

The background of the entire page is a photograph of a vast, rolling green landscape under a dramatic sky. The landscape features lush green hills and valleys, with some areas covered in dense trees. In the distance, a small town or village is visible, nestled in a valley. The sky is filled with large, white clouds, and the sun is low on the horizon, creating a warm, golden glow that illuminates the scene. The overall mood is peaceful and natural.

emag

Sustainability Report 2020

Our responsibility never stops

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Dear friends,

From the very start, eMAG's philosophy has been to provide the best products and services to our customers.

Their needs have been the centre of our attention and the company's development relies on them. We now aim to expand this philosophy, so that we not only address this direct relation, but also the effects of our operations. eMAG's transformation into a sustainable business will be beneficial for an increasingly larger number of stakeholders and is not limited to those who came into contact with us so far.

We decided to get involved because it is the only responsible decision. We are aware that the situation will reach a point of no return if the world keeps pursuing the same path. This is precisely why we decided to take a step forward and work together for a more sustainable future.

eMAG has constantly been one of the top Romanian brands, a ranking which implies a huge responsibility as well. For this reason, we chose to become part of the solution and use our position to inspire and attract as many companies and people as possible to our side. Combating climate change and environmental protection require a joint effort, the involvement of all parties, and cannot become the responsibility of a single company, regardless of its size. For this reason, we will launch the "Environmental Pledge," the first initiative aiming to bring together the Romanian business environment in an effort to limit global warming.

True leaders always lead by example, which is why, before extending the call for others to join us, we examined what goes on in our own backyard and took the necessary action. We drafted a sustainability plan and carefully analysed how we can evolve from this perspective. We attained carbon neutrality for our operations, through reduction measures for our carbon footprint and offsets for the remaining emissions.

We managed to reduce carbon emissions at a higher rate than that of development: the carbon footprint decreased by 8%, on the background of a 48% turnover increase in 2020 as compared to 2019. We took a closer look at the effects of our operations on the local communities and funded infrastructure works to protect them. We created new opportunities for over 1,000 people, whom we hired in the midst of the pandemic, and we aim to create 1,200 new workplaces in the following period, through an investment of over 90 million euro in a new logistics centre.

We chose to pursue this path alongside two trustworthy partners: GreenTech, the first European company to issue voluntary carbon market certificates resulting from waste recycling, and which received the Gold Standard certification, and Foundation Conservation Carpathia, which saved thousands of hectares of forest land from deforestation and whose main endeavour is to establish the Făgăraș Mountains National Park.

Only a few of last year's amazing achievements were mentioned above, a mere tip of an iceberg which I hope will never melt and whose actual size I invite you to explore on the next pages.



Tudor Manea
eMAG CEO

Summary Report



We are **carbon neutral**, due to offsetting our operational footprint



We invested **45 million RON** in learning programmes for our employees

Carbon intensity decreased by **43%** compared to 2019



Fashion Days launches the first sustainable fashion category



The new logistics centre is supplied with green energy produced on-site



Our packaging is **recycled** and **100% recyclable**



We offset CO₂ through the only offset project certified by Gold Standard in the European Union

Every workplace created and sustained by eMAG generates **7 other workplaces** in Romania's economy

Operations in Hungary and Bulgaria saw an **87% growth** compared to 2019

We protect Romania's heritage: we support wildlife conservation and the creation and recognition of Făgăraș Mountains National Park



Chapter 1

Our mission and guiding values

- ▶ Our mission - An overview
- ▶ Our guiding values - eMAG's 7 Principles

Our mission

An overview

We are one of the most important companies in the Romanian e-commerce market, and subsequently a major player in the Central Eastern European region, with a significant presence on the European markets in Bulgaria and Hungary.

Over the past 20 years of activity, we created a solid digital ecosystem based on technology developed in Romania. We played and continue to play an active role in promoting local entrepreneurship and developing the Romanian economy.

What do we do? An overview

eMAG grew from a small online store specializing in electronic and IT products into a group of companies operating in various economic fields, with a value reaching over 1 billion euro per year.

For most people, eMAG allows for the shortest and smoothest possible click-to-parcel experience. This simple perception honours us because our success resides in it. Thousands of colleagues, the most advanced technologies, and hundreds of terabytes of data processed daily are behind it, along with the largest warehouse in Central and Eastern Europe, all of them having a distinctive role in creating the eMAG experience.

We are among the few Romanian companies with a significant presence in the region, being active mainly on the Bulgarian and Hungarian markets. Following the merger between eMAG Hungary and the Hungarian company Extreme Digital at the start of 2020, we also started operating in the Czech, Slovak, Slovenian, Croatian, and Austrian markets.

Apart from eMAG - the most popular e-commerce platform and the second most valuable brand in Romania, according to Brand Finance - and the online clothing retailer Fashion Days, the eMAG Group also integrates PC Garage, a store specializing in IT and electronic products, the Romanian fast

delivery company Sameday Delivery, the repair shop Depanero, the online marketing agency Conversion Marketing, and Tazz by eMAG - the home delivery platform.

eMAG Marketplace

The mission we undertook from the very start is that of helping customers save time and money through e-commerce and technology. With our Marketplace, we make our entire know-how and experience available to tens of thousands of SMEs wanting to sell online.

eMAG Marketplace grew and continues to grow with the number of Romanian sellers active on the Marketplace platforms in Romania, Hungary, and Bulgaria reaching 29,958.

We believe in the benefits of the digital economy, and, for the next three years, we earmarked an investment of 251 million RON for the development of digital entrepreneurship through the Marketplace platform.

A business based on innovation and technology

Our business model relies on innovation and technology. The dedicated mobile app, introduced in 2014, the automated translation system, and the automated warehouse in Joița municipality (Giurgiu County), which allows for the processing of up to 1.5 million parcels/day, are three representative examples of innovative projects developed by eMAG. These projects aim to improve customer experience and benefit local business partners, as well as facilitate the use of digital instruments among the population and the business environment. Moreover, with the launch of the mobile application eMAG Marketplace, sellers can now monitor the activity on the platform, anytime and anywhere.

Sustainable development

Our desire and efforts to constantly improve our products and services transformed eMAG into a top-ranking group of companies. Our development strategy relies on strong principles, which ensure sustainable operations and economic growth.

We will continue to contribute to, and advocate for, the development of the national e-commerce sector. Our aim is to implement both the business model and sustainable vision developed in Romania in other Central and Eastern European countries in which we operate. In doing so, we undertake the responsibility of being an active contributor to Romania's transformation into a regional e-commerce hub.

Continued investments in circular economy, the development of the easybox network (last-mile delivery), and that of delivery services, logistics and transport infrastructure, as well as emissions offsets, are just a few of the directions we want to pursue in the future in order to reduce our carbon footprint and protect the environment.



26,166,870 orders



44 showrooms,
28 cities, 3 countries



2,386 easybox lockers



7,783,134 customers
at regional level



8,853 employees in
the eMAG Group



6.72 billion RON
turnover



48% growth compared
to last year



27,416,277 products ordered

Ownership and governance structure

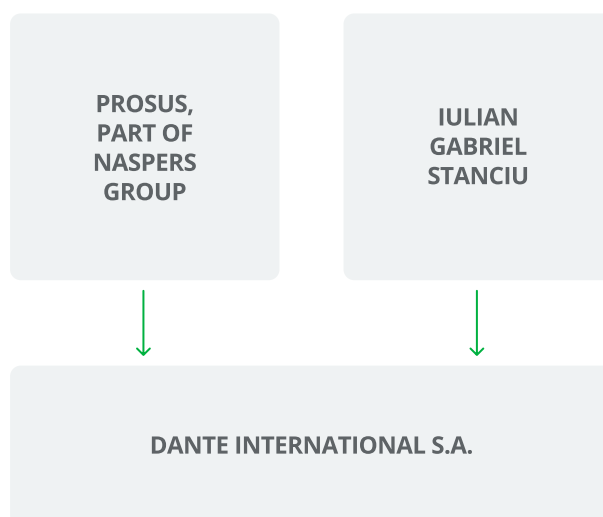
Dante International S.A. took the approach of a seamless management system. Within this system, there are two main bodies fulfilling the company's management and supervisory functions: the General Meeting of Shareholders and the Board of Directors, together with the General Manager.

The principles of Dante International S.A.'s governance structure are described in brief below:

- The General Meeting of Shareholders is the main corporate body, having decision-making power regarding the most important aspects related to the company;
- The Board of Directors is responsible for the general supervision, leadership, and control of the commercial policy, of the management, and of the general course of the company's activities. It is made up of five members and it is led by Iulian Stanciu;
- The company's management is delegated to the General Manager. He is entitled to represent the company in its relation to third parties.

Similar corporate governance principles are implemented at the level of the Dante International S.A. subsidiaries.

Dante International S.A. is a privately held company. The current shareholding structure of Dante International S.A. is presented in the chart below.



In its turn, Dante International S.A. is a shareholder in [several entities](#).

What is the eMAG supply chain?

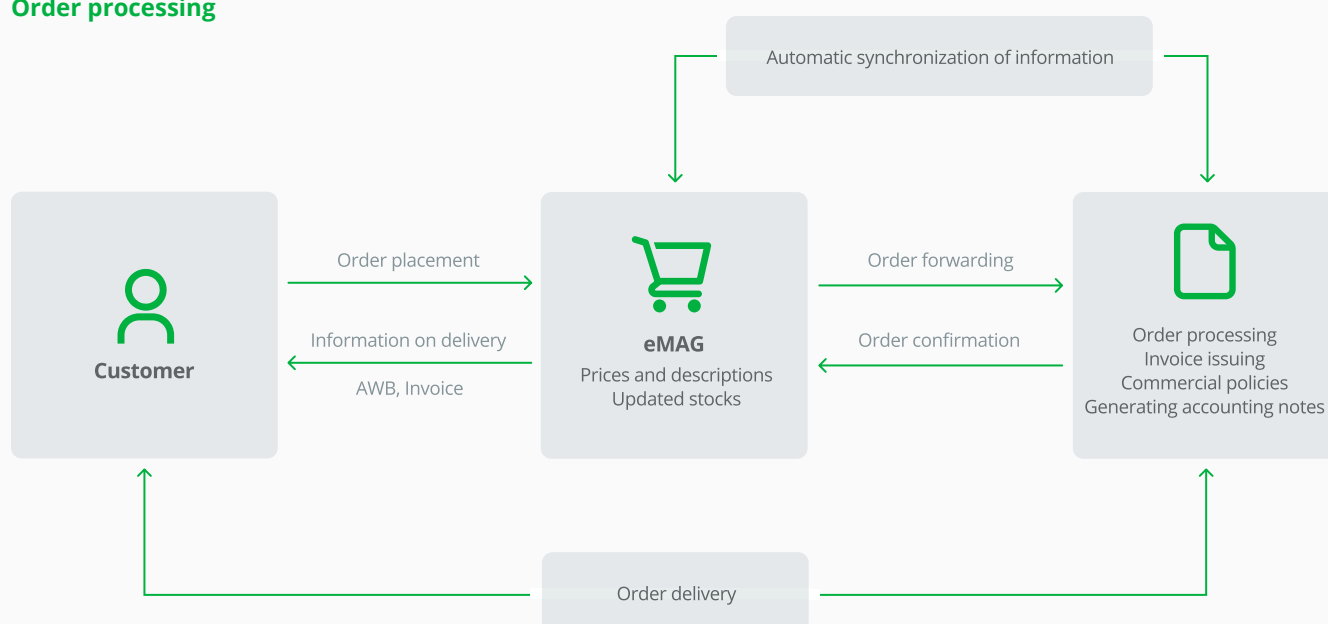
Our customers want to find the desired products when they need them, as well as to receive them in due time, so we took a closer look at each segment of the supply chain to ensure that it operates as efficiently as possible: from storing products to managing stocks, prices, or deliveries.

In parallel with the increased number of partners on eMAG Marketplace, we also developed the Fulfilment division; this way, we were able to provide to customers who buy from a Marketplace partner the closest possible experience to the one they have when they buy from eMAG.

The Fulfilment by eMAG service (FBE) provides eMAG's partners with integrated logistic support. Thus, while entrepreneurs can focus more on

the commercial aspects and on incrementing the business, we manage all the services throughout the logistics chain: from receipt and storage of goods, taking over orders, quantitative assessment of products, collecting, packaging, delivering, issuing invoices and AWBs, delivering parcels to the agreed courier, customer relations and a simplified return process, where applicable.

Order processing



Main elements of the supply chain

In the autumn of 2020, we made an investment of over 90 million euro in our new logistics hub located at Km 19 on the A1 highway.

Free, next-day delivery for orders that can be placed even up to midnight, delivery on Saturdays and Sundays, and free-of-charge returns within 60 days are some of the customers' most important wishes. In order to fulfil them, we created a new standard for online orders. Therefore, we can offer fast, even same-day, delivery to the 244.5 thousand active members, who enjoy premium benefits from eMAG.

In order to attain such quality services, we made constant investments, and the eMAG supply chain has two essential elements making this possible: logistics centres and delivery fleets.

In the autumn of 2020, we made an investment of over 90 million euro in our new logistics hub located at Km 19 of the A1 highway. The industrial park in Joița has a total area of 290,000 square metres, and the new logistics hub will spread across 130,000 square metres. Upon its finalisation, we will be operating the two largest warehouses in Central and South-Eastern Europe. The hub is designed in an environmentally and socially conscious way and will be powered by green energy generated by photovoltaic panels.

This new infrastructure will be made available to eMAG's partners through FBE, who will be provided with services throughout the logistics chain. The ability to store inventory and process orders is essential, as well as the eMAG delivery fleet.

In order to deliver orders to our customers, we have different transport and delivery partners who help us keep up with demand. Along with Sameday, we launched the eMAG Green Delivery service, which

allows for the delivery of parcels in Bucharest and Ilfov using electric vehicles.

We also offer door-to-door delivery services to our customers, as well as the easybox personal pick-up network, which has 2,386 units in Romania and Hungary.



Goods receipt



Storage



Inventory



Order and return takeover



Pick and Pack



Invoice and AWB issuing on behalf of the seller



Delivery of parcels to the agreed courier

Our guiding principles?

eMAG's 7 Principles

Tens of thousands of customers order from eMAG on a daily basis, and we want each of them to have a memorable experience. In our endeavour, we follow several healthy principles which define and help us in our efforts to be our customers' preferred shopping destination.



1. We understand the client

We stand by our word. We keep every promise we make. To our clients, to our partners, or our colleagues. We understand the need of everyone we work with and we are constantly concerned with making them increasingly pleased with us.



2. We think like a successful entrepreneur

The entrepreneurial mindset helps us understand not only the client's behaviour, but also the processes and costs in the background. Thanks to it, we manage to set ambitious objectives, we overcome obstacles and use the available technologies to obtain everything we aimed for.



3. We make decisions supported by data

Analysing and improving the flows behind our work is part of the role each of us has. Before making a decision, we analyse data and insights from 'the field' and we act taking into account all the perspectives: operational, technological, financial, and human.



4. We assess the impact of our projects

It is important to set indicators and metrics for each project. This is important at the beginning, when we analyse the resources, we need to obtain short-term and long-term results, but also at the end, to ensure that we replicate success and learn from mistakes.



5. We act responsibly

Every time, we act with a sense of responsibility. We take into account the effects our decisions have on the business and we assume responsibility for the outcome.



6. We support each other

Our results depend on the relationships that we build based on trust and respect. We are part of a single team and the goal of each of us is to help it win.



7. We grow with the business

Each project is a challenge and a new opportunity of the business and ours, along with it. We analyse each experience and constantly learn how to become better, more responsible and more prepared for what follows.

Chapter 2

Sustainability at eMAG

Our priorities and objectives

- ▶ From concept to reality: the vision of a sustainable business
- ▶ Stakeholder engagement
- ▶ What do we report? Material topics for the Sustainability Report

From concept to reality:

The vision of a sustainable business

We aim to develop a more sustainable commerce in Romania and across the region. We intend to contribute to the transformation of both Romanian and regional retail sectors into more sustainable ones. Every individual and collective decision we make is underpinned by our principles and our results mirror the strong relationships we build guided by trust and respect.

What is sustainability? Our perspective.

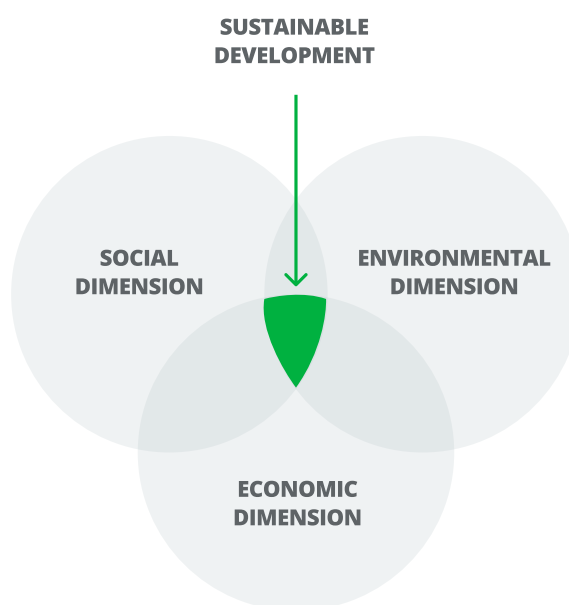
Sustainability is an interdisciplinary, or even transdisciplinary concept, meaning that it is present in a variety of areas of our lives and needs to be approached and solved by all disciplines of science.

Sustainability, as a concept, has three dimensions, which, in turn, encompass numerous actions considered by a state, a company, or a responsible person in order to act sustainably. The three dimensions concern social, economic, and environmental aspects.

Sustainability is a timeless concept that transgresses notions of past and present, all while accounting for the future interests of all involved stakeholders. Consequently, meeting current needs shall not and cannot be the primary objective. In turn, the main goal must be that of creating opportunities for a more sustainable future. This paradigm shift is not easy to achieve, and the Romanian society will need time to adapt to the reality of a new order, where priorities will differ from those of today.

In order to achieve this paradigm shift, we need to educate and involve all of society's key players - the political class, the business world, civil society, as well as every citizen.

Companies play a crucial role in this change and can facilitate the transition to a sustainable society. Furthermore, they have a major responsibility, as they are key players in the economy and generate most carbon emissions.



“We need to become conscious that our actions have consequences and what that we do today to meet our needs can be very costly in the future. Each of us has a duty to act responsibly. We do not do it for others, but for ourselves, as we are the ones to suffer. The future can only be sustainable.”

Tudor Manea,
eMAG CEO

From concept to reality

The vision of a sustainable business

The journey towards becoming a sustainable business is long and challenging. We started numerous projects targeting the three dimensions of sustainability: social, economic, and environmental.

Becoming a sustainable business

A sustainable business aims to provide services or products which meet sustainability criteria. Moreover, it will always adjust its operations in such a way as to mitigate the negative impact to the greatest possible extent.

We are currently integrating the necessary measures to achieve this goal. How did we start this endeavour? By applying specific measures, such as the introduction of smart delivery, storage technologies, as well as measures pertaining to the value chain and related to our suppliers and customers.

At eMAG, we want to contribute to combating climate change. Our desire is to be role models in terms of best practices, for both our sector as well as other businesses.

We are aware that becoming a sustainable business requires great effort, but, at the same time, we are convinced that the journey is, in fact, the destination, and we can learn from the challenges arising along the way.

We grow with the business and constantly learn how to become better, more responsible and more prepared for what follows.



Over the past year, we examined our concrete strategic directions which we intend to focus on. Our analysis was accompanied by an approach based on eMAG's principles, and the data and information related to our environmental impact, the business environment, and the society in which we operate, were taken into consideration.

We identified 4 main pillars, on which we developed a series of themes, and for each theme we defined related objectives, as well as a set of measures needed to achieve these objectives. The 4 pillars of the eMAG Sustainability Plan are:



Monitoring

We understand
our impact



Reduction

We minimize
our impact



Promotion

We encourage
sustainable practices



Care

We promote
ethical behaviour

The 4 pillars of eMAG's Sustainability Plan



01. Monitoring

This pillar represents the analytical basis for the Sustainability Plan. The first step is to understand our impact on the environment, the consumption and pollution sources in our operations, and how they can be reduced or even eliminated in the long run.

Every year we develop an inventory of greenhouse gas emissions, which are the basis for calculating the carbon footprint. It is only after such determination that we can accurately analyse our opportunities for improvement.



02. Reduction

The second pillar encompasses the series of measures we identified for each section along the value chain (products, packaging, storage, delivery, infrastructure), aiming to reduce the carbon footprint.

We developed process-specific mitigation measures within our operations and regularly monitor progress in each section. The mitigation measures are complemented by the compensation of the remaining carbon emissions.



03. Promotion

This pillar includes all the initiatives we support through our own funds and through various partnerships.

At the core of this direction, we have the customer and our motivation to offer solutions that meet the circular economy criteria. Internal transformation is an equally important step – we are becoming a more sustainable business together with our employees.



04. Care

We promote ethical behaviour, which addresses the corporate governance framework representing the basis for our relationship with employees, business partners, and local communities where we operate our main business, as well as the related activities.

Primary Sustainable Development Goals for eMAG

By implementing the Sustainability Plan, we are contributing to the achievement of sustainable development goals in Romania and in the region.

The Sustainable development Goals (SDGs) were adopted by all United Nations Member States in 2015 to end poverty and reduce inequalities, fight climate change and protect the environment, as well as build more peaceful and prosperous societies by 2030.

