

Climate Policy

1. Definitions:

- Group – Allegro.eu Group or Allegro.eu means Allegro.eu and its subsidiaries.
- Board – the Board of Directors of Allegro.eu.
- Business partner – a natural person, legal person or organisational unit which cooperates with the Group, regardless of the nature or frequency of said cooperation, or the type of services provided or purchased.
- Entity – any company or entity operating within the Allegro.eu Group.
- Contractor – any person employed under an employment contract by Allegro.eu or an Entity, or providing services to the Company or an Entity in a constant manner, not as an Employee.
- Group Company – any subsidiary (direct or indirect) of Allegro.eu.
- Significant Company – a company which has significant impact on Group revenue as decided by the Allegro.eu CEO.

2. Introduction

1. Allegro.eu strives to be a leader in environmental transformation, actively responding to regulations and guidelines, both European as well as domestic. To this end, it actively engages in initiatives and activities aimed at broad education and promoting the role of business in the process of climate change mitigation, and it sets the directions for developing the policy of adapting to climate change.
2. Allegro.eu's business model places emphasis on doing business in an environmentally friendly manner and strengthening sustainability. To increase consumer awareness regarding sustainable development, the Group educates and supports merchants in sustainable growth, thus implementing the climate agenda across the value chain.
3. The Group is committed to making its operations more environmentally friendly in a transparent, responsible and sustainable manner. The Group's ambition is to continuously reduce our negative impact on the environment, in particular by reducing GHG emissions¹.
4. Allegro.eu has set environmental goals that are included in the Group's CSR and Sustainable Development Strategy approved by the Board.
5. As a member of the UN Global Compact¹⁵, Allegro declares compliance with the Ten Principles of the UN Global Compact - <https://www.unglobalcompact.org/what-is-gc/mission/principles> and is involved in meeting Sustainable Development Goals (SDGs)¹⁶, while also taking action in connection with implementing the OECD Guidelines for Multinational Enterprises (OECD Guidelines)¹⁷.
6. Bearing in mind the Paris Agreement⁷, which serves to coordinate global actions to limit climate change, effectively leading to reducing the global temperature increase to under 1.5°C, Allegro.eu plans to take measures to reduce emissions (in absolute terms) under 1 & 2 GHG

Protocol¹ according to the Science-Based Target methodology¹⁰. The Group also plans to neutralise the remaining emissions to achieve climate neutrality. The Group will also analyse the level of Scope 3 emissions and in the event of a significant increase in accordance with the Science-Based targets methodology¹⁰, and will define Scope 3 reduction targets.

3. Climate policy assumptions

1. In terms of climate, Allegro.eu aims to:
 - a. Ensure of energy comes from renewable sources⁹, among all by sourcing green energy under PPAs⁸ or through guarantees of origin¹⁴
 - b. Reduce carbon footprint emissions¹ in accordance with the Science-Based Target methodology¹⁰, based on the goals identified and confirmed by the Management Board.
 - c. Within Allegro Group and its value chain, introduce solutions limiting Scope 3 emissions¹, including measures to reduce the negative environmental impact that extend to Business Partners, as well as climate education and support in developing emission reduction targets for suppliers and business partners.
 - d. Offset the residual (unavoidable) emissions with the so-called verified “high quality” offset, based on the guidelines of the UN Global Compact¹⁵ and the United Nations. There will be unavoidable, residual emissions from Allegro's direct operations, which will need to be offset and we will be doing our best to minimise these.
 - e. Actively participate in international climate and environmental initiatives, such as UN Global Compact¹⁵, Science Based Targets Initiatives¹⁰, Carbon Disclosure Project (CDP) and others.
 - f. Ensure transparency in monitoring and disclosing progress in reaching the Policy goals.
 - g. Periodically map climate and environmental opportunities and risks as well as timing scenarios in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)¹³.
2. The Group engages in activities and initiatives consisting in:
 - a. Developing projects reducing Allegro.eu's emissions and energy consumption;
 - b. Reducing emissions related to shipping Allegro.eu orders;
 - c. Developing low-emission logistics centres for businesses selling on the Allegro platform;
 - d. Introducing a circular economy model, including certified 100% recycled packaging and reusable packaging;
 - e. Offering climate education to stakeholders, including clients and the society, in particular education and improvement of competence of the Group's employees related to climate and the environment.
3. The Group monitors and manages its environmental impact:
 - a. Allegro.eu introduces annual monitoring of greenhouse gas emissions by calculating the organisation's carbon footprint, as per the GHG Protocol¹ and in keeping with international reporting standards. Results of monitoring are presented in the Allegro.eu

Report. In the event of an acquisition, the Group will measure the impact of the acquired entity to assess its severity in order to introduce reduction targets in accordance with the Science-Based Target methodology.

