49
In-house indicators [KPI 6]	number of recycled, FSC-certified packaging and fillers put into circulation	p. 46, 49, 136
In-house indicators [KPI 7]	% of employees who respect the company as a workplace that respects everyone regardless of gender, age or any other dimension of diversity	p. 46, 49, 80, 104
In-house indicators [KPI 8]	GHG emission in relation to GMV (kt CO2e / million PLN)	p. 139, 140

³¹ rNPS – relational net promoter score w IV kwartale 2021 r., the value in the third quarter of 2021 was 78.8. The customer service NPS ratio for the fourth quarter of 2021 was 74.2, and for the third quarter of 2021 was 77.4

³² An Active Buyer is each unique e-mail address associated with a buyer who has made at least one purchase on Allegro.pl, AllegroLokalne.pl or eBilet.pl in the last twelve months. Previously, the data did not include eBilet.pl. All data points have been retrospectively adjusted to the revised definition

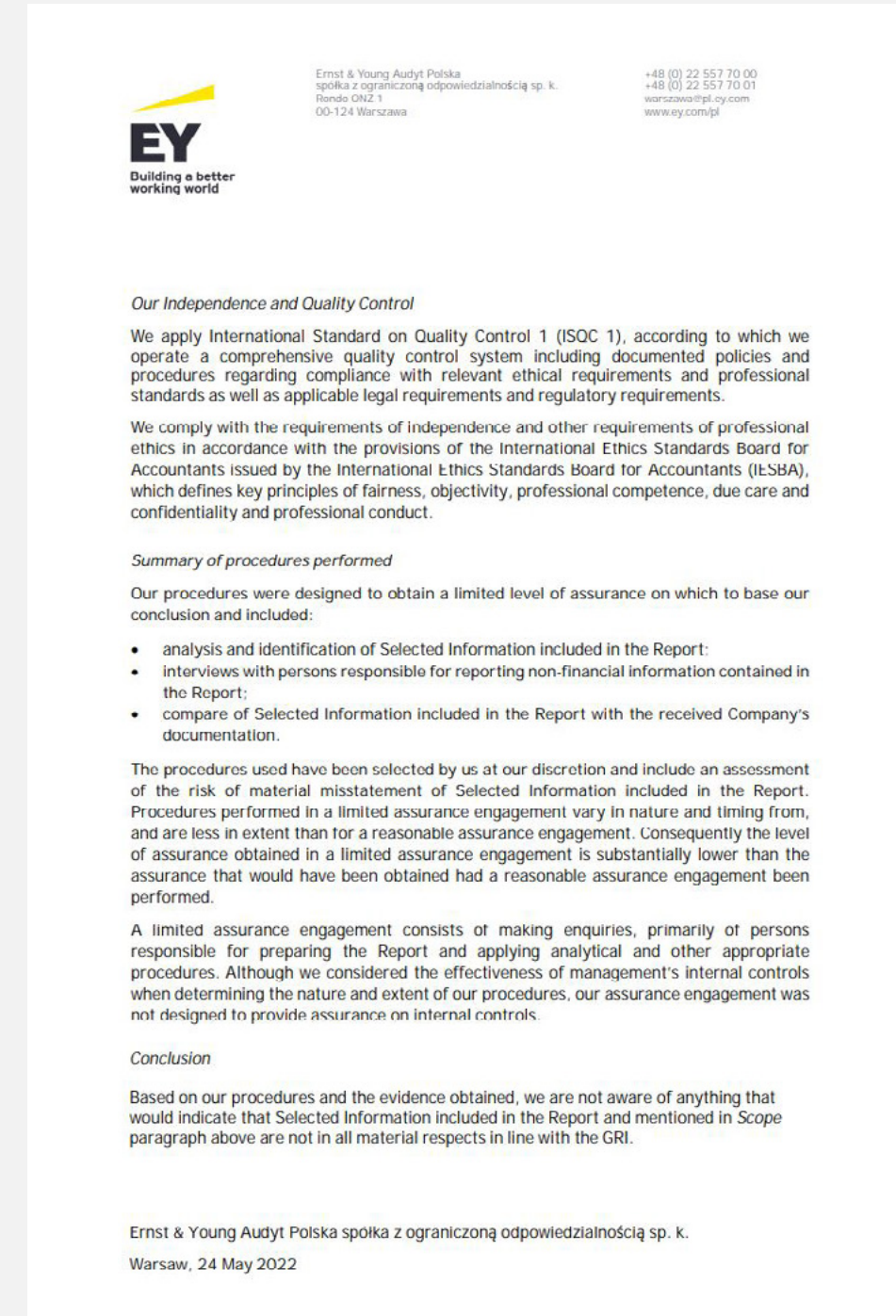
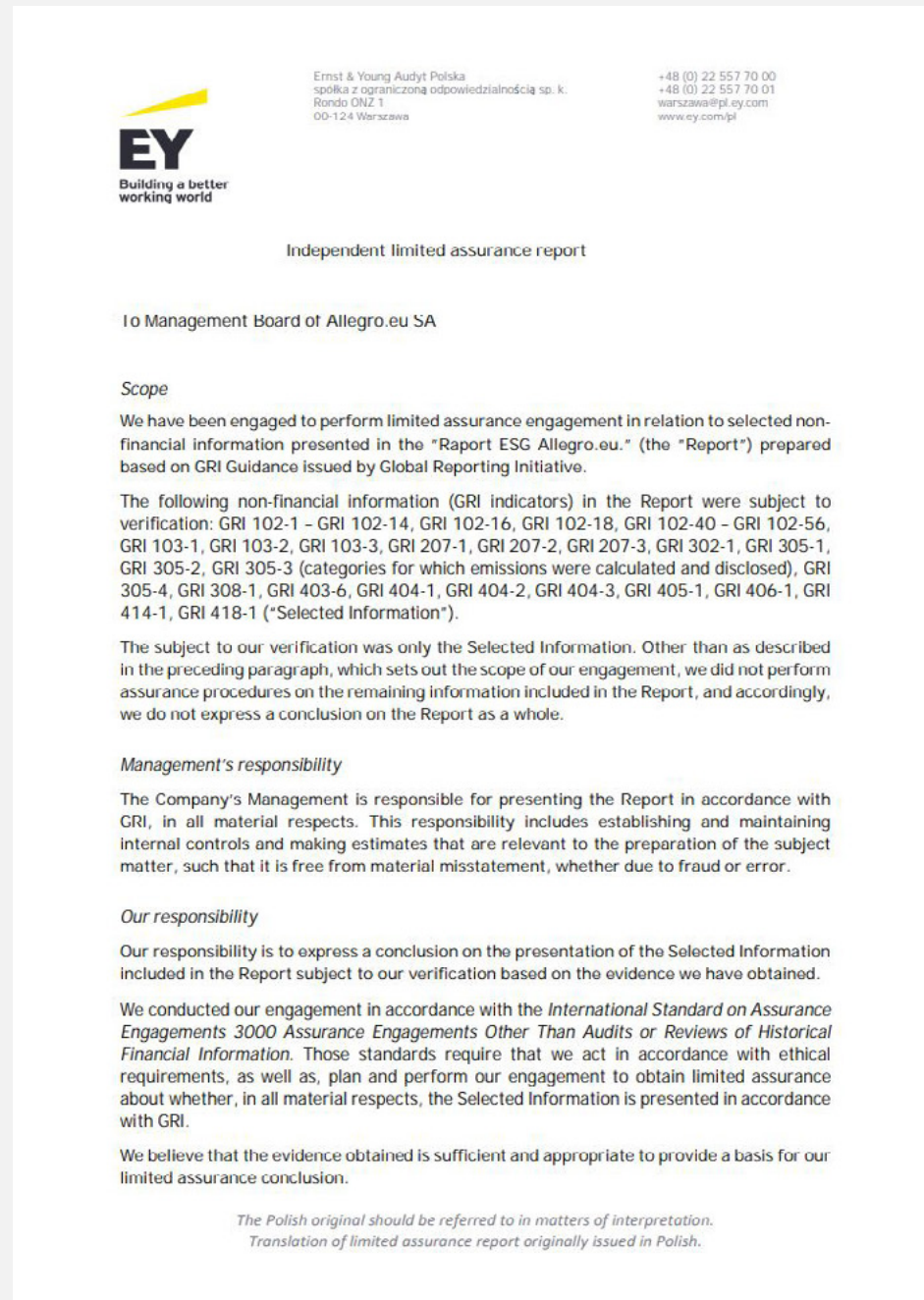