We carefully analysed the areas where the eMAG Group has a major impact, as well as the ones in which it can increase its contribution towards meeting these Sustainable Development Goals. The result is a number of 8 SDGs which we focus on. Each objective is supported by specific measures anchored in the four pillars of the Sustainability Plan.



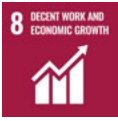
OBJECTIVE 4

Quality education

The 4th objective is rooted in the principle of universal and unrestricted access to education and the promotion of lifelong learning opportunities. We, at eMAG, believe that education is the foundation for any democratic society defined by respect, human values, and equal opportunities.

For this reason, we implemented a system of universal access to education and training for our employees. Moreover, in partnership with Nouă ne pasă Foundation (the eMAG Foundation) we worked to implement programmes preventing early school drop-out and promoting educational opportunities in vulnerable communities.

Click [here for further information on employee programmes](#), and read more about the programmes and results of the projects run by the Nouă ne pasă Foundation (the eMAG Foundation) [here](#).



OBJECTIVE 8

Decent work and economic growth

As the name indicates, the 8th objective includes topics such as promoting an economically sustainable and inclusive society, as well as a productive labour market that ensures a decent living for each one of us.

As a Romanian company, our goal is to bring added value to the local economy through both our presence and our operations. For this reason, we make continuous and sustained efforts to encourage the business environment in Romania.

Furthermore, we are engaged in developing local infrastructures to help create new workplaces and we invest in new sectoral technologies that facilitate market penetration by small entrepreneurs.

Read more about our efforts to encourage the entrepreneurial environment [here](#), and about our infrastructure projects [here](#) and [here](#).



OBJECTIVE 10

Reduced inequalities

Inequality is an obstacle in the development of a sustainable society, which is why our 10th goal suggests a number of priorities for reducing inequality both inside and outside national borders.

At eMAG, we have incorporated these priorities into our internal rules of conduct, into employment and wage policies, as well as into the contractual relations with our partners.

Read more about our endeavours [here](#) and [here](#).



OBJECTIVE 11

Sustainable cities and communities

Objective 11 promotes the topic of cities and human settlements and details the main strategic directions for their development so that they are safe, resilient, sustainable, and open to all.

We want eMAG's impact to be positive and long-lasting, which is why we designed and implemented sustainable solutions throughout our supply chain. For the wellbeing of the citizens in Bucharest, as well as of the areas connected to the capital city, we electrified the delivery fleet and, in order to reduce the regional carbon footprint, we developed the easybox delivery network in Romania and Hungary.

Last, but not least, our new industrial park was built according to BREEAM requirements, the world's most important standard for sustainable buildings.

More details about our green operations are available [here](#).



OBJECTIVE 12

Responsible consumption and production

A new sustainable consumption and production model is needed in order to break the link between economic growth and CO₂ emissions and its effects on the environment, and the 12th goal details both the necessary indicators and the objectives to adopt this model. eMAG supports the circular economy model and therefore, over the years, we devoted time and resources with the purpose of offering circular services and products to our customers.

We also want to build a more sustainable supply chain through a new evaluation system, by encouraging sustainable procurement among our partners. More details on responsible consumption are available [here](#).



OBJECTIVE 13

Climate action

Objective 13 highlights the severe impact of global warming and speeds up the implementation of specific measures to combat climate change.

Sustainable change can only be achieved through collective efforts and concrete actions. At eMAG, the first step consisted of an in-house analysis, followed by the development of an integrated action plan to reduce carbon emissions.

Therefore, we succeeded in achieving carbon neutrality for our operations and we will continue to improve our performance in this respect. Furthermore, we want the fight against climate change to become a common objective for the business environment, which is why we launched the Environmental Pledge, the first initiative of this kind in Romania.

More information about our environmental actions is available [here](#).



OBJECTIVE 15

Life on land

Life on land is the sum of interactions between all the planet's living ecosystems, and the 15th goal encompasses all actions needed to protect and restore ecosystems and their related biodiversity. Every human intervention upon an ecosystem entails a number of consequences. Within eMAG, we want these consequences to be positive and that is why we started a series of actions intended to protect our country's biodiversity.

Consequently, we sealed a partnership with Foundation Conservation Carpathia, through which

we intend to contribute directly to wild flora and fauna conservation in Romania.

We are also working to transform the arid land around our industrial park into a rich ecosystem, by planting a forest.

Find out more about our contribution to the protection of life on land [here](#) and [here](#).



OBJECTIVE 17

Partnerships for the Goals

Objective 17 brings to the foreground and highlights the role of strong partnerships for sustainable development. eMAG is the promoter of innovative ideas and solutions, which is why we maintain the communication channels open for all those who need our support.

Because we like to get involved, support often turns into direct collaborations with our partners. One example is our partnership with GreenTech, the developer of Gold Standard, the first CO₂ offset project certified on the international carbon market.

Over time, we have been working with a variety of partners and we are proactive in promoting collaboration towards a common goal.

Find out more about our partnership with GreenTech [here](#).

eMAG becomes a UN Global Compact participant

To reiterate the pledge we made in the Sustainability Plan, eMAG became a participant in the UN Global Compact, the world's largest sustainable development initiative.

This way, eMAG reconfirms its sustainable development principles and strong commitment to implement a set of measures aimed at limiting global warming to 1.5°C, in accordance with the Paris Agreement.

WE SUPPORT



Stakeholder engagement

Who do we consult with?

Our activities and products have a direct and indirect impact on a variety of stakeholders, such as employees, customers, business partners, suppliers, local communities, media representatives, academic partners, professional associations, NGOs and, last, but not least, public institutions. Our decisions are based on principles such as transparency, cooperation, and care for the environment. We also believe that, in order to be able to contribute effectively to the sustainable development of the Romanian economy and society, there is a need for continuous and sustained dialogue.

The journey towards the Sustainable Development Goals cannot be made independently. However, we all have a unique approach to the directions and actions which can guide us in this endeavour.

We defined this approach with the help of our employees and external stakeholders, and we are constantly working on its development.

We are in a continuous evaluation and learning process and we believe that maintaining an open relationship with our stakeholders can result in mutual support through Romania's transition towards a sustainable society and economy.

Engagement with stakeholders

First of all, in our consultation process, we have been aiming to emphasize the importance of each opinion.

We have also been considering the range of expert opinions we address, and we found it important for each respondent to be able to relate on a personal and professional level in their dialogue with eMAG.

For this reason, in order to fulfil these criteria and ensure an open and honest interaction, we chose to set up the dialogue in the form of an anonymous questionnaire.

In the questionnaire, we operationalised the sustainability concept and broke it down according to all its dimensions, resulting in 6 categories which are relevant both individually and globally.

The internal dialogue reconfirmed the commitment of teams and managers to address all aspects related to sustainability and the environment, as well as for empowerment at individual level. Aiming to obtain a comprehensive view, we sent the questionnaire to the employees, as well as to the eMAG department managers. Internally, the average response rate was of 85%, indicating the desire to contribute to the sustainability goals both individually and at a company level.



Among the external stakeholders, the response rate was 68%, which was more than satisfactory, as the response was voluntary,

We enjoyed the same involvement also from our external partners. [The questionnaire was directed to suppliers, customers, representatives of central and local institutions, local organizations and NGOs, media representatives, Romanian and European professional associations, and academia.](#)

What do we report?

Our stakeholders' vision of priority topics is focused on the categories related to environment, employees, operations, products and services.

According to the responses received, the primary issues of concern are waste and packaging management, as well as the reduction of greenhouse gas emissions. A similar and, for that matter, unanimous interest among the categories of respondents was given to the impact of eMAG's operations on the local communities.

In terms of eMAG's sector-specific matters, closer attention should be directed towards sustainable delivery solutions, circular economy, and our impact on the Romanian economy. Last but not least, the professional development of eMAG's employees and equal opportunities at the workplace rank high among our priorities.

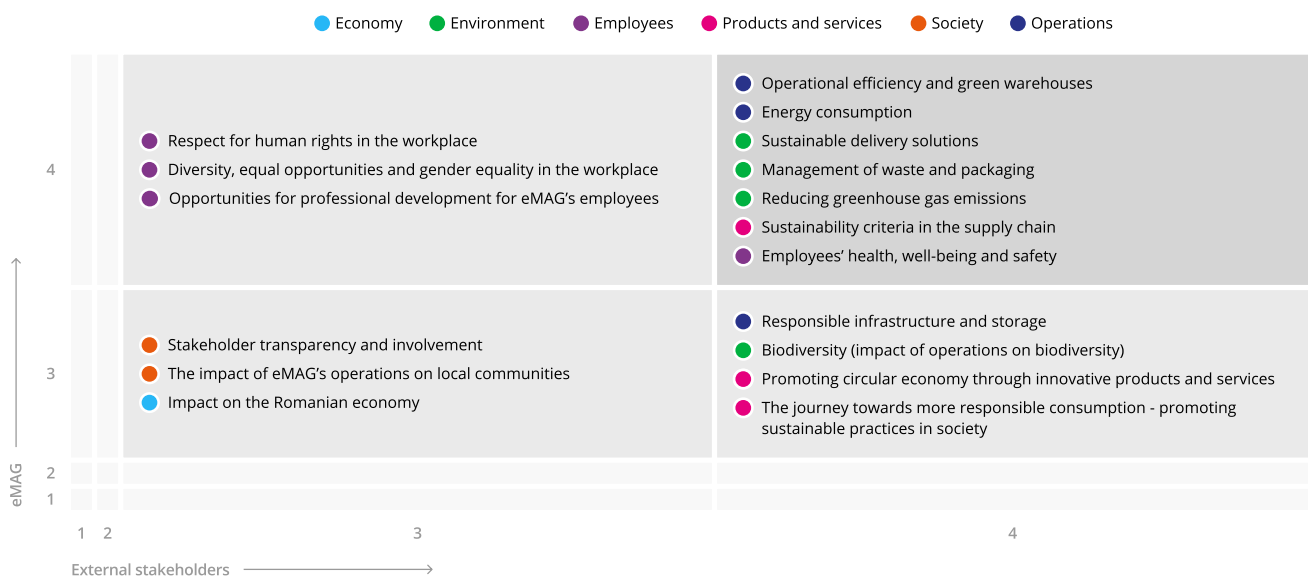
The stakeholder dialogue revealed ample common ground in terms of sustainability perception and

eMAG's role in Romanian society and economy.

In the questionnaire, respondents were given a list of 24 topics to which they were asked to assign a level of relevance for the Sustainability Report, as follows:

- 1 Unimportant;
- 2 Slightly important, I consider it additional information;
- 3 Important, I will read the information if it is available in the report;
- 4 Very important, I expect to be provided with more information;

The topics rated at a relevance level between 3 and 4 were included in this report.



Material topics for the Sustainability Report

The 17 topics identified by external and internal stakeholders as material for the 2020 Sustainability Report are outlined below. These topics are addressed in the following chapters.



ENVIRONMENT

- ☞ Energy consumption
- ☞ Management of waste and packaging
- ☞ Biodiversity (impact of operations on biodiversity)
- ☞ Reducing greenhouse gas emissions



OPERATIONS

- ☞ Operational efficiency and green warehouses
- ☞ Sustainable delivery solutions
- ☞ Responsible data infrastructure and storage



PRODUCTS AND SERVICES

- ☞ Promoting circular economy through innovative products and services
- ☞ The journey towards more responsible consumption - promoting sustainable practices in society
- ☞ Sustainability criteria in the supply chain



ECONOMY

- ☞ Impact on the Romanian economy



EMPLOYEES

- ☞ Employees' health, well-being and safety
- ☞ Respect for human rights in the workplace
- ☞ Diversity, equal opportunities and gender equality in the workplace
- ☞ Opportunities for professional development for eMAG's employees



SOCIETY

- ☞ The impact of eMAG's operations on local communities
- ☞ Transparency and stakeholder involvement

Chapter 3

eMAG's pledge for combating climate change

- ▶ Our path to neutrality
- ▶ eMAG's partnerships for environmental protection
- ▶ Our contribution to preserving biodiversity

Summary and objectives

We are committed to investing in the most advanced technologies to reduce environmental impact, to support sustainable development in the regions where we operate and, last but not least, to be a reference point for both the business environment and for consumers.

Key figures



Net zero carbon emissions attained for our direct operations in 2020

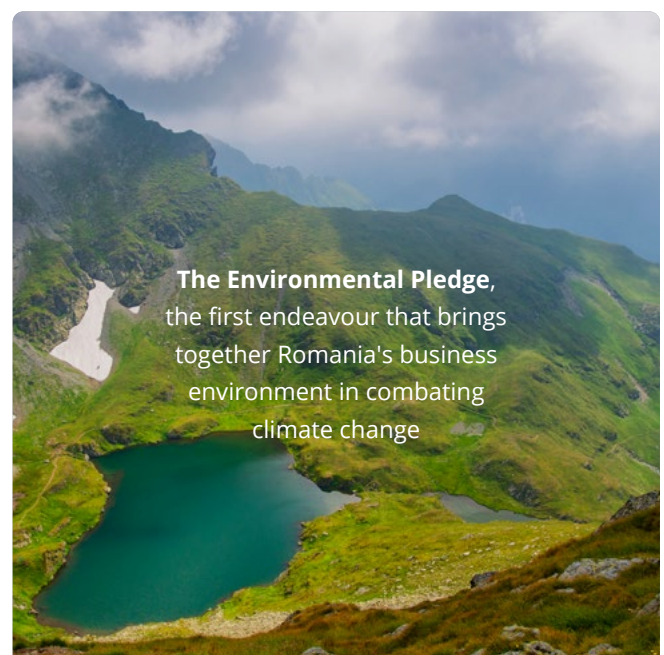


3,629 MWh of renewable energy supplied in 2021



777 tonnes of CO₂ avoided through carbon reduction plans

Direct emissions offsets: **5,454 tonnes of direct CO₂ emissions** offset through the only certified regional Gold Standard offsetting project



The Environmental Pledge, the first endeavour that brings together Romania's business environment in combating climate change

Summary and objectives

Achieving carbon neutrality is our responsibility towards the planet, the future generations and ourselves. The objectives we establish every year help us fulfil this commitment.

Objectives



10 hectares of forest planted near the new logistics' park in 2022



Strengthening the Environmental Pledge and attracting **new signatories**



Achieving carbon neutrality in our own operations and in the supply chain **over the next 10 years**

Romanian wildlife conservation and support for the creation of a National Park in the Făgăraș Mountains, together with Foundation Conservation Carpathia

The threat is real.

Global warming and its effects on the climate are a challenge that we all feel, cross-border and decarbonising the economy is the pledge that humanity needs now.



What is eMAG doing to address climate change?

Our efforts are guided by the goal of decarbonising economic activities, and the tools we developed to achieve this ambitious goal are an extension of our core principles: technology and entrepreneurship.

Our approach to tackling climate change is a broad one, based on best practices from the sectors in which group companies operate.

We understand that we need to act urgently, but action does not stop at our door, instead it needs to be passed on and continued beyond eMAG's operations: among our suppliers, partners, and even competitors. Global warming does not stop at country or continent borders, and it affects ecosystems and populations in all the planet's regions.

Therefore, the success of our business is closely linked to the ability to adapt to these global challenges and, moreover, to ensure that future generations have access to a life that is fair and in harmony with nature.

For this purpose, we will launch an unprecedented initiative in Romania: the Environmental Pledge, the first endeavour that brings together Romania's business environment towards undertaking a sustainable future.

As for our direct work, it was necessary to understand the real and quantified impact it has on the environment. We initiated an in-depth analysis of our business activities, measured energy consumption in all locations, and calculated our carbon footprint by applying the GHG Protocol methodology.

The second crucial step was to identify solutions whereby we can reduce environmental impact. The solutions we identified are varied and involve all the entities and departments of the eMAG Group, as well as of our partners.

The third step consists in offsetting carbon emissions that could not be avoided through certified and credible offsetting projects.

Our journey to carbon neutrality

Climate change is the greatest threat to the modern world.

The consequences of uncontrolled greenhouse gas emissions into the atmosphere over the past century are visible nowadays: rising temperatures, floods, drought and extreme weather events that threaten nature and man alike.

eMAG's carbon footprint:
Our goal for 2020 was to achieve carbon neutrality for our operations.
We elaborated the GHG Inventory, encompassing all emissions generated by the group's operations, representing eMAG Group's carbon footprint.

Afterwards, we started the offsetting process for the remaining carbon emissions through credible and internationally certified offsetting projects, in order to achieve carbon neutrality.





Case study

What is the carbon footprint and how is it calculated?

The carbon footprint represents the total carbon emissions generated by a company, an activity, or throughout a product's life cycle. More specifically, the carbon footprint includes direct and indirect carbon dioxide emissions.

Scope 1

Direct operational emissions

Direct emissions fall within scope 1 and are managed by the organization. This includes the burning of fuels in buildings, transport by vehicles owned by the reporting organization and refrigerant leaks (fugitive emissions).

Scope 2

Indirect operational emissions

Scope 2 includes all indirect carbon dioxide emissions from purchased electricity consumption, district heating/cooling, or steam.

Scope 3

Indirect emissions from the supply chain

Scope 3 includes carbon emissions created along the supply chain and over a product's life cycle.

Among other things, this area encompasses road transport for commuting employees, business trips, production of purchased materials and outsourced activities such as freight transport, as well as waste generated through our operations.

eMAG Group's carbon footprint

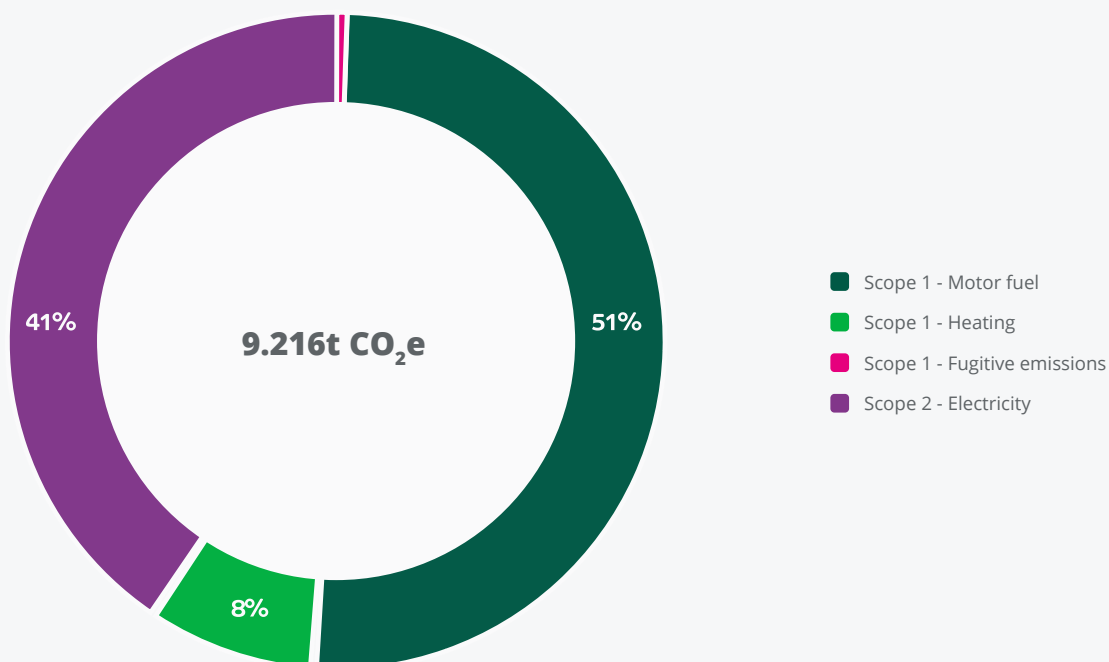
Scope 1 contains the fuel consumption of our fleet of vehicles, which amounted to 1,767,237 litres of petrol and diesel, translating into an energy consumption of 60,256 GJ. Also, natural gas consumption was of 13,922 GJ (equivalent to 3,914 MWh) for all locations in 2020.

Scope 2 encompasses the consumption of purchased electricity, which amounted to a total of 14,604 MWh in 2020. The electricity originating from renewable energy sources was of 3,629 MWh,

accounting for a 25% share of the total electricity supplied. The consumption of renewable energy is not included in the calculation of the carbon footprint, according to the market approach of the GHG Protocol³.

More details on eMAG Group's energy consumption are available [here](#).

Operational carbon footprint², year 2020



Evolution of the carbon footprint

In 2020, eMAG managed to reduce its carbon footprint by 777 tonnes of CO₂ or by 8.4% compared to 2019.

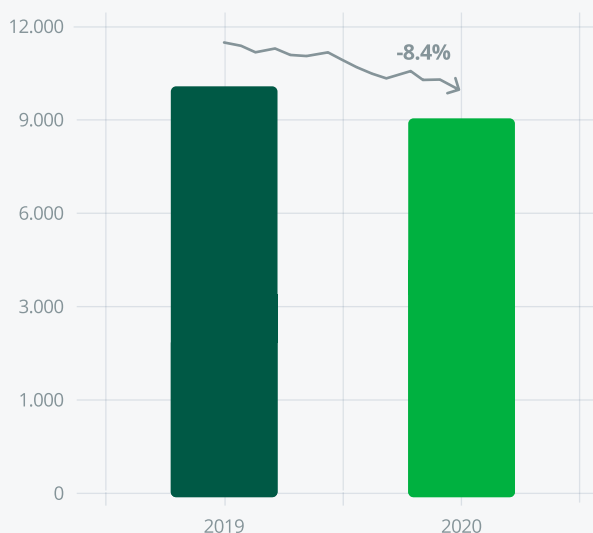
The reference year we use to measure progress in terms of carbon footprint reduction is 2019. In 2020, eMAG managed to reduce its carbon footprint by 777 tonnes of CO₂, or by 8.4% compared to the reference year.