- b. Allegro.eu is developing a program of activities aimed at reducing the average greenhouse gas emissions per GMV.
- c. In line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)¹³, Allegro.eu maps climate and environmental risks and completes an annual review.
- d. The process of identifying, evaluating and managing climate risks is part of the overall risk management process in the Group.
- e. The management of Significant Companies from the Allegro.eu Group oversees sustainable development and climate-related issues, among all by monitoring and overseeing the CSR/ESG & Sustainability Strategy³. The top management of Significant Companies from the Allegro.eu Group take Climate Policy issues into account in their duties and consider topics specified in the Policy in its management decisions.
- f. A periodic review of implementing the effects of the Policy is carried out by the Managing Committee for CSR & Sustainability, formed by: the General Counsel and Corporate Affairs Director, Communications Director and Chief Security Officer. The results of the periodic review are presented and approved by the Steering Committee, which is formed by the CEO and other representatives of the top management of Allegro.eu Significant Companies. The Climate Policy review is overseen by the Allegro.eu Management Board, and its results are presented in the Allegro.eu Report.
- g. The Climate Policy covers all Allegro.eu Group Companies and Entities. All employees, managers and the Management Board are required to familiarise themselves with it and implement it.
- h. As climate-related 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 Management Board is to oversee corporate risk and climate risk, define the scope of risk management, identify the directions for the development of the risk management system, and determine the risk appetite.

4. Final provisions

1. Actions that violate the provisions of the Policy are prohibited, and should they occur, the Company will immediately take appropriate action. If an Employee or any other obligated person experiences or becomes aware of anything that violates the provisions of this Policy, they should immediately report this pursuant to the Whistleblowing Procedure.
2. All consents required under this Policy must be documented (at least in the form of an e-mail).
3. Allegro.eu Group Companies will make every effort to ensure that their Employees and other persons bound by the Policy comply with its provisions. To this end, the Company provides the

information found in this Policy when entering into any individual employment relationship or any other type of cooperation. Employees and Contractors are also informed about the content of this Policy, the standards set out therein and all potential amendments. In particular, to ensure the Policy is available at any given time to read or dispel any doubts that may arise, the Company makes it publicly available.

4. The Policy has been approved and adopted by the Board and implemented without delay by all Group Companies.

Footnote

¹ The carbon footprint is the total volume of greenhouse gas emissions released directly or indirectly by an organisation. These are not only the factory chimneys but notably emissions in the entire value chain associated with the production of raw materials, services and utilities purchased by the organisation, e.g., electricity, heat, raw materials, materials, semi-finished products or transport services. The greenhouse gases taken into account in the calculations are carbon dioxide CO₂, methane CH₄, nitrous oxide N₂O and many other greenhouse gases, mainly refrigerants used in air conditioners. The carbon footprint is calculated in three scopes (1, 2, and 3), which reflect the scale of the impact.

1. Scope 1 emissions are direct greenhouse gas (GHG) emissions from sources controlled or owned by the organisation (e.g. emissions coming from the combustion of fuels in boilers or furnaces, and by vehicles).
2. Scope 2 emissions are indirect greenhouse gas emissions related to purchasing media such as electricity, steam, heat or cooling.
3. Scope 3 emissions include all sources outside of scope 1 and 2. It is possible that Scope 3 emissions for one organisation may be categorised as Scope 1 and 2 emissions in the case of another organisation's value chain. Scope 3 emissions, also known as value chain emissions, often represent the majority of an organisation's total greenhouse gas emissions. What we are referring to are other indirect emissions, e.g., caused by the production of raw materials or semi-finished products, waste management, transporting raw materials and products, employees travelling on business or using products by end users.