GRI [102-56]

Audit

Policy and current practice regarding external verification of the report

The report was verified by an independent third party. The verification process involved an internal auditor as well as presenting the results of the external audit to the Audit Committee.



Glossary

1P – Applies to direct operations of Allegro and the Official Allegro Store

3P, Third Party – Applies to operations of third-party entities

Active Buyers – each unique e-mail address associated with the buyer who made a purchase on Allegro.pl and Allegrolokalnie.pl (excluding eBilet) within the last twelve months;

B2C – business-to-consumer (business for consumers)

C2C – consumer-to-consumer (customers to customers)

GMV per active buyer – means GMV from the past twelve months before the end of the reporting period (excluding eBilet ticket sales) divided by the number of active buyers by the end of this period;

GMV – means the gross value of goods, which constitutes the total gross value of goods and tickets sold on Allegro.pl, Allegrolokalnie.pl and eBilet.pl platforms (including VAT);

Circular economy is an economic concept in which products, materials and raw materials should remain in the economy for as long as possible, and the generation of waste should be minimized as much as possible

Hackathon – an event for programmers, during which IT specialists and other people related to software development including graphic designers, interface designers, project managers, domain experts, and others collaborate intensively on software projects.

IPO – Initial public offering of the Company's shares on the WSE

Stakeholders – all persons, entities, groups and organisations that may influence the enterprise or are influenced by its activities, e.g. employees, suppliers, industry organizations, etc.

Location-based method – electricity-related emissions calculated using the national average emission index

Market-based method – electricity related emissions calculated using the emission index specific to the energy supplier

NPS – net promoter score

SDGs – Sustainable Development Goals

SFDR (Sustainable Finance Disclosures Regulation) – The regulation on disclosure of information on sustainable investments by financial market participants (Regulation 2019/2088) aims to increase market transparency and prevent the so-called greenwashing.

Adjusted EBITDA – means net profit (loss) adjusted for the same one-off items as those described for Adjusted EBITDA above, net of the tax impact, and further adjusted for any one-off financial expenses, such as early repayment fees and deferred amortized costs arising on refinancing arrangements, net of their tax implications.

Adjusted EBITDA / GMV is the adjusted EBITDA divided by GMV

Adjusted EBITDA / net revenues is adjusted EBITDA divided by net revenues

Taxonomy – EU Regulation 2020/852 on the establishment of a framework to facilitate sustainable investment, amending Regulation (EU) 2019/2088, known as the EU Taxonomy is a unified classification system for sustainable development activities intended to support investors in making investment decisions.

TCFD (Task Force on Climate-related Financial Disclosures) – Recommendations of the Task Force on Climate-Related Financial Disclosure

Takeover ratio is the ratio of market revenues divided by GMV after subtracting the GMV generated by 1P retail sales (grossed for VAT)

GRI [102-53]

Contact

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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!

allegro