Against a 48% growth in revenue compared to 2019, and implicitly a growth in operations, reducing the carbon footprint by more than 8% should be seen as a true feat.

We intend to continue our endeavour to disconnect economic growth from carbon emissions, considering it a key direction in rethinking our economic model.

Find out more about the measures that helped us reduce the carbon footprint of our operations [here](#).

Evolution of the operational carbon footprint [tonnes of CO₂ equivalent], in 2019 and 2020



Carbon intensity

Carbon intensity for 1 USD of eMAG Group's revenue was reduced to 4.2 grams of CO₂ in 2020.

What is carbon intensity and how does it help us better understand our carbon footprint?

The sector in which we operate is dynamic, going through a period of transition and continuous growth. As a result, the volume of economic activity can change significantly from one year to the next, and, at the same time, so can the level of carbon emissions generated as part of the operations. For this reason, we find it relevant to monitor both the level of total annual carbon emissions, indicated in the operational carbon footprint and carbon intensity, which allows us to understand the evolution of CO₂ emissions beyond the fluctuation of economic activities.

eMAG's carbon intensity

Carbon intensity can indicate carbon emissions per unit of measurement, either for 1 dollar of the revenue, or per kilometre of the total distance travelled, and it makes it possible to compare the evolution of the level of emissions both with previous years as well as with other market players. The carbon intensity indicator monitored by eMAG shows the relationship between the level of carbon emissions and revenue over a certain period of time.

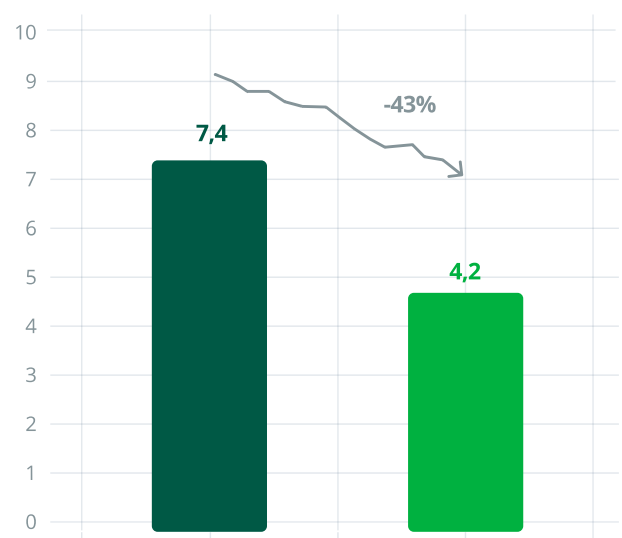
The exercise of calculating carbon intensity at the end of each year helps us monitor the progress made in decarbonising our operations.

Our calculation was based on the operational carbon footprint, as related to eMAG Group's revenue stated in dollars (USD) in 2020 and in the reference year 2019.

In 2019, the total revenue was 1,358 million USD, reaching a total of 2,199 million USD in 2020. Instead, the carbon footprint decreased from 9,993 t CO₂e in 2019 to 9,216 t CO₂e in 2020.

As a result, carbon intensity for 1 USD reached 4.2 grams of CO₂ in 2020, a reduction of 43% compared to the reference year 2019, when 1 USD of the Group's revenue was still generating 7.4 grams of CO₂.

Carbon intensity, 2019 și 2020
[g CO₂ equivalent per USD of eMAG Group revenue]



What is next?

Scope 3 inventory and comprehensive carbon footprint calculation

In order to acquire a complete understanding of our environmental impact, we started our laborious process of inventorying indirect emissions across our supply chain.

Next year, for the first time, we will measure the level of emissions generated by our suppliers from all the services we outsourced, by our employees on business trips, by employees on their way to work, by the products we sell over their life cycle and finally, the emissions generated from the disposal of such products.

The reference year for Scope 3 of the eMAG carbon footprint will be 2019. We chose this year because we want to get a real picture of the emissions generated before the COVID-19 pandemic, in a business-as-usual scenario.



Our partnership with **Foundation Conservation Carpathia**

The initial scope of Foundation Conservation Carpathia's (FCC) project was that of protecting alpine meadows and forests located east of Făgăraș Mountains. Starting 2012, the Foundation also began engaging actively in the restoration of degraded areas.

What is Foundation Conservation Carpathia and what does it do?

When it comes to the use of forests and forest lands, [Foundation Conservation Carpathia \(FCC\)](#) predicts a future paradigm shift. Instead of viewing forests solely as a source of wood, FCC advocates for the preservation of mountain forests as a means of protecting all Romanians against climate change. Given its natural capacity to sequester atmospheric carbon, forest preservation is an easy and viable measure to combat climate change. Moreover, it is an opportunity to develop a sustainable rural economy by virtue of environmentally friendly tourism.

Since 2009 and up until today, the project saved over 25,000 hectares of forest in the South-eastern Carpathians, where reforestation works also started and protective measures were established, all for the benefit of local communities.

The FCC project is one of a kind in Romania and it is one of the most important conservation initiatives in Europe.

What does eMAG's partnership with FCC involve?

Through its partnership with FCC, eMAG aims to contribute directly to wild flora and fauna conservation in Romania. The ambitious project gives us the opportunity to have a local impact and to engage in protecting the environment alongside a competent partner with extensive experience in this area.

In the long run and together with FCC, we intend to save the largest possible forest area in the Făgăraș Mountains and beyond.

Another important component of our partnership with FCC is offsetting the carbon emissions that could not be avoided as a result of our operational activities. In the upcoming years, we aim to offset as much carbon emissions as possible through forest conservation.

How do forests help combat climate change?

Forest conservation projects, ones which are part of the biological carbon sequestration projects typology, play an important part in combating global warming.

The forest is a natural carbon dioxide repository, and timber and soil are the main places for carbon sequestration over the long term. Deforestation and the use of wood as firewood have a harmful effect on the environment, releasing the stored carbon into the atmosphere. Therefore, forest conservation has a double beneficial effect on the environment through long-term carbon sequestration in timber and soil.

Our partnership with GreenTech

The Romanian company GreenTech is part of Green Group, the largest integrated waste recycling group in Central and Eastern Europe. Established in 2002 in Buzău, GreenTech led the way for recycling PET waste in Romania.

What does GreenTech do?

Carbon certificates through recycling

With an annual PET waste processing capacity of 150,000 tonnes, as well as plants in Romania, Slovakia and Lithuania, today GreenTech is one of the most important PET waste recyclers in Europe.

[GreenTech](#) is also a leading European manufacturer of PET (food-grade recycled pellets) and PET flakes (strapping product), as well as a recycled PET flakes supplier for the production of synthetic polyester fibre.

We partnered with Europe's first Gold Standard certified company for the issuance of carbon certificates from waste recycling.

GreenTech is the first company in Europe to obtain Verified Emission Reduction (VER) carbon certificates on the voluntary market resulting from waste recycling, having received the Gold Standard validation for the issuance of 453,000 such certificates, the equivalent of the emissions saved by recycling PET waste over a period of 10 years.

How does carbon offsetting work?

Carbon offsetting is a way to mitigate our environmental impact. It can be achieved by initiating or supporting sustainable projects aimed at reducing GHG emissions by neutralizing or capturing them.

CO₂ offsetting helps balance eMAG's carbon footprint. However, it remains an additional measure, as it cannot substitute our CO₂ reduction measures.

The offsetting takes place on voluntary carbon markets, where carbon credits are traded between polluters, i.e. carbon-emitting companies/individuals, and project developers who, by doing so, reduce CO₂ emissions on a global level. For instance, one of the largest carbon markets is the Gold Standard platform, and GreenTech is the first European developer to be certified on the platform.

We compensated 5,454 tonnes of carbon through the only Gold Standard-certified PET recycling offsetting project in Europe.

At the same time, we initiated a joint approach towards achieving the goals of Angajament pentru Mediu (Environmental Pledge), and we intend to create more directions for a sustainability partnership with GreenTech.

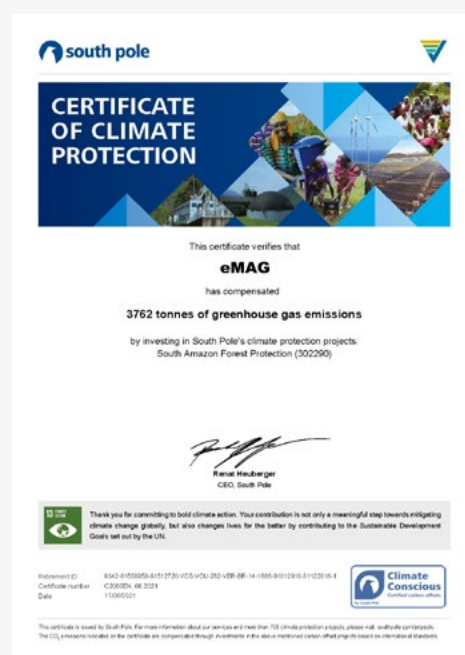
Operational carbon footprint offsetting

In 2020, we offsetted our operations' carbon footprint through the GreenTech-certified project.

Our partner GreenTech is the only project developer in the European Union who received a Gold Standard certification for the issuing of carbon certificates resulting from PET waste recycling. Their project is to reduce emissions by recycling PET and transforming waste into recycled, low carbon footprint products, applicable across a wide array of industries. At an early stage, we entered this partnership to reduce our carbon footprint. In 2020, eMAG managed to offset two thirds of the operational carbon footprint (5,454 tonnes of CO₂e) through the GreenTech project, the equivalent of scope 1.

Scope 2 indirect emissions (3,762 t CO₂e) were offsetted through a project that protects Amazonian forests from deforestation, and which is also Gold Standard-certified.

For 2020, we set ourselves to offset our entire operational footprint through projects with an impact on the region where we operate, and to enhance our partnerships to continue protecting the environment at an accelerated pace.



**We saved and
conserved
conservare
350 hectares
of wild
forests.**



Our contribution to biodiversity preservation

The impact of the DC2 logistics park on biodiversity

The new logistics park sought certification under BREEAM, which includes a biodiversity impact assessment for the upcoming building. The aim of this analysis is to ensure that biodiversity is maintained or even improved as a result of the project. In order to determine the situation for DC2, we commissioned an environmental report.

The report indicates that our project has a positive impact on the biodiversity of the area in focus.

According to the European and Romanian legislation in force, the species existing in the proximity of the logistics park are not subject to protection measures, as they are used to human presence. Therefore, the land on which we built DC2 has been classified as “land of low ecological value”, since the plant, fauna and insect species identified on site do not require protective measures.

Moreover, our project will improve existing biodiversity, as we set out to plant a forest near the new warehouse. The total land area is about 30 hectares wide, and the area we are going to reconcile is 10 hectares. We aim to complete the project in the spring of 2022 and plant with the help of our employers who volunteer to participate.

We chose different species to improve biodiversity, and, at the same time, ensure that we maintain an authentic mix of species in our climate zone. The species that we will plant are: oak, Turkey oak, ash tree, manna, and field maple.

How do we protect biodiversity in the Făgăraș Mountains, together with FCC?

At eMAG, we are glad to see that our actions have a real impact on improving Romania's wildlife situation.

We saved and conserved 350 hectares of wild forests.

We found a true pioneer in FCC, which helps our passion for nature become operational and turn it into concrete actions meant to change Romania's future for the better.

FCC's project towards establishing the Făgăraș Mountains National Park, aims to preserve biodiversity and even restore an ecosystem in danger of extinction, by reinstalling indigenous species in deforested areas and reintroducing and protecting species of fauna which suffered as a result of poaching and excessive hunting over the past 20 years. For this purpose, we took a first step and saved 350 hectares of wild forests, which we kept for conservation in the FCC forestry office.

Furthermore, FCC developed applicable solutions to mitigate conflicts between mankind and fauna, with a view to achieving long-term acceptance of wildlife by local communities.

More details on FCC projects can be found [here](#).

Chapter 4

eMAG

goes green

Our green operations

- ▶ Sustainable buildings - Our logistics' centres
- ▶ eMAG Green Delivery - Electrification of the delivery fleet
- ▶ Easybox - Sustainable last-mile delivery
- ▶ Combating pollution through environmentally friendly packaging
- ▶ Responsible services for consumers and the environment

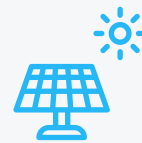
Summary and objectives

Achieving carbon neutrality is the primary goal anchored in our Sustainability Plan. This purpose is both ambitious and necessary. The plan includes emission reduction measures identified as the most effective and compatible for our business model.

Key figures



The DC1 și DC2 logistics centres are BREEAM-certified, **rated „excellent”**



The DC1 logistics centre is supplied with **green energy**, accounting for 25% of the total electricity purchased by the eMAG Group



Sameday established its Green delivery of **electric vehicles** for Bucharest and Ilfov



For online orders, we discontinued the use of on-paper invoices, consequently avoiding to generate **43 tonnes of carbon per year**

Thanks to the easybox service we reduced the **carbon footprint generated by orders' delivery by 15.8%**

Thanks to the digital contracts' signing, we avoided generating **3.7 tonnes of carbon in 2020**

Summary and objectives

The decarbonisation of operations is a long-term approach pursued by eMAG, for which we make substantial efforts. The Sustainability Plan provides a set of measures to reduce our carbon footprint and brings added value for a sustainable future of our business.

Objectives



Photovoltaic panels with a capacity of **1 MW** will supply the DC2 warehouse with green energy



Sameday will extend its Green Delivery fleet to **100 electric vehicles** by the end of 2022



We will build new logistics' centres in line with the BREEAM sustainable buildings' standard



We aimed to certify the easybox service as sustainable and we will extend the locker network to **2,500 units in Romania and Hungary**, and will launch the first lockers supplied with energy from renewable sources

Even though our operations grew in 2020, our carbon footprint decreased.

We are proud of this result, which confirms the effectiveness of the measures taken at eMAG's operational level. We will continue our endeavours in this regard, and we will also monitor our progress in the upcoming years, achieving a minimum level of carbon emissions.

Sustainable buildings

Our logistics centres

Reducing energy consumption in warehouses is one of the measures we identified as relevant for reducing the carbon footprint.

In this respect, improving energy efficiency is a key issue that we considered when building the new DC2 logistics centre.

For its design and construction, we researched and made use of the latest and most sustainable technologies available on the market. The building is currently under construction. The entire project will be BREEAM-certified, the international standard for sustainable buildings.

We are building the new logistics centre by applying sustainable, BREEAM-certified technologies.

How does BREEAM work?

BREEAM is a collection of standards aiming to attain a low environmental impact, as well as superior comfort conditions. The requirements of the BREEAM standard influence the project from as early as its design stage, until the time of execution.

At the design stage, we monitor how the requirements are applied and how studies and analyses are carried out to find the most appropriate method to implement these specific requirements. During the execution phase, the organization of the site is monitored to ensure safe and healthy working conditions for employees, as well as to reduce the environmental impact of construction works.

The materials and solutions used are also monitored on site, to ensure permanent compliance with the principles set at the design stage.

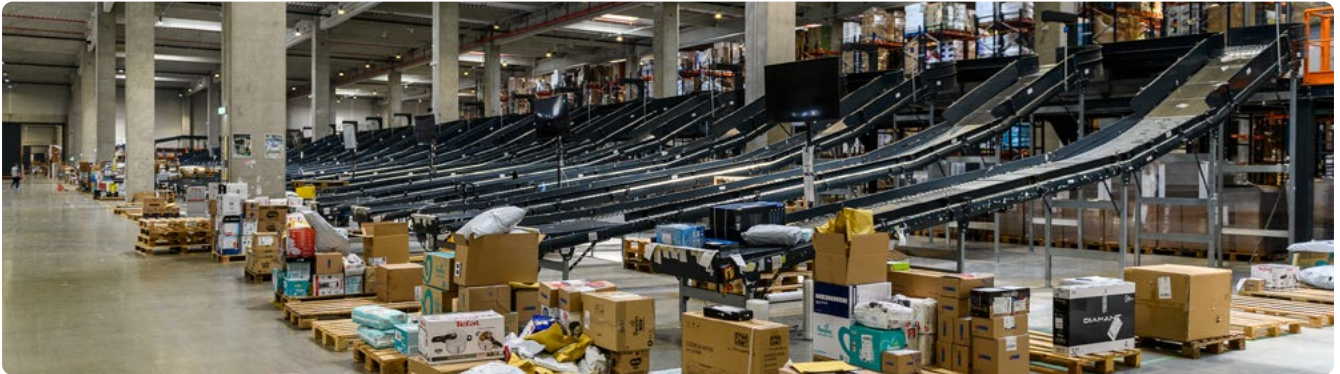
What score can the DC2 logistics centre obtain?

For the DC2 logistics centre, we obtained an interim BREEAM certificate covering the design and build stage, as well as the execution commitments. The score for the BREEAM Design Stage certificate is 71.50%, "excellent" rating.



The final certification of the DC2 logistics warehouse is currently in progress, and we aim to confirm the previously achieved performance for the construction phase as well.





What are the plans for certifying the existing warehouses?

For the existing warehouses, we are in the process of obtaining a certification specific for existing buildings, BREEAM In-Use.

We use V6, the latest version of the BREEAM In-Use standard, published in May 2020, aligned with the standard for the new buildings and including a number of requirements in addition to current European and global concerns: adaptation to climate change, resilience, carbon footprint, and circular economy.

For the DC1 logistics centre, we obtained the BREEAM certification for existing buildings, with the rating “excellent”.

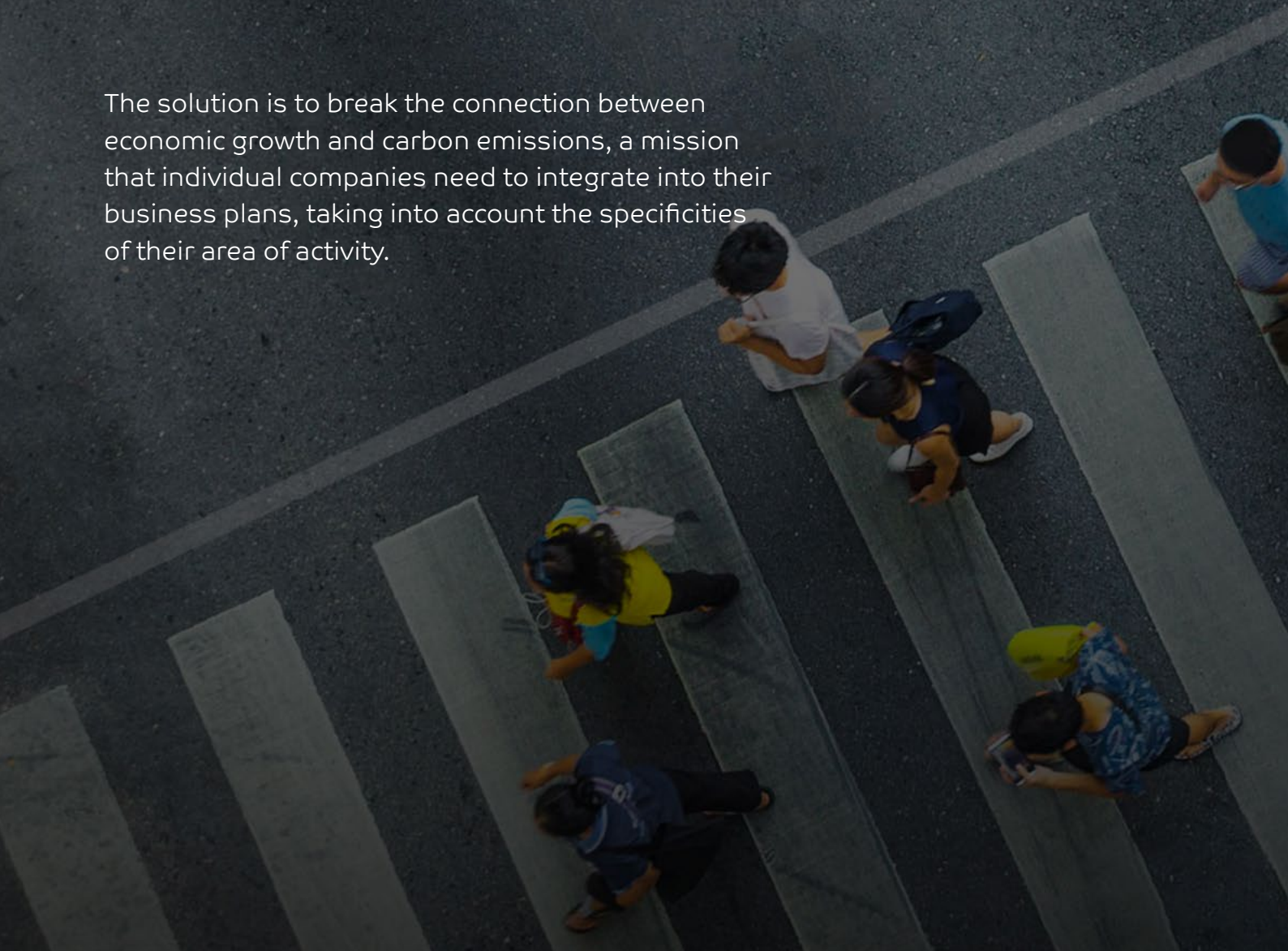
A BREEAM In-Use certification is a lengthy process. A buildings’ assessment is carried out at a first stage, followed by a series of recommendations.

Some recommendations can be implemented in the first evaluation cycle. The remaining recommendations will be analysed and will constitute a plan to improve the long-term sustainability of buildings.