The carbon footprint is calculated based on the GHG Protocol A Corporate Accounting and Reporting Standard (an international standard for calculating the carbon footprint) using the following methods:

- Location-based method: electricity-related emissions calculated using the national average emission factor.
- Market-based method: electricity-related emissions calculated using the emission factor specific to the energy provider.

² Circular economy is an economic concept where products, materials and raw materials should remain within the economy as long as possible, and the generated waste should be minimised as much as possible.

³ CSR & Sustainability Strategy is a strategy adopted by the Allegro.eu Management Board for 2020–2023, defining the main goals and directions of sustainable development and the Group's responsibility.

⁴ Corporate Sustainability Reporting Directive (CSRD) - EU rules require large companies to publish regular reports on the social and environmental impacts of their activities. Corporate Sustainability Reporting Directive (CSRD) envisages the adoption of EU sustainability reporting standards. Standards are developed by the European Financial Reporting Advisory Group (EFRAG).

⁵ Directive 2014/95/EU – also called the Non-Financial Reporting Directive (NFRD) – lays down the rules on disclosure of non-financial and diversity information by certain large companies. This directive amends the Accounting Directive 2013/34/EU. In June 2017 the European Commission published its [guidelines to help companies disclose](#)

environmental and social information. In June 2019 the European Commission published guidelines on reporting climate-related information.

⁶ EU Taxonomy – Regulation 2020/852 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 known as the EU Taxonomy is a system enabling uniform classification of sustainability activities, which is to support investors in making investment decisions.

⁷ Paris Agreement – often referred to as the Paris Accords or the Paris Climate Accords. It was adopted at the Paris Climate Change Conference (COP21) in December 2015 and is the first universal and legally binding climate agreement. Nearly 190 countries are signatories to the Paris Agreement, including the European Union and its member states.

⁸ PPA - Power Purchase Agreement (cPPA - Corporate Power Purchase Agreement) is a long-term power supply contract between two parties, one which generates electricity and one which is looking to purchase electricity. They come together and agree to buy and sell an amount of energy which is or will be generated by a renewable asset.

⁹ Renewable energy refers to energy from renewable non-fossil sources, namely wind, solar (both solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas, and biogas.

¹⁰ SBT – Science Based Targets are greenhouse gas emission reduction targets that are in line with the decarbonisation levels required to meet the Paris Agreement goals, i.e., limiting global warming to well under 2°C above pre-industrial levels and continuing efforts to limit warming to 1.5°C.

¹¹ SFDR (Sustainable Finance Disclosures Regulation) is the Regulation on sustainability - related disclosures in the financial services sector (Regulation 2019/2088), which aims to increase market transparency and prevent the so-called *greenwashing*.

¹³ TCFD (Task Force on Climate-related Financial Disclosures) are recommendations of the Task Force on Climate-Related Financial Disclosure.

¹⁴ The guarantees of electricity origin are an element of the EU's environmental policy, which aims at disclosing and certifying to the end consumer that a certain amount of electricity delivered to the distribution network or transmission grid was generated from renewable energy sources or in the process of high-efficiency cogeneration (CHP, i.e. Combined Heat and Power).

¹⁵ The United Nations Global Compact is a non-binding United Nations pact to encourage businesses worldwide to adopt sustainable and socially responsible policies and to report on their implementation in the areas of human rights, labour, the environment and anti-corruption. The initiatives unite companies with every stakeholder group working to advance sustainable development, including Governments, civil society, investors, academia and the UN. Allegro.eu joined UN Global Compact in 2020. 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 within its Agenda 2030.

¹⁶ The 2030 Agenda for Sustainable Development: adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its main initiative are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.

¹⁷ OECD Guidelines for Multinational Enterprises (OECD Guidelines) set the standard of responsible business conduct (RBC). They were issued by the Organization for Economic Co-operation and Development (OECD) in 1976 and have been updated several times. The most recent version comes from 2011, when a chapter on human rights



was added. The scope of the OECD Guidelines was extended to include business relations, also in the supply chain, and the concept of due diligence based on risk assessment was introduced.

Last update 2023-11-27