The BREEAM In-Use certificate has a limited validity. The assessment is repeated after 3 years, thus undergoing a continuous improvement and monitoring process regarding buildings’ sustainability.

Decarbonising the economy by 2050 is a top priority for the European Union and reaching this objective requires a joint effort.

The solution is to break the connection between economic growth and carbon emissions, a mission that individual companies need to integrate into their business plans, taking into account the specificities of their area of activity.



Case study

On-site photovoltaic energy generation

Thanks to photovoltaic panels, we will avoid emissions of approximately 291 tonnes of CO₂ per year.

In preparation for the BREEAM certification process, a feasibility study was developed in order to identify the most appropriate technology for clean, low carbon or zero carbon energy supply.

The study analysed various technologies for electricity generation and/or supply: connection to the electricity grid, solar panels, photovoltaic panels, wind turbines, and cogeneration systems for electricity and heating.

The analysis showed that a system of photovoltaic panels is the most sustainable option for the DC2 logistics warehouse, the other solutions being impractical both in terms of financial investment and in terms of carbon avoidance potential.

Photovoltaic panels have a capacity of 1 MW and will supply clean electricity for the buildings. The expected consumption is of 1,216 MWh per year, which otherwise would have been supplied from the national grid.



The reference indicators analysed in this study were:

1. Energy generated per year
2. Avoided carbon dioxide emissions per year
3. Life cycle costs
4. Local planning criteria, including land use and noise
5. The feasibility of heat or electricity export - or both - from the system
6. Available funds/grants

Currently,
20.4% of GHG
emissions within
the European Union
originate from road
transport and
decarbonising
transport is one
of the European
Union's top
priorities.





eMAG Green Delivery

Electrification of the delivery fleet

We will expand the Green Delivery fleet to 100 electric vehicles by the end of 2022.

For road transport, reducing CO₂ emissions by 50% is the interim objective of the European Union by 2030. It is only through a joint effort on behalf of all the actors involved that we can achieve this ambitious and necessary objective.

Following an internal analysis, we included this objective and the related measures that will help us achieve the European targets in our sustainability plan.

The objective is to gradually renew the utility vehicles fleet by replacing traditional fuel-based cars with electric delivery cars.

In order to reach that target, we aim to expand the Green Delivery fleet to 100 electric vehicles by the end of 2022.

How does Green Delivery help reduce carbon emissions?

In January 2020, we launched the Green Delivery service, based on the delivery of parcels using 100% electric vehicles. In 2019, 19 Nissan E-NV200 utility vehicles, each of them with a capacity of over 200 parcels and an autonomy between 200 and 300 km, delivered parcels to Bucharest and Ilfov County.

Charging stations are powered with renewable energy, and, in the future, we also intend to expand eMAG Green Delivery to easybox deliveries.

How does Green Delivery help us reduce carbon emissions?

Carbon emissions generated from the combustion of used fuels are covered by scope 1. Consequently, traditional diesel or petrol vehicles owned by the organization are included in this category. Instead, electric vehicles do not generate emissions from fuel combustion and are therefore not included in the eMAG Group's scope 1.

The main sources of pollution of an electric vehicle lie in the manufacturing process, in the consumption of electricity over its life cycle and in its end-of-life disposal.

The three sources of pollution are included in the carbon footprint of the electric vehicle manufacturer.

The vehicle owner accounts for the carbon emissions generated by scope 2 electric vehicle charging, if the energy used is supplied by the national network. If energy from renewable sources is used for charging, the owner no longer accounts for it.



How did we reduce our carbon footprint through the Green Delivery fleet?

The electric utility vehicles used for the eMAG Green Delivery services are assigned for delivery in Bucharest and Ilfov.

Over the past year, they travelled 478,800 kilometres. If this distance had been covered using conventional fuel vehicles, 52,668 litres of diesel fuel would have been used.

52,668 litres of diesel fuel spared through Green Delivery

This way, Green Delivery helps reduce our fleet's carbon footprint.

More specifically, with Green Delivery we reduced our last-mile delivery carbon emissions by 6% in 2020 compared to the previous year. Hence, we avoided emissions of 142 tonnes of CO₂e.



How will the Green Delivery service help us reduce carbon emissions in the future?

For 2022, we set out to expand the Green Delivery fleet and reach a number of 100 cars. If we were to replace the conventional car fleet with 100 electric cars, we would achieve a 72% decrease in the emissions generated by last-mile delivery with our own cars, which translates into avoiding emissions of 1,647 tonnes of CO₂e.

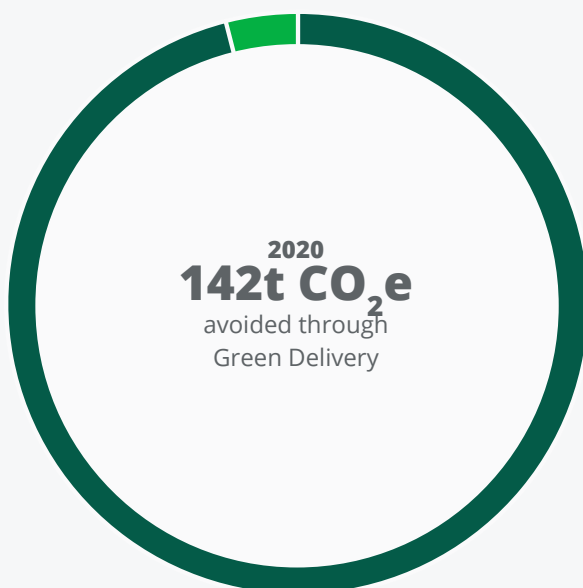
However, given that our economic activity has doubled this year, we consider expanding our fleet of electric utility vehicles and starting a phasing out process for traditional fuel-based cars.

This way, we ensure economic predictability and, at the same time, maintain our commitment to decarbonise transport.

However, given that our economic activity has doubled this year, we consider expanding our fleet of electric utility vehicles and starting a phasing out process for traditional fuel-based cars.

In order to meet the European objective of reducing CO₂ emissions by 50% in road transport by 2030, we will continue analysing the most efficient and sustainable technologies on the market. We will also investigate ways to reduce the level of carbon emissions generated by heavy-duty transport, so that we may adopt a leading role in this area, as well.

The level of carbon emissions avoided through Green Delivery in 2020 and the 2021 forecast



■ 96% - Conventional fleet
■ 4% - Green Delivery fleet



■ 75% - Conventional fleet
■ 25% - Green Delivery fleet

Easybox

Sustainable last-mile delivery

The highest CO₂ emissions in e-commerce are generated by last-mile delivery. For example, if we look at a product purchased online, the carbon footprint is generated mostly through last-mile delivery (42%), packaging (27%), and energy consumption in buildings (19%)⁵.

We analysed the most effective ways to reduce the emissions produced by last-mile delivery. Therefore, we implemented easybox, an efficient and sustainable delivery service. At the same time, it allows us to significantly reduce our last-mile delivery emissions.

How does easybox work?

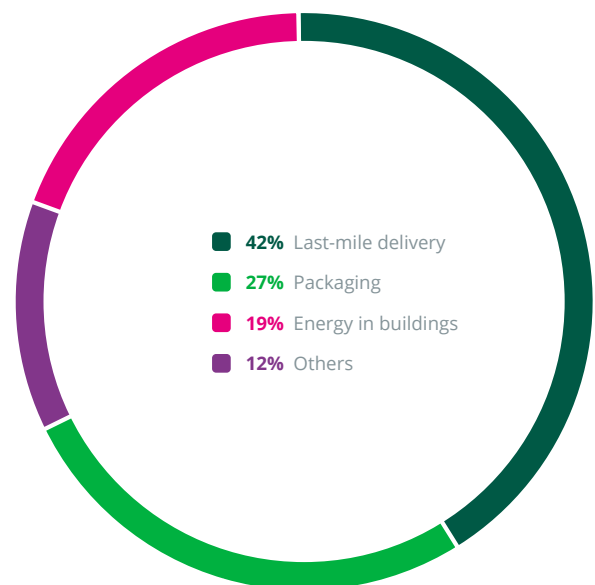
At the end of 2018, Sameday launched the easybox delivery service, a network of secure digital lockers which safely store parcels until they are collected by customers.

At the moment, the easybox network includes 2,386 units in Romania and Hungary and it will continue to grow, up to 2,500 units in 2022, helping reduce traffic in cities, while also reducing emissions generated by last-mile delivery. Using new technological developments, in 2020 we also introduced the product return function through the easybox network.

How did the number of orders delivered to easybox lockers evolve in 2020?

We saw an increase of around 300% in the orders delivered to easybox lockers in 2020, compared to the previous year, for products sold and delivered by eMAG and Fashion Days in Romania and Hungary.

Carbon footprint of an online order



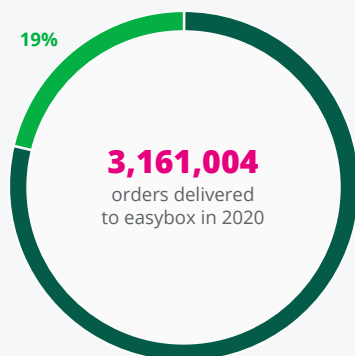
1 out of 5 parcels is delivered to an easybox locker

In 2020, deliveries to easybox lockers increased to 19% out of all orders sold by eMAG and Fashion Days, compared to 6% in the previous year.

How did the number of orders delivered to easybox evolve in 2020?

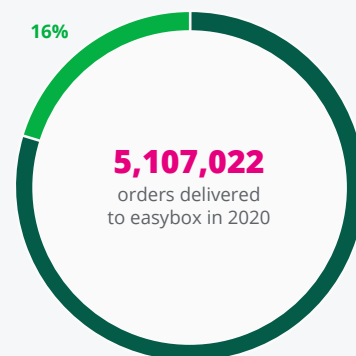
The adoption rate for using the easybox service also improved among our sellers. While in 2019, out of all orders sold by us and our partners in the marketplace, 5% were delivered to an easybox, in 2020 this percentage rose to 16%.

The evolution of products sold by **eMAG and Fashion Days** (Romania and Hungary) compared to standard delivery types



■ Other delivery types
■ Easybox delivery

The evolution of deliveries of products sold by **eMAG and Fashion Days through the Marketplace to easybox lockers** (Romania and Hungary) compared to standard delivery types



■ Other delivery types
■ Easybox delivery

How does easybox contribute to lowering carbon emissions?

By comparing easybox delivery with standard delivery services –courier, post office or showroom delivery, we see a gradual transition in favour of the easybox service in the past year when compared to previous years. This transition translates into a net decrease in carbon emissions generated by last-mile delivery.

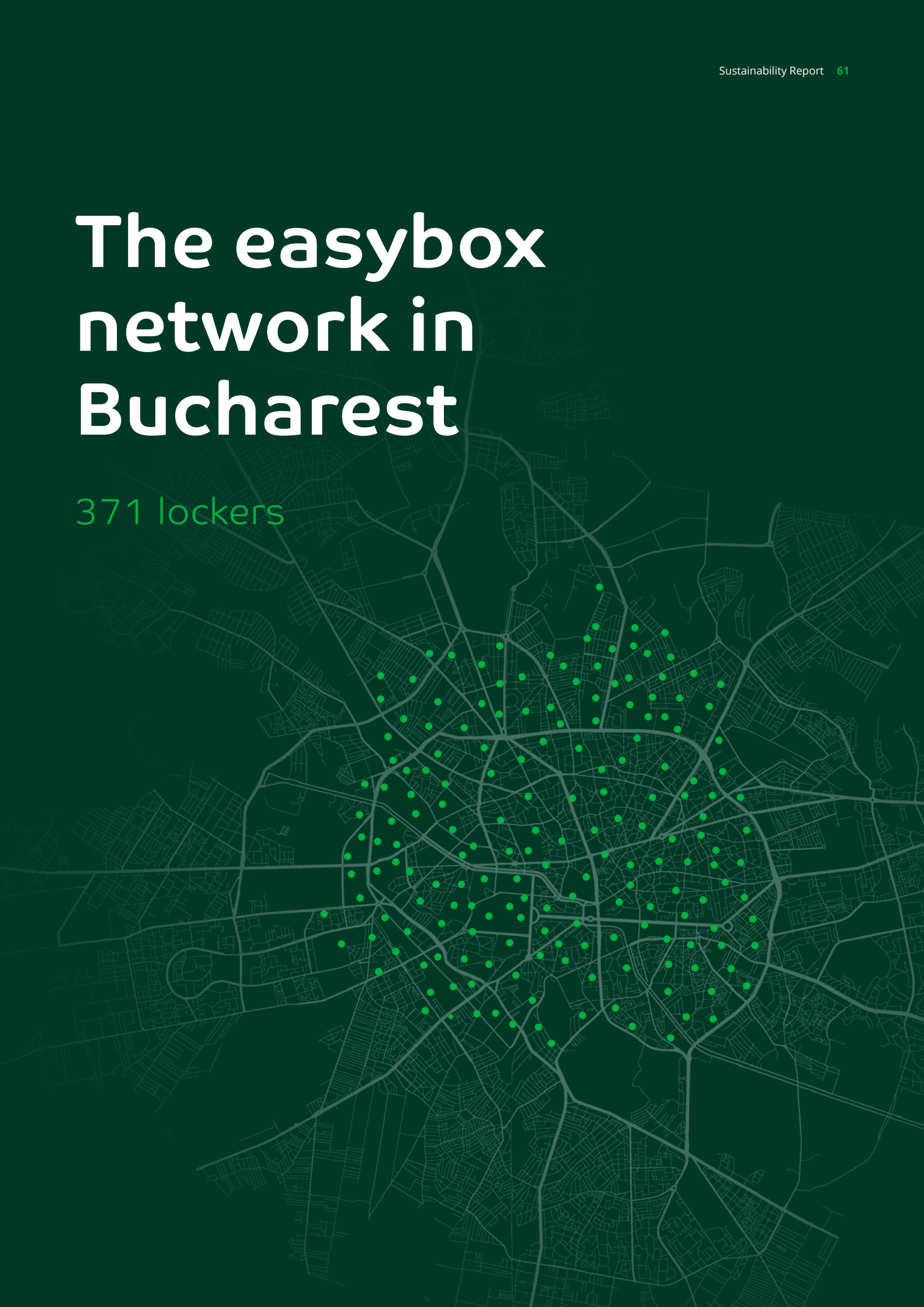
If we consider a standard delivery by courier, the parcel is delivered to the customer at the indicated address and this involves an average carbon footprint of 300 grams of CO₂, depending on the distance travelled from the warehouse to the customer's address, the load of the delivery vehicle and the number of attempts until the parcel is delivered.

Also, a delivery to the showroom or post office generates 3 to 6 times more carbon emissions than a delivery to easybox, because the customer must travel (generally by personal car) to collect the parcel. Instead, with easybox, we offer our customers a delivery solution which is both modern and environmentally friendly. On average, delivering a parcel to easybox only generates 14 grams of CO₂⁶.

The easybox network is increasingly dense in urban areas and customers have the possibility to walk to the nearest one to collect their parcel. At the moment, we reached a number of 371 active easybox lockers in Bucharest (not including Ilfov). In relation to a 228 km² city area, the density of the network is, on average, of one easybox for every 615 m².

The easybox network in Bucharest

371 lockers



Why is easybox a sustainable service?

Easybox is one of the most modern delivery solutions in the world, and it helps reduce carbon emissions due to the low number of trips a car has to take to finalize an order.

According to calculations, if a parcel delivered by courier produces 300 grams of CO₂, a parcel delivered via easybox will only generate 14 grams.

How did we reduce our carbon emissions using easybox lockers?

Thanks to the easybox service, we managed to reduce our scope 1 carbon footprint emissions by 15.8% in 2020.

The number of parcels delivered through easybox in 2020 was more than three times higher compared to the previous year.

Thanks to this increase, we managed to avoid emissions amounting to 612 tonnes of CO₂e, translating into a reduction in scope 1 emissions by 11.2%.

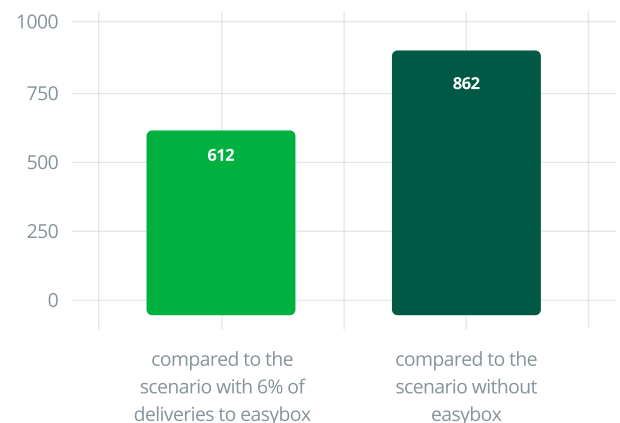
On the other hand, when comparing the current situation to a scenario where the easybox service does not exist, we discover that we actually avoided 862 tonnes of CO₂e, which means a 15.8% reduction in scope 1 emissions.

In the future, photovoltaic energy will help us further reduce carbon emissions generated by easybox.

We are currently conducting a study on the reduction of carbon emissions generated by the electricity consumed by the easybox network. In this respect, we developed a prototype powered by electricity from photovoltaic panels.

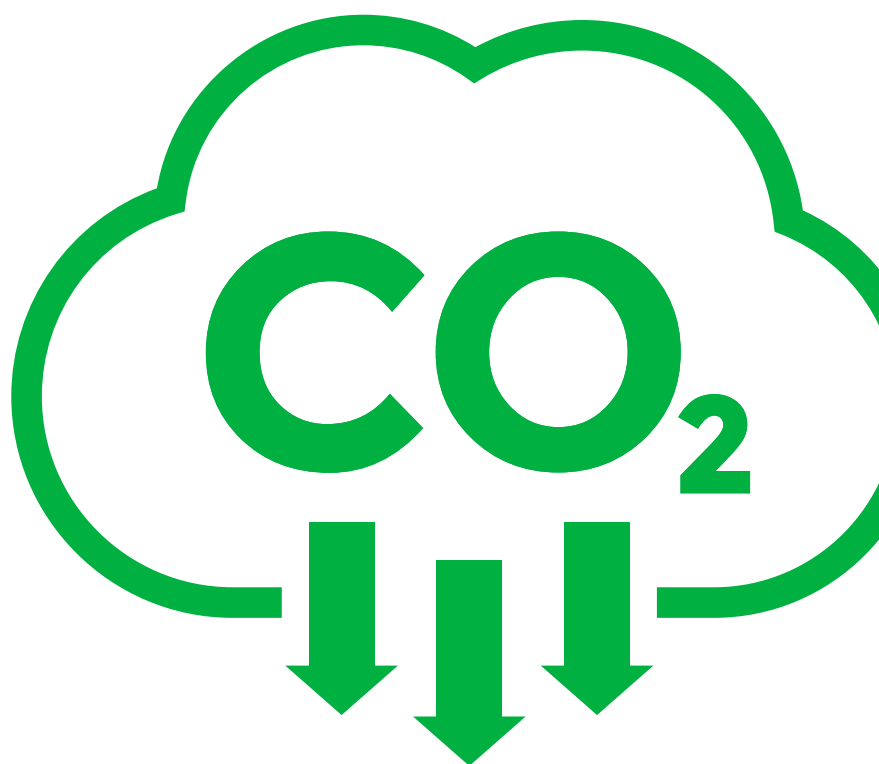
Using this technology on a large scale, we will significantly reduce the carbon footprint of the easybox network. We will detail the technical specifications, as well as the level of the avoided carbon emissions, in our next sustainability report.

Emissions avoided⁷ due to the easybox service in 2020 [tCO₂e]



Direct carbon emissions decreased by 15,8 % due to the easybox service

Thanks to easybox, we avoided 862 tonnes of CO₂



Recycled and recyclable

Combating pollution through environmentally friendlier packaging

Emissions generated by packaging contribute an average of 27% to the carbon footprint of an online purchase

To reduce the environmental impact of our packaging, we established a set of measures in our sustainability plan.

For the products we sell and deliver, as well as the products that our marketplace partners sell and we subsequently deliver, we implemented clear internal procedures and rules which are constantly improved and developed, in order to protect the environment and reduce pollution. We are actively concerned with matching the delivered products to the size of the delivery packaging, as well as with reducing the packaging volume.

Measures for a more efficient packaging process

Very small products are packed in bubble wrap envelopes, and larger products or multiple products from the same order are placed in boxes with bubble wrap or paper, optimizing the packaging procedure and shape.

We also possess delivery boxes in different sizes, chosen in order to cover the entire product range, while allowing the simultaneous shipment of several products.

When packing the products, it is mandatory that the employee in charge consults a programme which indicates what packaging and type of box should

be used for the specific parcel, preventing the production of large quantities of packaging waste.

The plastic bags and cardboard boxes we use in the process are made entirely of recycled and 100% recyclable materials.



Boxes of individual dimensions for **the lowest possible** packaging quantity



We use packaging made of **recycled and 100% recyclable materials**

Order consolidation

Orders are subject to a consolidation process, so that products from the same order, having to reach the same recipient, are delivered in a single parcel, thereby reducing the packaging waste generated. We do our best to consolidate orders, but there are situations where it is not possible.

These situations are:

- When ordering products from different categories, which cannot be delivered in a single parcel (for instance, food products ordered with non-food products, such as detergents, cannot be delivered in the same parcel without affecting their safety);
- When ordering products located in different warehouses.

We will continue to analyse the most advanced and sustainable package-reducing solutions available on the market. Moreover, we take into account further involving our customers, with a view to accurately informing them regarding the selective collection of plastic and cardboard packaging.



The consolidation process helps us reduce packaging waste



Responsible services for consumers and the environment

We support technology and digitisation. We digitised bureaucratic processes both internally and in relation to our customers and partners, which incurred a great benefit for the environment: reducing paper consumption.

Electronic invoices

At eMAG, we implemented the electronic invoicing process. All invoices for the products we sell are now issued electronically.

Electronic invoices can be found in the customer account, next to the billing and delivery information for that specific order. Thanks to electronic invoicing, we avoided generating 43 tonnes of CO₂ over the past year.

43 tonnes
of CO₂ avoided
through
electronic
invoicing



Electronic signature

We implemented a solution that allows for documents to be signed electronically. The solution is made available to partners free of charge, so that all documents can be signed electronically. We therefore avoid printing contracts and sending them by courier, to be hand-signed.

Thanks to this solution, we avoided 3.8 tonnes of CO₂ in 2020. Furthermore, we spared 1,393 kilograms of wood and 259 kilograms of waste.

Electronic signature and its environmental impact



5,190
electronic files



3,7 t
avoided carbon



1,4 t
saved wood



259 kg
avoided waste

Return with a low environmental impact

The return process is now fully automated and is carried out electronically. We discontinued the use of printed labels and forms, and all information is provided by filling in an electronic form in the customer account.

How do returns to eMAG work?

Occasionally, after receiving the parcel from the courier or collecting it from either the showroom, post office or easybox, the customer decides to return the product. Product reversal and value refund to the customer is performed after the products undergo a technical check in the AfterSales warehouse (AFS) and the return sheet is closed. For certain categories of customers, proven to make responsible returns, who saved their bank card in their eMAG account and choose to return the product at an easybox, the money is refunded automatically on the credit/debit card, within 30 minutes after loading the package into the locker.

Return rate

In 2020, the return rate decreased to 7.65%, from 8.17% the previous year. For us, fewer returned products equate to more satisfied customers, but also a lower environmental impact. Each returned product needs to take at least one additional trip: from the customer back to our warehouse.

Returns through easybox

In addition to our efforts to help customers make information-based purchasing decisions, we implemented another mechanism that will help reduce carbon emissions incurred by returned products: returns through easybox.

We introduced this procedure last year and, from the very beginning, we noted the customers' interest in returns through easybox: the share of easybox returns reached 6%.



Electronic warranties

Since the introduction of warranties in electronic format, we avoided the production of 1.7 t CO₂ over the past two years.

We digitised not only the invoices and the return forms, but also the warranties for a large number of products, mostly electronics and household appliances.

Electronic warranties and their environmental impact



333,576 warranties
issued electronically



1,7 t
avoided carbon



640 kg
saved wood



119 kg
avoided waste

Chapter 5

Towards a more responsible consumption

Sustainable products and services promoted by eMAG

- ▶ Circular economy and the European Framework
- ▶ Our circular services
- ▶ Sustainable procurement in eMAG's supply chain
- ▶ Case studies: Fashion Days and Tazz by eMAG

Summary and objectives

At eMAG, we are committed to promoting and encouraging the circular economy. We want to promote the importance of extending our products' and our partners' life cycles.

Key figures



Sales in the resealed category have increased **26%** over the past year



We have added **6,557 unique products** which meet sustainability criteria on the fashiondays.ro platform



We launched **Taraba digitală (Digital Stall)**, on the Tazz by eMAG platform, where customers can order fresh fruit and vegetables directly from small producers



We are in the process of implementing a system for the regular monitoring and evaluation of suppliers **based on ESG⁹ criteria**

Summary and objectives

We believe that by extending our programmes we can provide our customers with enough information and alternatives, in order to encourage informed decisions and responsible consumption. We are constantly working, both internally and externally, to build sustainable principles with our partners, subcontractors, and customers.

Objectives



Promoting our partners' sustainable products and new opportunities to encourage **local production**



Informing our customers about **the correct collection and recycling** of delivery boxes and packaging



Expanding the Buy-back programme and **integrating the new circular services** into our offer



Improving sales **in the resealed product category**



What is a circular economy?

Fundamental to the circular economy is raw material, which, after each use, re-enters the production cycle.

The principal tools of the circular economy are refurbishment, recycling and reuse, through which a product's lifespan can be extended.

If the particular product is at the end of its life cycle, parts of it can be recycled and reused, or it can be used to obtain the necessary raw materials to make a new quality product. More specifically, the circular model encourages resource efficiency, by reintroducing them into the production cycle.

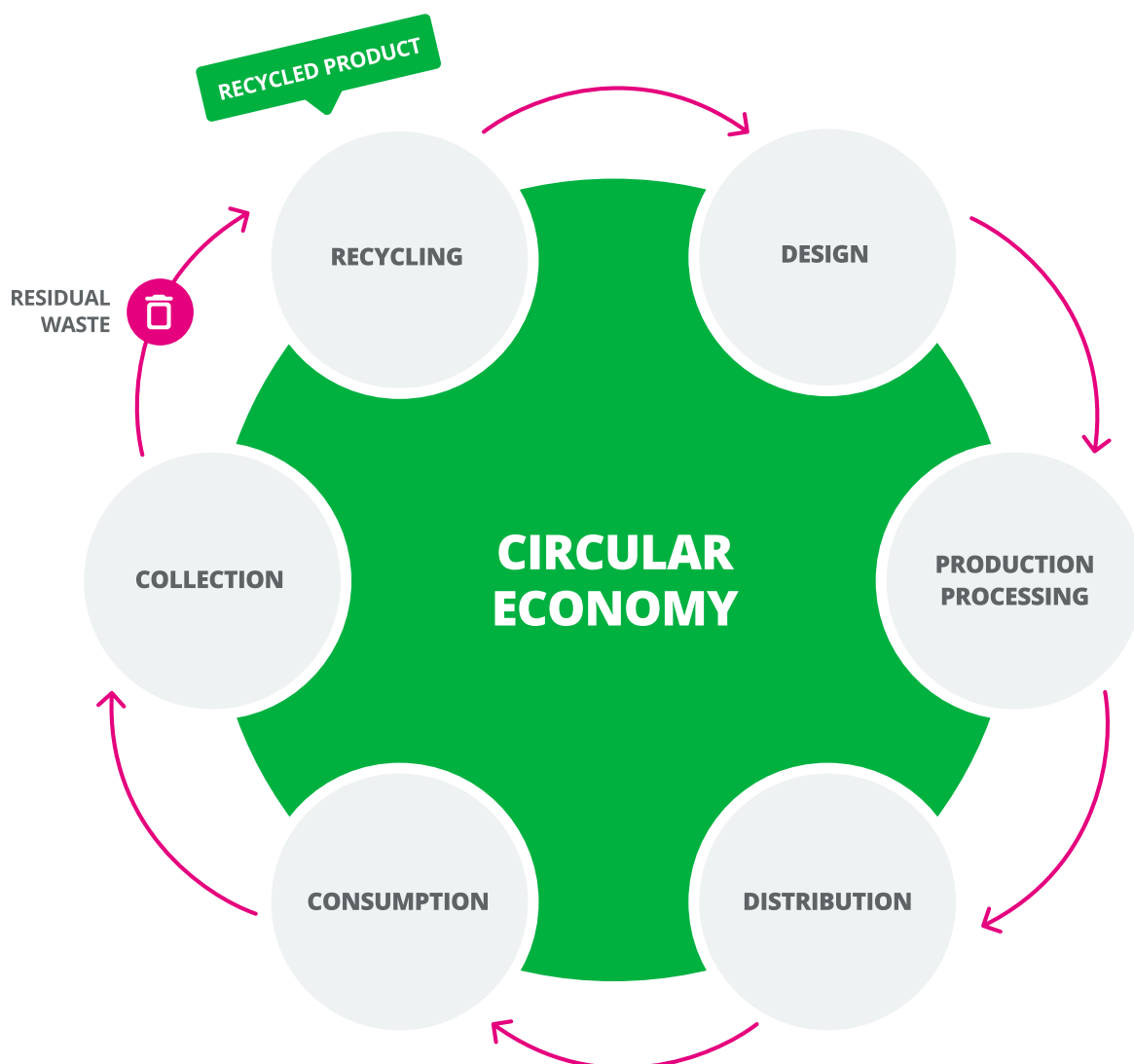
Currently, the perspective on production and use of products is rather linear, as they are inappropriately replaced or disposed of, oftentimes in a good operating condition. The direct consequence of this practice is the inefficient use of raw materials, consequently wearing them out. Moreover, waste accumulation, as well as the efforts to eliminate it are associated with significant costs, both financial and social.

Instead, in a circular economy, products are designed in a sustainable manner, as raw materials for production originate from a previous life cycle.

Moreover, through a variety of services, such as reuse, refurbishment, repair, and recycling, raw materials will keep their initial value and their disposal can no longer be an option, as it would translate into an economic loss.

Fundamental principles of circular economy

Circular economy is a production and consumption model involving sharing, reuse, repair, refurbishment and recycling of the existing materials and products to the greatest extent possible.



Status quo

The European review

Since 2004, in the European Union, the total amount of waste generated by economic activities has been around 2.2 billion tonnes per year, the peak of over 2.3 billion tonnes being reached in 2018.

As a benchmark, this equates to an yearly average production of half a tonne of waste per European citizen.

The European Commission estimates that the world population will grow to 8.5 billion people in 2030 and 9.7 billion in 2050, given the fact that in 2021 the global population reached 7.8 billion. It is also estimated that, every two decades, the global GDP will double - with significant revenue growth indicated per capita, stimulated by the proportional growth in terms of demand and consumption. Such dynamics also entail a double use of natural resources inevitably resulting in unsustainable pressure on the environment (climate change, pollution).

Without a significant paradigm shift, global consumption needs would require the resources of 3 planets Earth by 2050. By then, the estimations show that the waste generated yearly will grow by 70%. Therefore, at the current rate, plastic materials will reach a point where they represent 15% of the global carbon footprint and 20% of the oil consumption¹⁰ over the next 30 years.

Statistics highlight the need for change and confirm the fact that the current system no longer works.



70% more waste produced globally



3 planets Earth needed to ensure resources in 2050



8.5 billion people by 2030
9.7 billion people by 2050

A new life for our products

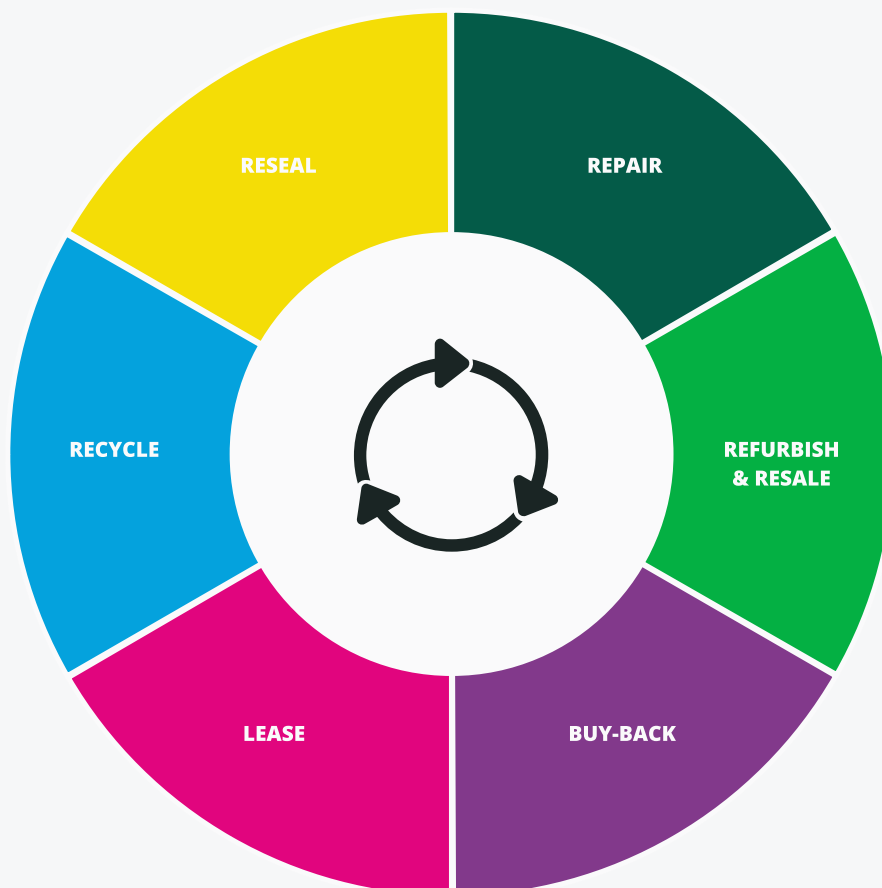
Circular economy in the eMAG business model

WE PROMOTE RESEALED PRODUCTS

We extend the life cycle of returned products by reselling them at a lower price

THE DEPANERO REPAIR SERVICE

We introduce the Depanero repair service for products purchased through eMAG



WE HANDLE AN ENVIRONMENTALLY-FRIENDLY RECYCLING PROCESS

As part of the Buy-back programmes, eMAG handles the appropriate recycling of the products recovered from customers

WE PROMOTE REFURBISHMENT SERVICES

We invest in developing reconditioning services for electronic devices

WE DEVELOP A LEASE SERVICE

We work on developing a lease service for electronics

WE CONDUCT ONLINE BUY-BACK CAMPAIGNS

Upon placing an order on the platform, the customer can check the Buy-Back option. At the time the new product is delivered, the courier also picks up the old household appliances

Our circular services

We want to contribute to the creation of a more sustainable future, and change must also take place in the markets where we operate, by encouraging the circular economy model.

The first step towards circular economy was the resealed products section, used by eMAG for more than 10 years. It helped us increase the life cycle of products, which re-enter the user circuit at a lower price. By giving value to resealed products, eMAG helps reduce the quantity of generated waste. Also, to support this strategic direction, eMAG participates in the government's household appliances scrappage scheme, which provides incentives for the purchase of energy-efficient products.

Online buy-back

Beyond the obligation to collect household appliances as part of the scrappage scheme, upon customer request, we developed our own buy-back programme through which we offer gift cards worth RON 150. Those cards can be used to purchase new household appliances in exchange for old ones.

This way, when placing an order on the website, the customer can check the "buy-back" option, and upon receipt of the new product, they hand over the old product to the courier. Later, the collected waste is handed over to our recycling partners. This ensures that electronics are recycled instead of being landfilled.

We initiated an informative campaign in this regard, in order to familiarize consumers with the buy-back programme and its benefits.

Offline buy-back

We also run buy-back programmes in showrooms, focusing on programme mobile phones. Customers can hand in an old phone which is assessed, and in exchange they are offered an amount which is deducted from the value of the new phone they purchase. Afterwards, used phones are sold to a third party. In the past two years we purchased 1,120 old mobile phones from customers.

The Government's household appliances scrappage scheme

The RABLA programme is financed by the Romanian state to boost recycling of used electrical appliances. Voucher usage is subject to the delivery of a waste item, and the value of the voucher depends on the type of product to be purchased (RON 200-400).

Sales of resealed items increased by 26% over the past year

eMAG's customers started to increasingly appreciate the resealed products category, being aware that they can receive a functional product, lacking aesthetic issues, or having minor wear and tear caused by previous opening of the packaging.

Case study

The Depanero repair service

In 2020, 227,938 products were recovered through the Depanero repair service. Depanero provides electronic and household appliances repair and diagnostic services, assembly and installation of various pieces of equipment, such as air conditioning equipment, stoves, ovens, clothes driers or washing machines.

Number of repairs performed in 2020



Romania
205,311



Bulgaria
14,184



Hungary
8,443



Sustainable procurement

eMAG's Supply Chain

Through a dedicated evaluation system, we will create a more sustainable supply chain in the future.

At eMAG, we are motivated to improve our performance in the area of sustainability and the sustainability plan is our primary tool for monitoring, measuring and implementing the most effective measures that will help us reach our goal to become a sustainable organization.

However, the road ahead is long, and we cannot travel alone. The success of our business, particularly performance in the field of sustainability, also depends on how our partners conduct their own businesses. Interconnections in supply chains are varied and complex. The actual field in which we operate is a very good example of the interconnection level between companies, business sectors, and entire economies.

The products we offer on our platforms are often manufactured by other Romanian or foreign entities. Manufacturers, in turn, have a wide network of suppliers, customers and intermediaries. However, as retailers, we are the link between end consumer and manufacturer. Therefore, for us, a commitment to becoming a sustainable company also represents a commitment to becoming a member of a sustainable ecosystem. Consequently, in order to create a sustainable ecosystem, knowing your business partners very well is a must.

For this purpose, we started a comprehensive analysis and design process, which will result in an advanced system for assessing our suppliers. The system will be both holistic and personalized. Depending on the types of commercial contracts we have with our partners, there will also be different rating streams, and the system will allow us to evaluate comprehensive sets of criteria.



The sets will include criteria in various areas, such as compliance, legislation, finance and ESG⁸.

We carried out a comprehensive analysis of interdependent criteria for the ESG sets and identified the most effective procedures for different groups of commercial contracts. Among other things, the system will measure the suppliers' environmental performance in terms of consumption of energy, water and other natural resources.

It also includes criteria which ensure fair working conditions, such as payment of decent wages, respect for employees' rights, prohibition and prevention of forced labour and child labour, as well as governance criteria, namely provisions for ethical business conduct, anti-corruption and integration of similar standards (ESG) in own procurement processes.

We aim to launch the system in the upcoming year, and we are convinced that, through this endeavour, we will be able to help create a more sustainable business environment in Romania.



Case study

Sustainable products on the Fashion Days platform

On the fashiondays.ro platform, we already sell 6,557 products that meet the sustainability criteria, as certified by the documentation received from suppliers.

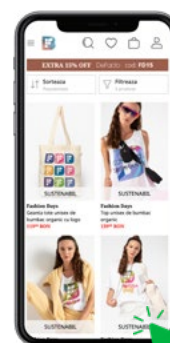
Sustainable products can be more easily identified on the website, thanks to a special label associated with them. We will also introduce a dedicated filter, so that our customers can easily find sustainable products from any category. These products can be viewed in the dedicated section:



Among the projects conducted in the field of sustainability, we mention the launching of a mini-collection of clothing and accessories made entirely of organic cotton, with the following certifications:

- STANDARD 100 by OEKO-TEX
- Fair wear
- Global Organic Textil Standards GOTS
- PETA

To learn more about Fashion Days' sustainability projects, click below.



Case study

Support for agricultural producers through Tazz by eMAG

Tazz by eMAG supports local producers through Taraba Digitală (Digital Stall), a category recently introduced into the platform, quickly delivering fresh fruits and vegetables directly from small market producers, as a result of a partnership with eAgricultor.

35 local producers are registered so far, and consumers have a choice of 26 vegetables, including Romanian tomatoes, fat Romanian tomatoes, cucumbers, green and red bell peppers, Kapia peppers, courgettes, eggplants, potatoes, hot peppers, leek, carrots, spinach, kohlrabi, garlic, lovage, orach, and dock, but also nine types of fruit, including golden apples, red grapes, raspberries, strawberries, apricots, cherries, and quinces.

The products originate from all regions of the country, depending on the specific soil and climate. For example, in high season, grapes are purchased from producers from Moldova or the surrounding area, tomatoes originate from Băleni Sârbi, Dâmbovița county, peppers from the Oltenia area, and potatoes from Lungulețu, Dâmbovița county.

The project was initially implemented in Bucharest and is to be extended to all cities in the country where Tazz by eMAG is present. At the same time, the partnership with eAgricultor aims to accelerate the number of producers involved in the project to support #localtaste and local harvest.



35 small local producers
sell through Tazz by
eMAG



26 vegetable varieties
and 9 fruit varieties are
available

Chapter 6

eMAG's impact on the regional economy

- ▶ Our impact on the Romanian economy
- ▶ Our impact on the Romanian labour market
- ▶ Our impact on the Romanian entrepreneurial environment
- ▶ Our impact on the Central and Eastern European region

Summary

Through our economic activities in 2020, we contributed to the development of Romania's GDP by 0.5%, created and sustained 52,871 jobs, offered development opportunities for our partners and kept expanding our services in the region.

Key figures



Every workplace created and supported at eMAG generates **7 other workplaces** in Romania's economy



The number of Romanian retailers present on the Marketplace platforms in Romania, Hungary, and Bulgaria reached **29,958**.



Through eMAG Ventures we provide entrepreneurs **with an investment fund of 10 million euro**



1,196,721 Romanian products listed through Deschide România programme

Our impact on the Romanian economy

We are a Romanian e-commerce company, with a significant contribution to strengthening this sector, and an important impact on the national economy.

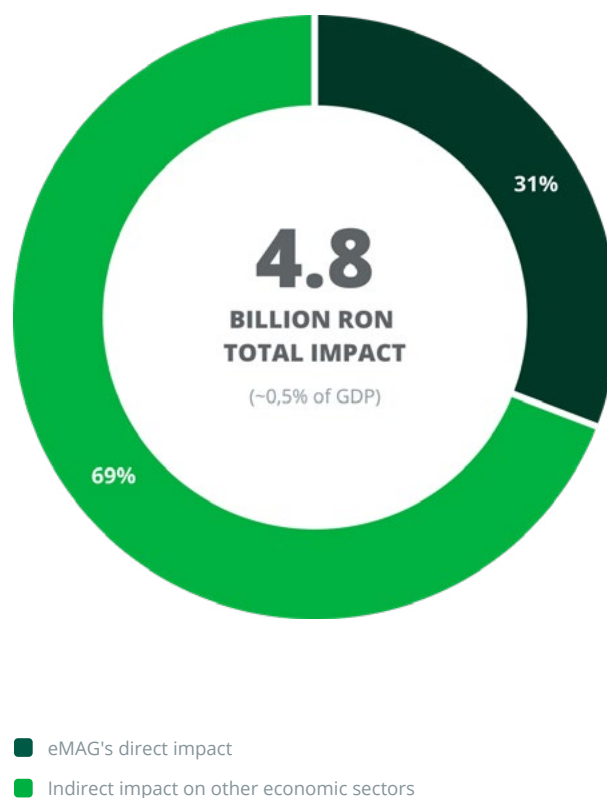
Added value in economic sectors

According to the results of a research study carried out by Roland Berger for eMAG in 2020¹¹, our operations generated a gross added value of RON 4.8 billion in the national economy, which is roughly the equivalent to 0.5% of Romania's GDP.

In 2020, approximately one third of eMAG's total contribution to Romania's GDP was generated by its own operations.

The research took into account eMAG's own activities carried out in Romania (direct impact) and the effects generated in the supply chain, resulting from the interactions with local collaborators¹².

eMAG's activity in Romania generates added value not only in commerce (the field where we carry out our main activity and where we have the greatest impact), but also in the area of services, especially in the field of post and courier services.



Our impact on the Romanian labour market

Every workplace created and supported at eMAG generates, in its turn, 7 other workplaces for the remaining Romanian economy.

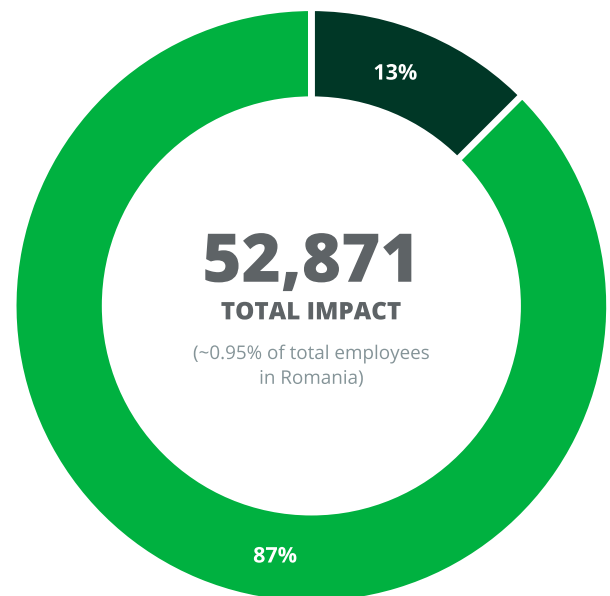
In 2020, eMAG created and supported 52,871 jobs in Romania, thus contributing to the country's development.

We rely on technology, and this entails high economic efficiency and substantial input to the country's development, significantly contributing to economic growth and job creation.

In 2020, through its activity, eMAG supported 52,871 jobs in the Romanian economy, representing 0.95% of the total labour force in Romania¹³.

This means that, in 2020, a job created by eMAG generated 7 additional jobs in the economy. Our operations have a multiplier effect, generated throughout the supply chain of our Romanian collaborators.

The sectors where eMAG has the highest impact in terms of workforce are the wholesale and retail sector, postal and courier services, but also the IT sector.



■ eMAG's impact
■ Indirect impact on other economic sectors

Our impact on the Romanian entrepreneurial environment

eMAG accelerates the digitization of Romanian companies, develops online entrepreneurship, and supports companies' migration towards the digital economy.

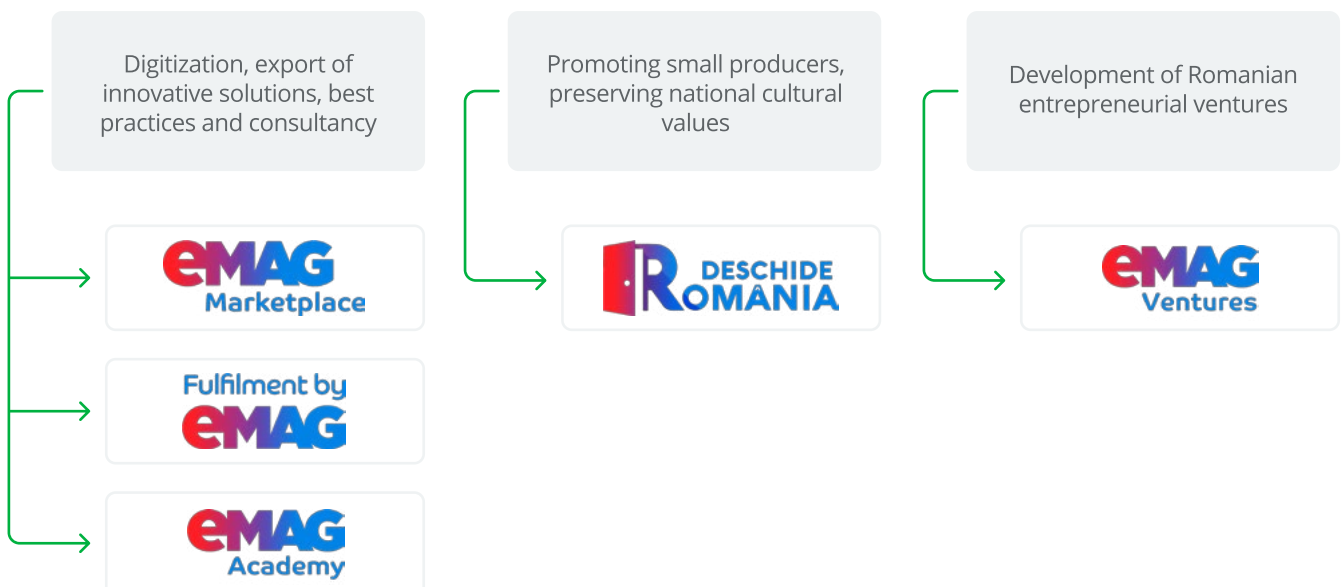
We strongly believe that, through collaboration and cooperation with our partners, we can contribute to the sustainable development of the Romanian economy. We are also aware of the versatility of the sustainability concept, and our actions and programmes aim to provide our partners with the mechanisms, tools and advice needed to build their individual path to success. We support transparent and effective communication and we believe in development based on informed decisions.

Globally, the economic reality was redefined by the events in the recent years. The context outlined by the pandemic played a catalytic role in defining the digital economy as a fully-fledged economic

dimension. Moreover, social restrictions highlighted both the importance of e-commerce and the role of the internet and technology in facilitating interaction between professionals and consumers.

With a 20-year activity in Romanian e-commerce, we have a responsibility to give back to the society in which we developed. As a result, our programmes support the development of local businesses through the export of information, best practices and technology, as well as through investments.

Our programmes follow three strategic directions:



Digitization and innovative solutions

We are one of the best-known brands in Romania and we have a responsibility to give back to the society in which we developed.

We undertook the role of a promoter of the e-commerce sector in Romania from the very beginning. Our vision was to create a business model that serves both customers and other businesses in Romania. While customers can save time and money by buying online, other businesses have the possibility to sell products and services anywhere in the country and beyond, via the eMAG Marketplace platform.

eMAG Marketplace, Fulfilment by eMAG, and eMAG Academy

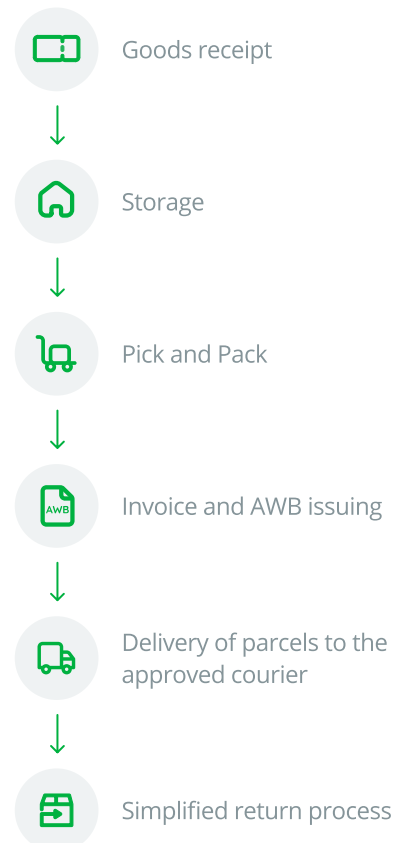
Launched in 2011, eMAG Marketplace became the most relevant online sales platform in Romania, providing retailers with the opportunity to present their product offers to a strong customer base.

The platform is an additional sales channel for businesses that want to expand online. It was optimized in order to allow retailers with a pre-established online presence to synchronize their own store with the platform, regulating the commercial flow. Furthermore, the presence and activity of eMAG Marketplace is not dependent on technical knowledge. Anyone can do it. Our partners have access to a variety of live tools to monitor and analyse the progress of their activity and performance in real time, as well as customised recommendations, alerts, and messages to notify them if action is needed on their part.

Because eMAG pledged to help partner companies overcome the barriers they encounter in the development process, in 2021 we launched the Fulfilment by eMAG (FBE) programme.

The programme relieves entrepreneurs of the worries associated with logistics processes: from goods handling, storage, order receipt, delivery-to-return and after-sales services. This way, entrepreneurs can focus on their own business growth.

Fulfilment by eMAG



eMAG Marketplace

Growth, year after year

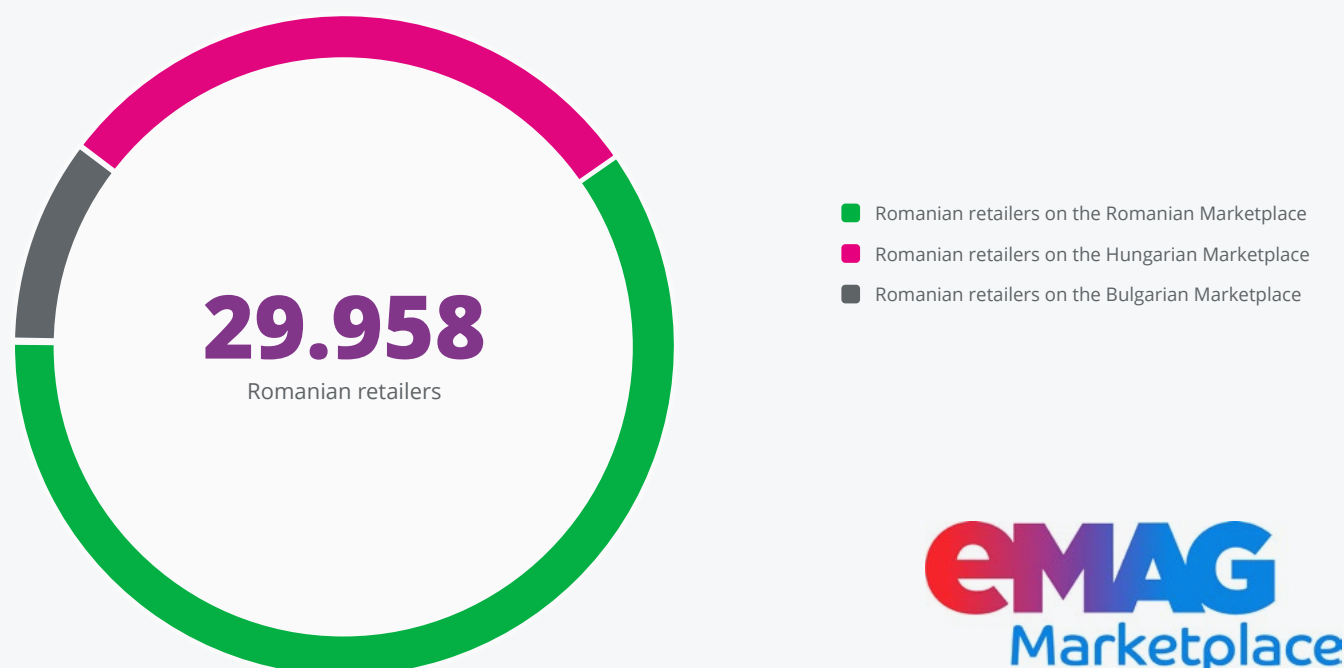
The companies registered on the eMAG Marketplace platform start seeing turnover increase in their first listing year.

In 2021, the number of Romanian retailers active on the eMAG Marketplace platforms in Romania, Bulgaria and Hungary reached 29.958.

In Romania, eMAG Marketplace brings together companies from all counties, which have the possibility to operate outside the local market and to present and sell their products nationwide or even abroad.

In 2021, Romanian retailers' sales on the three Marketplace platforms registered an average increase of 11%, compared to 2020, finalizing 15.8 million orders worth 2.8 billion RON.

Romanian retailers active on the Marketplace platforms in Romania, Hungary, and Bulgaria



**eMAG Marketplace
accelerates the digitization
of Romanian companies,
develops online
entrepreneurship, and
supports companies’
migration towards the
digital economy.**



eMAG Academy

Best practices and know-how

In 2020, the eMAG Academy platform had 2.5 million visits. On average, every retailer active on eMAG Marketplace accessed eMAG Academy 130 times.

eMAG Academy

We aimed to ingrain the principle of sustained learning in the operational and business management culture. For this reason, through the eMAG Academy training, we provide our Marketplace partners with useful and easily accessible resources for developing online businesses.

The platform includes over 350 e-learning materials, including video tutorials, totalling over 300 recorded hours, 130 articles on how the marketplace works, as well as an assisted area of questions and answers designed to help eMAG Marketplace retailers in their activities.

Through eMAG Academy, we share our experience with tens of thousands of Romanian entrepreneurs who are willing to learn how to develop their online business.



2.5 million views



130 clicks / seller

Deschide România

Promoting small producers

Deschide România

We set out to show that innovation and tradition can create a mutually beneficial partnership. In 2017, out of a desire to preserve and promote national cultural values, expressed through craftsmanship, we launched the “[Deschide România](#)” programme.

“Deschide România” gives small local producers, self-financing NGOs with production activities, and self-employed craftsmen (in fields such as fabrics, children’s clothing and toys, home & deco products, cosmetics, etc.) quick access to a national market, by displaying and selling their products on the eMAG Marketplace platform.

Our programme partners have access to our online sales expertise and the entire digital infrastructure of the Marketplace platform at a much lower cost, while also benefiting from additional promotion under our umbrella campaigns.

All products registered in the programme are flagged on the website and in the eMAG mobile application with the “Deschide România” logo – to be easily identified by the platform visitors as products manufactured entirely in Romania.



1,196,721 Romanian products listed in 2020



173 products categories



2,669 active local producers



15.5 billion RON value of order in 2020

Deschide România

Testimonials

"It was something new for us, too, we started adapting and getting to know things to the best of our abilities from the seller's point of view, and we also put ourselves in the position of a customer, to see what we can do to have the best possible description of ourselves, to be as involved in the activity as possible. Gradually, we started introducing as many products as possible in 2019, and in 2020 we realized that this environment is the key to our development.

Why? Because everyone knows what Marketplace means, everyone trusts the eMAG Marketplace brand first, they see it as a safe environment, where they prefer to make their purchases and, naturally, I believe that this was the key to our development this year, because of the ease of implementing our systems."

Virgil Cata

Universal Group

"The first year was quite hard, but we had a business plan that we followed, and we even managed to exceed the growth that we aimed for at the time. This is the proof that the Marketplace is a place for growth if you are serious and oriented towards the customers and their needs."

George Shampeche

Picodino

eMAG Ventures

Supporting Romanian entrepreneurial ventures

We support the development of the next generation of entrepreneurs through the investment programme for fintech, health-tech, circular economy, logistics, and food delivery companies.

eMAG Ventures

We are an entrepreneurial company and, in our turn, we want to support the development of the next generation of entrepreneurs. We do so both through the Marketplace platform and through direct investments in companies founded by Romanian entrepreneurs.

To further support companies founded by Romanian entrepreneurs, we decided to set up eMAG Ventures. We took this step after the positive experiences we had with the EuCeMănânc platform, which later became Tazz by eMAG, Depanero, the Sameday courier company, Zitec, or Conversion.

Launched at the end of 2020, eMAG Ventures is an investment programme for technology firms which bring innovative products and services, directly or indirectly targeting end customers. The Romanian business environment is full of high-potential technology projects which can be developed through funding and know-how.

Through eMAG Ventures, we want to create real added value and stimulate a fast evolution for these businesses, generating visible impact on digital economy. We are talking about acceleration investments, intended for companies with a fast, technology-based growth potential, which can become future unicorns.

We plan to finance companies with ambition and vision, increasing the entrepreneurial ecosystem in Romania. We will provide not only funding, but also the know-how we gathered across 20 years of constant innovations.

One of the defining eligibility requirements for eMAG Ventures is the use of technology in the development of products and services for the end customer, either directly (B2C), or indirectly (B2B2C). The key areas we are targeting are: fintech, health-tech, circular economy (recommerce), logistics, and food delivery.

The programme is intended for companies that already have a functioning business model and can prove that they are mature enough to bring about a relevant change on the markets on which they operate.

Through eMAG Ventures, we provide applicants with a total investment budget of 10 million euros. We will allocate several hundred thousand euros for each project, up to 1.5 million euros in the first funding stage, and the amounts might later increase, reaching higher values, depending on the company's evolution.



A selected project can obtain up to 1.5 million euros in the first funding stage.

In 2020, we recorded sales 13 times higher than in 2019

Tazz by eMAG

The investments and projects carried out in 2020 by Tazz by eMAG led to sales 13 times higher than 2019.

The increase continued in 2021, when Tazz by eMAG reached 2 million mobile app downloads and 1.24 million active customers.

The technology completely changed thanks to an investment of 26 million RON, designed to improve user experience, the quality of product deliveries, but also to allow an easier access to the platform for small retailers.

The possibility of writing reviews and granting rewards to couriers was introduced to motivate them to provide an ever better experience to customers, through improving the delivery process.

The portfolio expanded by 5,114 partner restaurants and shops, and the goal for the near future is for Tazz by eMAG to exceed 10,000 partners and generate 8 times more sales. To further support the development of the platform, Tazz by eMAG will employ 100 IT specialists.

The plans for 2022 include: extending the delivery network across the country, developing its own fleet of electric cars and scooters, investing in artificial intelligence to improve the purchasing experience, obtain increasingly faster delivery and extending the service to new cities.

Tazz by eMAG is currently available in 28 cities, and, over the next 3 years, it plans to be present in all cities with a population of over 100,000 inhabitants.

Tazz by eMAG Platform



2 million downloads



1.24 million active customers

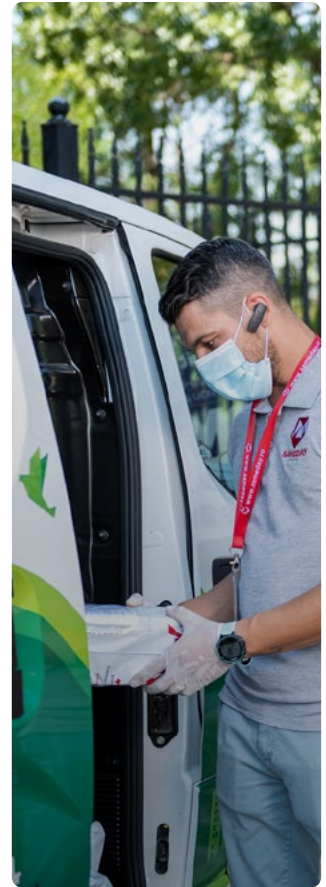
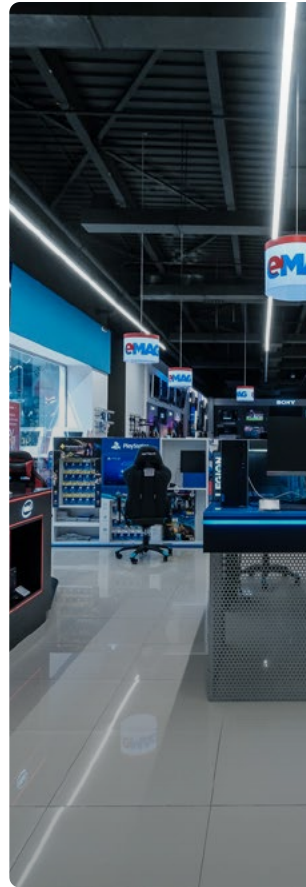
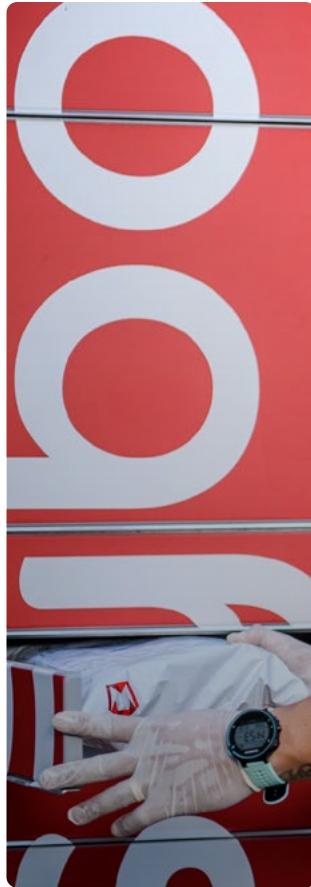
“The know-how eMAG brought to Tazz helped us develop unique partnerships on the market, setting us apart.

The help provided by eMAG in the area of technology, operations, HR, finance, legal, and marketing has been crucial for Tazz, whose progress exceeds our expectations every month.”

Alin Șerban

CEO Tazz by eMAG





Our impact on the Central and Eastern European region

We export innovative solutions and know-how and encourage the expansion of the Romanian economy beyond its geographical boundaries. In the midst of Romania's digital transition process, we want to serve as an inspiration for Romanian entrepreneurs and contribute to outlining Romania's status as an exporter of technology and best practices.

Our operations, as well as our headquarters, are registered in Romania, which translates into added value at the level of the local market. Thanks to our business model, we provide Romanian retailers with all the resources necessary to perform optimal commercial activity at both national and regional level. In the same way, through the Marketplace platform, not only do we encourage the export of Romanian products, but also create new opportunities through the interaction of retailers with the regional markets.

eMAG Hungary

Exporting innovative solutions

In March 2019, we announced the merger of [eMAG Hungary](#) with the Hungarian company Extreme Digital. Through this decision, we aim to build one of the most important e-commerce companies in Central and Eastern Europe. With this merger, we export the technology developed by eMAG in Romania, which, by means of this will reach Austria, Croatia, the Czech Republic, Slovakia, and Slovenia. We developed the Marketplace concept in Hungary, as well.

At the same time, we develop services to support cross-border trade:

- Door-to-door delivery between the 3 countries (Romania, Bulgaria and Hungary to start with)
- Fulfilment Service launched in September 2021
- Artificial intelligence for automatic translation of product specifications
- Customer care for the products sold abroad

We extended the services for the retailers present on Marketplace Hungary and made it possible to have home or easybox delivery, as well as returns from home, for Budapest and its surroundings.

All developments were focused on our customers in Hungary, who now have new benefits: the possibility to return the products purchased from the Marketplace directly at the easybox locker and 20 showrooms where they can shop or see what certain products that they want really look like.

Given the success in Romania, we developed the easybox network in Hungary, and currently have 374 units installed. We intend to increase the number of installed easybox units up to 1,500 by Black Friday 2022.



374
easybox lockers



20 de
showrooms



eMAG Bulgaria

We aim to continuously show customers that ordering what they need from eMAG is quick and easy.

In 2020, as a part of the development strategy in Bulgaria, we opened the first showroom, in Sofia. In terms of financial results, the growth we recorded in Bulgaria in 2020 and the first part of 2021 is higher than 60% compared to the same period of the previous year.

We also have product categories which, although newer in our portfolio, saw spectacular growth, such as consumables – over 70% – and toys – over 90%. Traffic was equally impressive, as we managed to attract 40% more visits.

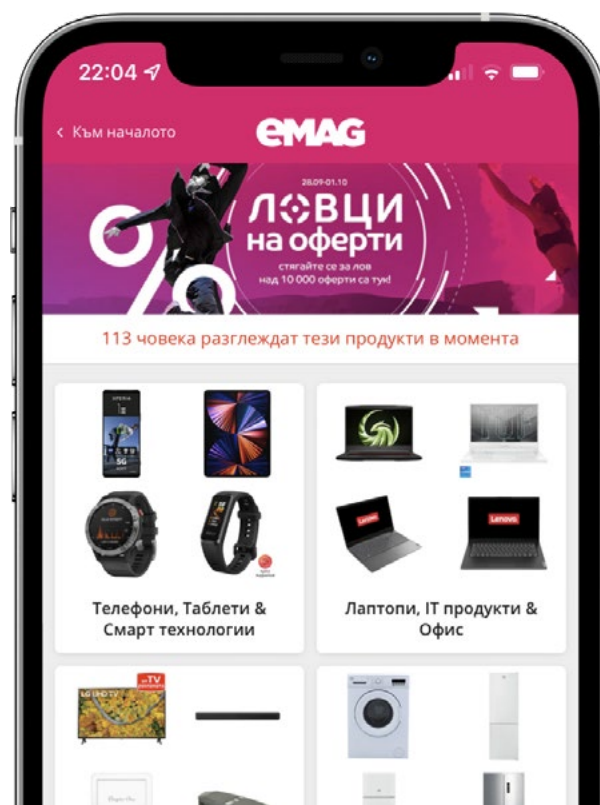
- We expand the range of products to increase the offline presence in showrooms and develop a loyalty programme for our customers.
- We invest in technology to provide a more pleasant shopping experience for our Marketplace partners. Some notable examples are implementing the eCredit option for Marketplace and displaying an estimated delivery time.
- We encourage customers to use the mobile app for the most enjoyable shopping experience.



New product categories:
consumables



40% growth in
visits on emag.bg



Chapter 7

eMAG Teams

We grow, we learn, and we excel together

- ▶ eMAG, a top employer
- ▶ Professional development at eMAG
- ▶ eMAG Teams - gender equality
- ▶ eMAG Tech Teams - Romanian technology

Summary and objectives

We constantly invest in our employees and, as a result of this policy, eMAG is the most desired employer on the Romanian retail market, a position that has not changed over the past 3 years, according to the Most Desired Employers ranking, established annually by Catalyst Solutions at a national level.

Key figures



We invested **45 million RON** in accelerated learning programmes



Employee attachment to the eMAG brand attained the **"Exceptional"** rating



The eMAG teams spent **53,644 hours** in accelerated learning classes in 2020



As part of the Future 25 programme, young professionals are granted **two years** of learning and they discover business and innovation prospects in **Silicon Valley**

Summary and objectives

This top ranking is a recognition of all the efforts made by eMAG to ensure employees' professional and personal development, confirming the key role that the company plays on the Romanian labour market.

Objectives



We aim to maintain the high level of employee satisfaction, monitored through **bi-annual reviews**



We will invest a total of **4 million RON** to support 800 colleagues in their early career period, through Upgrade, our accelerated development programme



We invest in **talents within the organization**, through two projects we carry out, Future25 and GrowTalent, for which we allocate 2 million RON



We make sure that each colleague is continuously supported in their workplace **learning and development process**, allocating 2.5 million RON annually



eMAG's employees become volunteers in the project, aiming **to plant a seedling forest** located near the new DC2 logistics centre

eMAG Top employer

Both in 2020 and 2021, eMAG held a prominent place in the Most Desired Employers in Romania ranking. This status is also recognized by employees, and it is reflected year after year in the assessment questionnaires conducted at group level. The last questionnaire was conducted in February 2021 within the group's companies, in Romania, as well as in Hungary, Bulgaria, and Poland.

Employee Net Promoter Score (eNPS) is a questionnaire sent to all active employees who have been with the company for at least one month, and it measures the level of their commitment in relation to different areas of company activity. The aim of eNPS is to improve work experience. The process is anonymous and organized twice a year, and the questionnaire is adjusted and improved based on peer reviews.

The questionnaire suggests 4 areas for evaluation:

eNPS measures the number of detractors, passives, and promoters according to their responses. The score can range from -100 (if all respondents are detractors) to 100 (if all are promoters). An excellent score for eNPS ranges between 50 and 70 points, followed by the rating "exceptional".

The result of our last questionnaire confirmed the employees' attachment to the company, the teams, and the principles promoted, with a historical response rate of 81%. All key indicators measured in eNPS recorded a general increase in this edition.



**Attachment to
the employer**



**Attachment to
the team**



**Attachment to
the brand**



**Assessment of role, opportunities, pay scheme, and
the intention to stay or leave the company**

Case study

eMAG Teams Romania

In the latest eNPS questionnaire, members of eMAG Teams expressed their attachment to the employer, as well as to the brand and to what eMAG represents on the Romanian market. Both indicators showed significant increase compared to the previous session.

As a result of the assessments, the attachment to the employer is ranked in the “excellent” reference category, while the attachment to the brand continues to move toward the highest score of the “exceptional” category.

eMAG



51.17

NPS score - Excellent

Attachment to the employer



80.43

NPS score - Exceptional

Attachment to the brand



Professional development at eMAG

Career development within eMAG

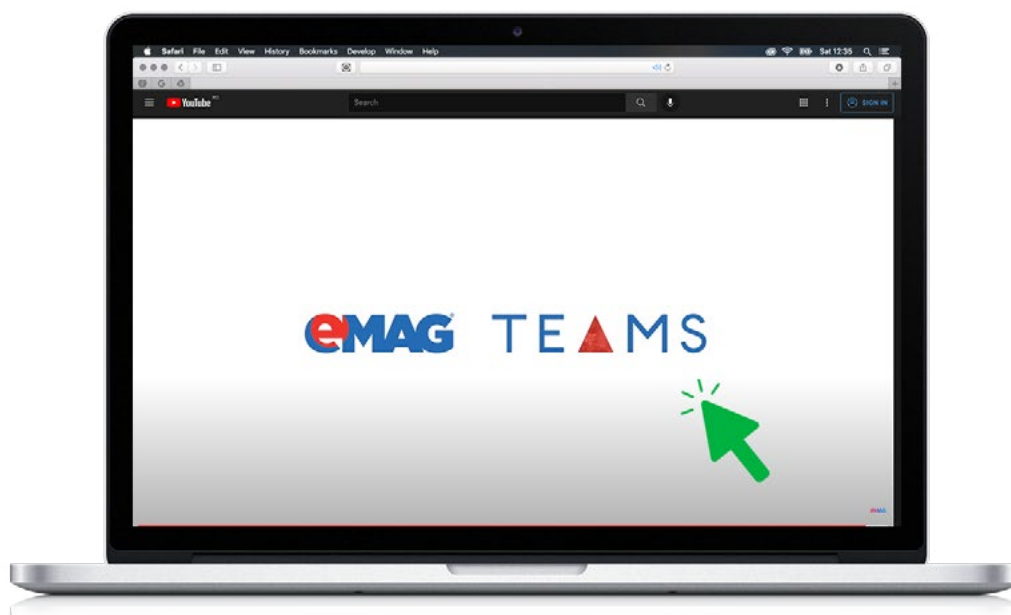
We define eMAG as an ecosystem made up of people, their needs, and their capacities. For this reason, the principle that guides our development and the objective of our efforts is to grow with the business.

We believe that the recipe for long-term success is the ability to constantly improve, adapt, and reinvent ourselves. Through the learning platforms we created, we chose to customize our colleagues' experience, to be close to them and connect their needs to those of the organization.

What does eMAG offer for a career?

The programmes range is varied and it provides employees with the necessary educational tools for each of their ambitions. They can choose to improve the individual performance associated with their role, to prepare for future challenges or to discover and develop new professional and social skills.

We strongly believe in developing people and, for this reason, we invest more energy and resources every year, in order to remain an organization which is constantly learning. In 2020, we invested 2.8 million RON in accelerated learning programmes, reaching a total investment of 45 million RON.



How can eMAG employees grow faster in their careers?

By implementing a well-defined learning system, we make sure that we can learn more over a short period of time, and that is an ambition with which all our colleagues related.

How employees can grow in their role

In order to grow in their own role or in an adjacent role they aspire to, we provide employees with additional training and development on specific skills required by the department in which they activate.



53,644 hours

in accelerated learning classes in 2020

Possibility to learn online

In terms of online learning resources, employees can access the Connect and MyAcademy platforms, where they can follow the programmes and training sessions prepared for their department.

They also have access to general courses in very diverse areas available from the following platforms: Udemy for Business, Harvard Manager Mentor, Culture Wizard, Vado, GameLearn, or Rosetta stone.



40,000+

classes in the Connect and MyAcademy portals

Opportunity to grow as managers

At eMAG, we place great trust in our managers and invest in their development. For this reason, we created the Grow Talent and Leadership Habits development programmes.

Grow Talent provides its 90 participants with access to classes held in partnership with universities such as Harvard, MIT, IMD, Wharton, or London School of Economics.

Leadership Habits is dedicated to the 450 managers in the organization and is aimed at developing healthy habits to build strong, sustainable, productive, and dynamic teams.



540

programme participants

The job of the future

The Upgrade programme

Upgrade, the latest programme launched within eMAG, is aimed at accelerating the career path and is dedicated to everyone who is at the beginning of their career. The first edition of the programme started with 200 participants.

In the early stage of the programme, participants go through a career counselling module to gain a thorough understanding of their skills and suitable line of work. Once this knowledge is substantiated, participants begin a specialization module, where they can choose their preferred profile. The programme offers five specializations designed to match the company's needs over the medium and long term: technology, marketing, sales, finance, and process optimization.

A significant part of the programme consists of connecting participants with the recruitment teams and the roles available within eMAG, to give them the chance to effectively apply the acquired knowledge. The final module focuses on developing personal and collective skills, such as analytical thinking, problem solving, and teamwork.

Each edition of the programme expands over a 9-month period. Upgrade is the largest career development programme we implemented at eMAG so far. We aim to continue organizing editions for at least 2 years and to support 800 colleagues on their journey to personal and professional development. The investment will amount to a total of 4 million RON.

A word from Loredana,
our colleague:

„I was provided guidance, support, and a response to absolutely every need and concern I had regarding certain roles in eMAG. I also received precise information that helped me create a clear image of the job I want. I have a lot more confidence in myself following the counselling sessions and I defined my strengths, which can help me excel in another field.”



Future 25

The programme for the leaders of tomorrow

Future 25 is a programme dedicated to discovering the most talented young people within and external to eMAG. For every edition of the programme, we carefully analyse hundreds of applications, out of which we select the 25 best candidates to start an unique professional journey. As part of the programme, participants are provided with two years' worth of accelerated learning and development. Furthermore, after the first year, they have the opportunity to go together on a trip to San Francisco, where they explore business and innovation prospects right in Silicon Valley.

The 25 "travelers to the future" have meetings and discussions with entrepreneurs from different fields, they receive guidance from eMAG's managers, participate in online workshops and courses in finance, business management, impact presentations, and leadership, and work on real projects in different business areas, which they present to the eMAG board. They then visit Silicon Valley and enter the second year of a Business Management Master's Degree programme, where they acquire more in-depth management knowledge.

The first edition of the programme took place in 2018 and, so far, it has received an investment of 250,000 EUR. In the first two generations of the programme, we extended the recruitment process to 5 young people outside of eMAG, the remaining 20 places being reserved for members of the eMAG Teams aged around 25 years old and having 3-4 years of work experience. Upon joining the programme, the 5 young people outside eMAG automatically received full-time jobs in very dynamic departments of the company.

Because of the context imposed by the COVID-19 pandemic, the 3rd Future 25 Generation was dedicated exclusively to participants from the eMAG Group companies. Two colleagues from eMAG Hungary and Bulgaria also participated in this edition. They moved to their second year of training and started the master's degree programme, organized in partnership with Bucharest International School of Management, Romania.



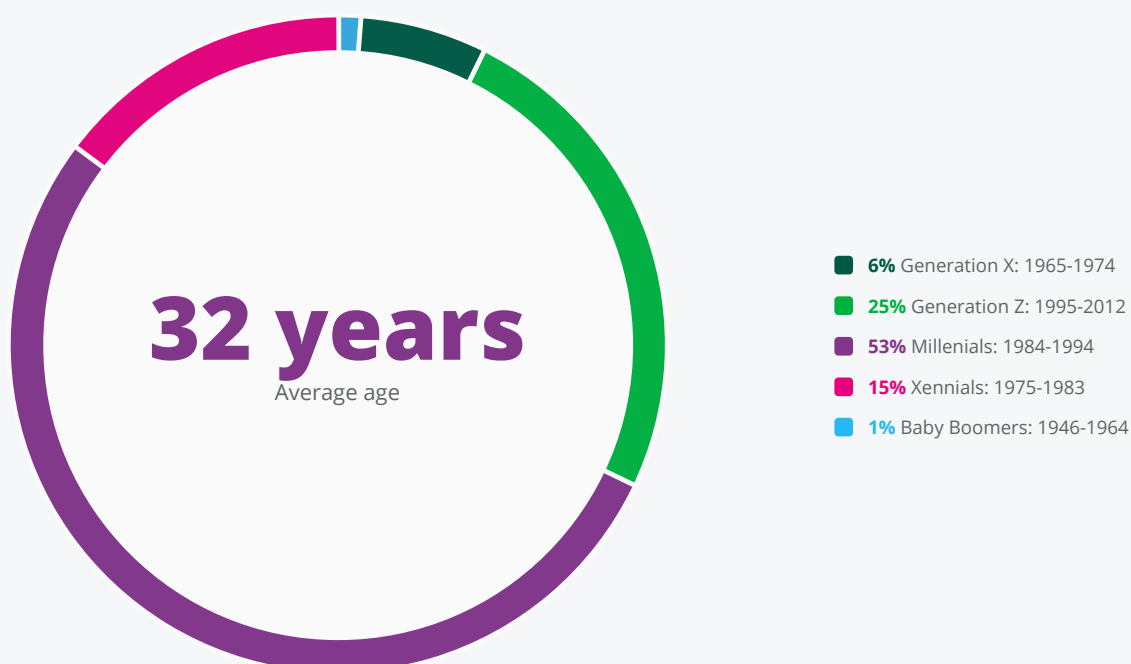
The eMAG Generations

eMAG brings the online shopping experience to every customer's home. This experience is the result of the efforts of the 7,553 employees of the eMAG Group.

Within the eMAG Group, we put growth and development first. Whether it is knowledge, career, or our journey towards performance, we believe that the main drivers of growth are provided by lifelong learning, adaptability to change, and creativity.

We are glad that our mission and our principles manage to inspire, as well as resonate with people of all ages. This way, we succeeded in building a diverse, dynamic, and development-oriented team.

Employee structure by age groups, in 2020



The eMAG Teams Departments

The eMAG ecosystem consists of 10 continuously growing departments. In 2020, the eMAG Teams departments had 3,719 members in Romania alone.



Platforms & Technology

At eMAG, technology and innovation play a central role, and the Platforms & Technology teams provide technological support for quick and centralized business development, with a focus on innovation, efficiency, and integration on the markets from every country where we operate.



Commercial & Marketing

eMAG's commercial teams are responsible for designing and developing product catalogues and launching new products with a competitive pricing strategy. They also deal with the creation of promotional campaigns, together with the marketing teams, maintaining and including new suppliers in the eMAG product portfolio.



Logistics Teams

The Logistics teams play an important role in the functioning of an e-commerce business such as eMAG. They are the final link between us and our customers.



People

The People team leverages the knowledge, skills and potential of our colleagues in eMAG, so that together we may become the largest online retailer in Central and Eastern Europe.



Retail Teams

The Retail teams play a key role in the eMAG experience, because they are where we meet our customers offline. We have 44 showrooms in 3 countries, where our primary aim is customer care.



Legal, Public Policy & Sustainability

The Legal, Public Policy & Sustainability team interacts with other colleagues and with the Romanian authorities on a daily basis, as well as with other structures, so that we can ensure that our actions are responsible and sustainable.



Customer Care

We want the eMAG Customer Care teams to be among the best teams of this type in Romania.



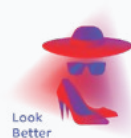
Finance

The financial team usually manages the accounting of eMAG's financial activity, whatever form it may take.



Marketplace

The eMAG Marketplace teams are responsible for integrating retailers into the eMAG platform. Briefly, Marketplace opens the eMAG ecosystem to local businesses of all sizes.



Fashion Days

Fashion Days offers unlimited fashion experiences for customers from Romania, Bulgaria and Hungary. Being a part of eMAG since 2016, Fashion Days had a very rapid growth, and this is also evident in the constant need for new colleagues.



eMAG Teams

Gender equality

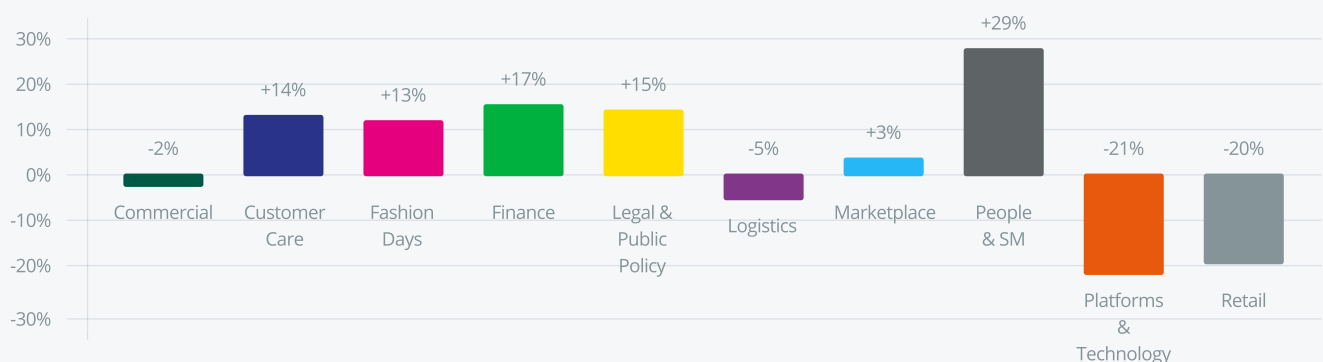
We are constantly working to maintain a balanced relationship between our female and male colleagues, both in terms of promotion opportunities and in terms of remuneration, as well as training and professional development policies.

As a regional player in the e-commerce field, we are aware of the cultures of the different countries in which we operate and of the extensive social impact of our business decisions and activities. Therefore, the principles of gender equality, non-discrimination and human rights in their entirety form the basis for the eMAG Group's rules and operating policies.

We made a commitment to unequivocally respect human rights and protect the dignity of our workforce. We know that our teams, with their diverse talents, are critical to our success in creating and implementing new business opportunities.

We therefore developed a working environment where teamwork and mutual trust are promoted and where our colleagues are treated with dignity and respect. In order to ensure that all people are treated equally in the professional environment, we support the elimination of prejudice and promote equal opportunities for recruitment, skills development, advancement and promotion, and remuneration. You can read more about our commitment in our group-wide [Human Rights declaration](#).

Gender ratio, eMAG Teams



0 % = gender equality

+ % = gender gap in favour of the female gender

- % = gender gap in favour of the male gender

eMAG Teams

Remuneration

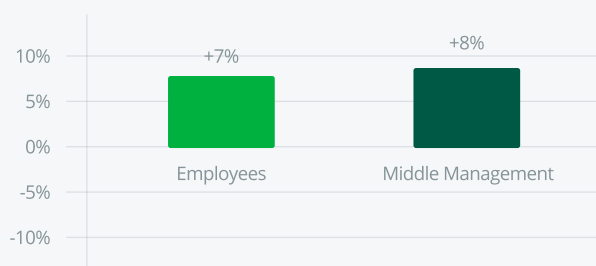
eMAG's actions, as well as its policies, are based on the fairness principle, and we want them to serve as examples of best practices on both national and regional level.

Despite the European Union's ongoing efforts to reduce gender-based remuneration practices, the standard among Member States remains relatively high: women earn 14.1% less than men.

The situation in Central and Eastern Europe is hardly better, with most countries in the region exceeding the EU average. With a difference of only 3.3%, Romania is a best practice example, ranking second among the Member States with the lowest gender gaps in terms of basic pay.

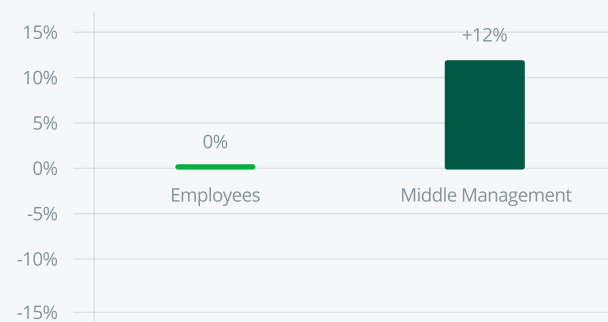
At both national and regional level, we managed to balance the ratio between women's and men's basic salary through a fair wage system that reflects performance. For the year 2020, among the employees and mid-level managers in the eMAG in Romania and Hungary, the ratio of women's and men's basic salaries indicated a proportional advantage between 7% and 12% in favour of women.

**Basic pay gender ratio,
eMAG Romania**



Middle Management - Mid-level managers are encountered on several reporting levels of the organization; they manage both operators and lower-level managers, and report to the executive management

**Basic pay gender ratio,
eMAG Hungary**



0 % = Remuneration equality
 + % = gender gap in favour of the female gender
 - % = gender gap in favour of the male gender

eMAG Teams

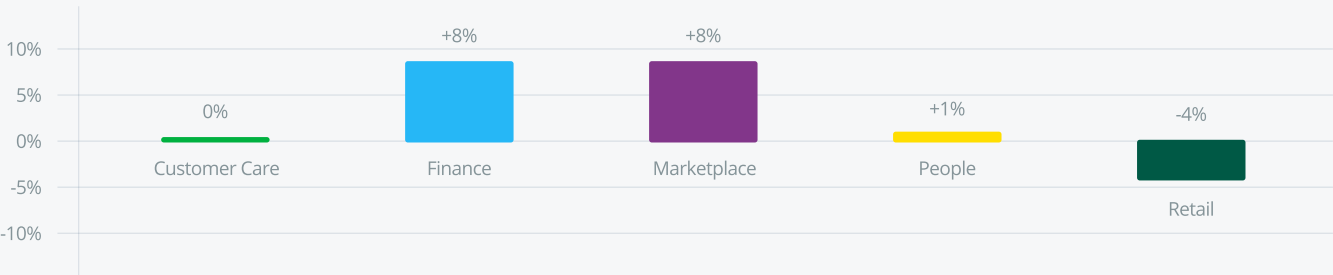
Remuneraion

We attained a sustainable balance in terms of the gender pay ratio.

Within the eMAG group, we attained a sustainable balance, both in terms of the composition of our departments and that of basic salaries' ratio. We are a Romanian company and we want to make a valuable contribution to all areas of social and economic interest.

Among other things, we aim to increase the attractiveness of the IT sector among as many women as possible, through our accelerated learning programmes. We also continue to invest time and resources in creating a competitive and inclusive working environment for everyone.

Basic pay gender ratio, eMAG Teams Romania



0 % = remuneration equality
+ % = gender gap in favour of the female gender
- % = gender gap in favour of the male gender

eMAG Tech Teams

Romanian Technology

We created 90% of the applications we use at eMAG in our software labs in Bucharest, Craiova, and Iași. Over time, we managed to develop more than 50 successful applications in the countries we operate in.

We are very passionate about technology and innovation, and that is why we want to attract people who share the same passion and dedication. The common goal and objectives are reflected on a daily basis in the effort made by the Platform and Technology team members in optimizing, developing and innovating eMAG's technology.

In the eNPS questionnaire, the Platform and Technology team members expressed their satisfaction and attachment to the team and their colleagues, as well as to eMAG and everything we represent and promote collectively. The excellent result was also linked to the fact that 76% of team colleagues believe eMAG is a learning environment and feel supported by their direct managers.



71%

declare themselves attached
to the team



89%

declare themselves attached
to the eMAG brand



72%

are satisfied with their workplace



76%

consider eMAG to be a
learning environment

eMAG obtained the DEKRA certification

Since the beginning of the COVID-19 pandemic until the present day, we took all the necessary hygienic and sanitary measures to protect both our colleagues and our customers.

In order to protect our colleagues and customers, and to ensure that activities are carried out safely throughout the supply chain, we implemented stringent measures and rules throughout the pandemic.

The Bucharest showrooms, warehouses (DC1 and W10), and the Swan Office Park offices were granted the DEKRA certification. The DEKRA standard confirms the implementation of all measures to prevent the spread of COVID-19 in the Bucharest showrooms, warehouses and in the Swan Office Park building, including the goods receipt stages, control of suppliers and control upon entering the facility, as well as hygiene, sanitary and maintenance services, staff training, and customer information.

The DEKRA international safety standard for measures preventing the spread of COVID-19 was granted following an 8-day audit and control process conducted in the Bucharest showrooms, warehouses and in the Swan Office Park building, by an independent certification body. A number of 134 criteria were checked by inspectors in order to grant the standard.

The main measures implemented to be eligible for this certification are:

- Mounting thermal scanners with automatic temperature detection system upon entrance;
- Providing no-touch automatic dispensers with disinfectant gel for customers and employees;
- Installing plexiglass windows at the cash registers;
- Ensuring additional disposable protective equipment for employees;
- Increasing sanitation frequency;
- Placing preventive signage elements in all spaces;
- Securing accurate and complete information through regular training sessions and the establishment of a dedicated telephone line for employees.



Chapter 8

How to be a responsible citizen

eMAG's social engagement

- ▶ eMAG and the local communities
- ▶ The "Nouă ne pasă" Foundation
- ▶ Fashion Days – best practices and social responsibility



Summary and objectives

eMAG's operations are governed by the principle of responsible action. We take responsibility for the economy and society and understand the need to create and maintain an environment favourable for development, both for our partners and for the communities in which we operate.

Key figures



At least **1,200 new workplaces** will be created through investments in the DC2 industrial park



We connected county road Dj 602 with the A1 motorway, **fully supporting the costs** generated by this project

The programme for preventing school drop-out, "Nouă ne pasă", extended from 24 to 46 after-school centres and **1,227 beneficiary children**



Through "Donează pentru linia întâi" platform, we directed over **5 million protective masks** to doctors, policemen, and gendarmes



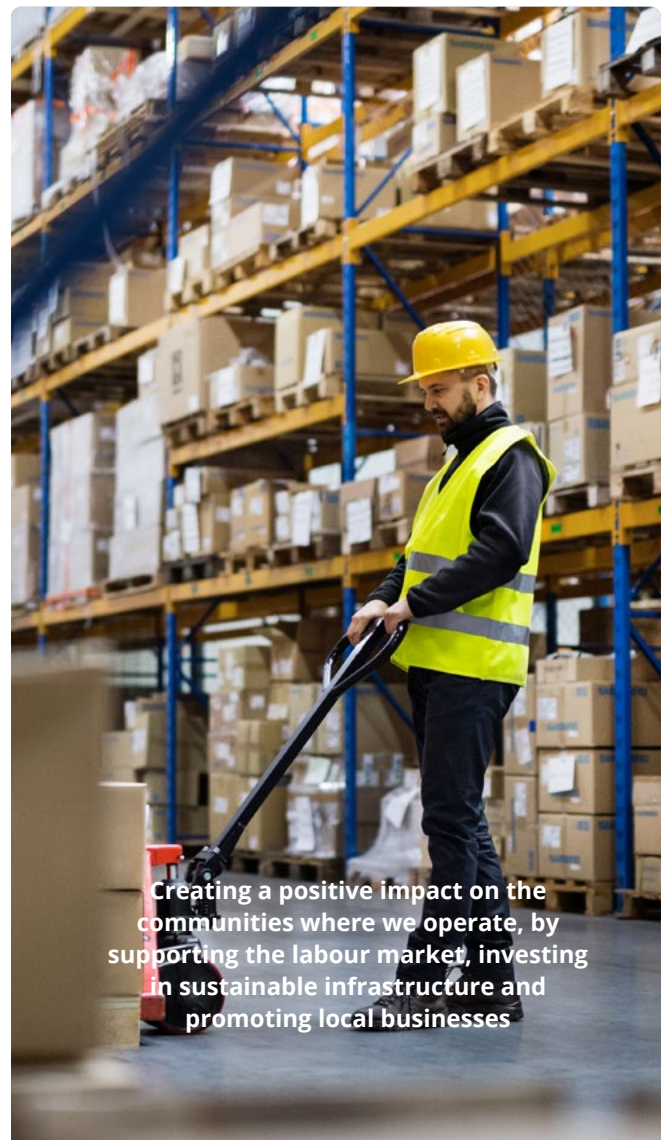
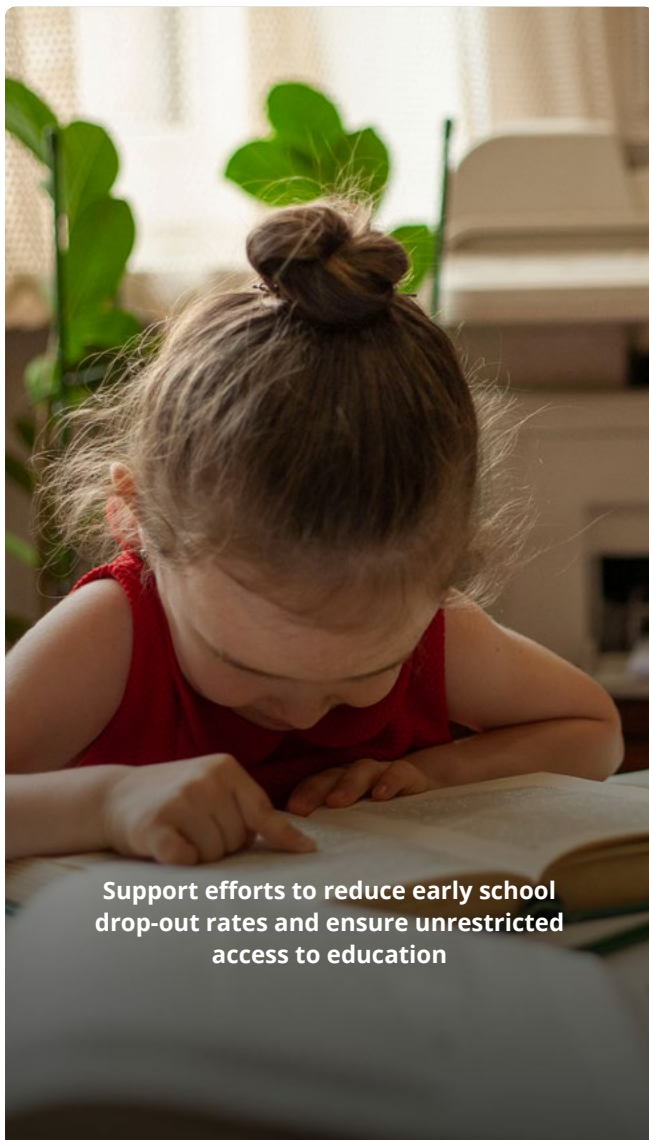
We promote **91 Romanian designers** in the Fashion Days portfolio and continue to integrate new brands monthly

We collected **97.8 tonnes of clothes** which reached **36,000 families** from all Romanian counties

Summary and objectives

We aim to support local economies and encourage the development of local producers. Similarly, through the “Nouă ne pasă” Foundation (eMAG Foundation) we want to promote access to education and invest in the future of the younger generations.

Objectives



eMAG and local communities

Although our main activity is carried out online, it also requires a physical presence, the most important presence being in Joița, Giurgiu County.

Our investment in the new logistics centre located at km 19 of the A1 motorway will generate a significant positive economic and social impact across surrounding communities.

Our investment has already improved the economic attractiveness of the area, as a result of obtaining the industrial park title.

This is reflected in the number of economic operators attracted to the park, with long-term beneficial effects on the versatility and competitiveness of local communities. This will create at least 1,200 new jobs, with a direct positive impact on the living standards of future employees and their families, in addition to the 600 already existing workplaces. At the same time, this will result in a lower unemployment rate.

There is also an incentive for new investments in the proximity of the industrial park, for services related to residents' activities, with an impact on the local socio-cultural landscape - small hall buildings were built and collateral businesses developed.

In order to contribute to further developing the infrastructure in the proximity of the industrial park, we connected county road DJ 602 with motorway A1 heading towards Pitești, supporting the costs generated by this project in full. This endeavour resulted in the construction of a roundabout with a 15-metre diameter, 4 exits and approximately 600 linear metres of road on two lanes, from DJ 602. It also has a 900 m long deceleration lane from Bucharest to the industrial park and another 900 m acceleration lane from the park towards Pitești.



- Roundabout with 4 exits
- 600 m of linear two-lane road
- Deceleration lane – 900 m
- Acceleration lane – 900 m

At the same time, we are also contributing to the creation of a culture and set of professional values for local employees, with an indirect social and cultural impact on local communities.

All these economic activities generate revenue for the local budget, with a direct positive impact on the prosperity of the community. We estimate that eMAG alone will indirectly pay taxes to the local Community amounting to 20 million RON per year.

As for this new investment in a logistics centre, we considered from the very beginning the interest of the community and we wanted it to enjoy the benefits of our presence, without being affected by the scale of our operations.



We connected county road DJ 602 with the A1 motorway, fully supporting the costs generated by this project.

Nouă ne pasă Foundation (The eMAG Foundation)

The eMAG Foundation was launched in October 2012, driven by the belief that education is the basis for building a democratic society based on respect, human values, and equal opportunities. To reflect this mission, in 2021, the eMAG Foundation changed its name, becoming the "Nouă ne pasă" Foundation (We care Foundation).

In the period between 2012 and 2021, the Foundation mainly implemented three major programmes: "Hai la Olimpiadă!", "Nouă ne pasă" and "140 de băți pe minut". Beyond the three major programmes, the Foundation provides support for other projects as well.

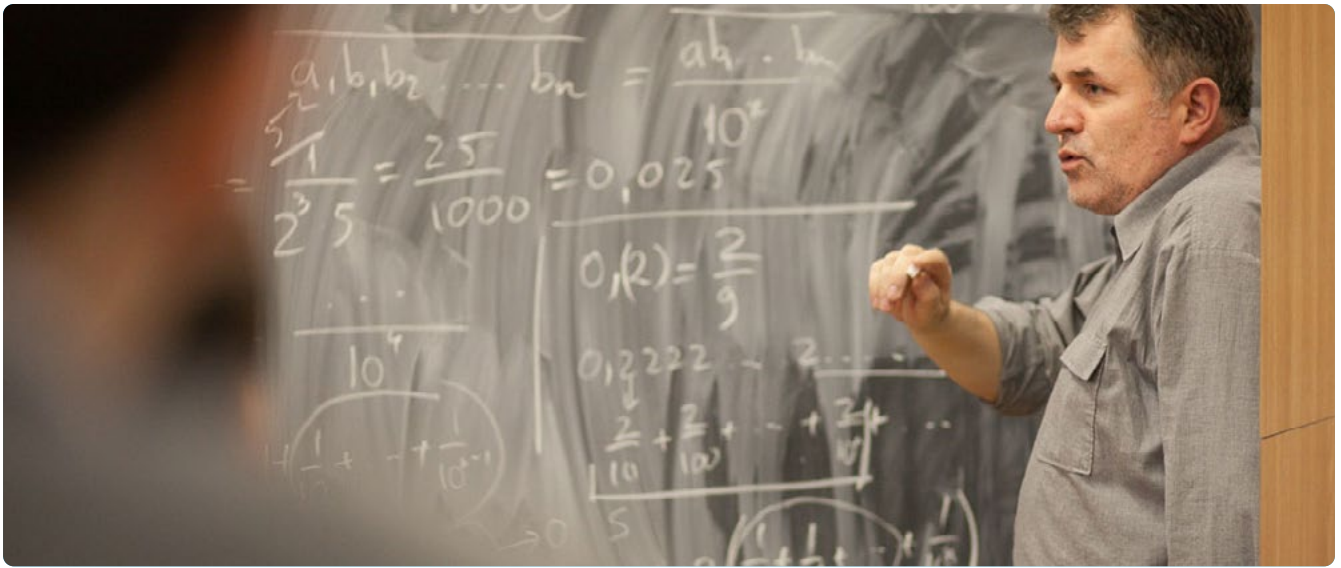
Furthermore, in 2021 the Foundation launched two new programmes – programming courses for children from small communities, and a grants programme for other organizations active in the education field.

For children, parents, and teachers, the academic year 2020-2021 was a difficult one both professionally

and personally. This was an even better reason for the foundation's main programmes, "Nouă ne pasă" and "Hai la Olimpiadă!" to adapt to the times and continue to support the enrolled children. Not only these programmes, but the entire work of the Foundation was involved in supporting those who were in the front line in the fight against the new coronavirus.

All these programmes exist due to the support the Foundation constantly receives from all parties involved. The Foundation's educational programmes also enjoy the support and involvement of eMAG's customer community, thanks to the donations they make in their shopping carts.





"Hai la Olimpiadă!"

We understand supporting performance as a necessary step in training future competitive and visionary professionals.

The "Hai la olimpiadă!" (Let's go for the Olympics) programme aims to conduct performance training in the best conditions, and to offer this possibility to all children who are willing and able to prepare at an above-average level. We want to ensure that children's potential is properly cultivated, with the help of valuable teachers who still exist in the Romanian education system.

The "Hai la olimpiadă!" programme supporting school performance was reconfigured in the autumn of 2020 and all 52 training centres started operating online.

In addition to training the 6,000 students enrolled in these centres, we constantly support the training and participation of Romanian teams of pupils and students in international mathematics, physics, and information science competitions.

- > 6,071 pupils enrolled
- > 5,924 pupils selected
- > 341 teachers
- > 52 centres
- > 12,501 hours of preparation for performance
- > 24 cities
- > Budget for academic year 2020-2021 – RON 1,584,679



Nouă ne pasă

The school drop-out rate in rural areas exceeds 25%. The “Nouă ne pasă” programme’s mission is to ensure that young people and children from vulnerable communities continue their studies and are able to improve in their chosen areas.

Mode of intervention: We implement after school centres based on remedial education principles in schools from rural communities. For each afterschool centre, we form groups of up to 10 children who remain in the programme for at least 3 years. Children attend the afterschool programme for three days a week, they are provided with a hot meal and review of their mathematics and Romanian lessons in a style that matches their level of preparation. The groups we work with consist of children from 3rd to 8th grade. According to the measurements, school attendance for those children attending the programme improved by 80%, and their level of education improves by about 1 point over the course of a school year.

Between 2020 and 2021, our school drop-out prevention programme “Nouă ne pasă” (We care) extended from 24 to 46 after-school centres, which means we reached a number of 1,300 beneficiary children.

In the autumn of 2020, tablets with internet connection were sent to all children included in the programme who did not have the possibility to join the online classes (284 tablets).

In the long-term, “Nouă ne pasă” aims to draw attention to the early school drop-out phenomenon and its causes in rural areas.

We also suggest our intervention method as a best practice model for solving the problems that schools face in these areas.

- > 1,227 pupils
- > 235 teachers
- > 46 centres in 25 counties
- > 16,118 hours of remedial education
- > Budget for the academic year 2020-2021 – RON 1,860,989





140 de bățai pe minut

We understand education as an endeavour through which children become strong, active, and responsible adults. In this regard, the habit of exercising in an organized manner and on an ongoing basis must be an important part of this training process.

The Foundation's youngest programme, dedicated to education for a healthy life, "140 de bățai pe minut" (140 beats per minute), also continued.

While until 2020 we supported organizers of swimming, running, and triathlon competitions to introduce children's races into the competitions calendar, during the pandemic period we continued to support sports clubs offering

child friendly training, without pursuing competitive performance. In order to be in line with the needs of the moment, we also developed adult training programmes, as well as provided details on nutrition and on the importance of practicing sports through the 3atlon.ro platform.





„Donează pentru linia întâi”

Support during the pandemic

The COVID-19 pandemic is an unprecedented medical crisis, and the involvement of each one of us is necessary in order to overcome it. Since the beginning of the pandemic, when the necessary quantities of sanitary masks and materials were insufficient and, respectively, unaffordable, we searched and identified stocks of masks that we purchased and donated to the authorities.

We understood that a greater involvement was necessary, and, in order to have the resources to manage such a situation, we realized that we need partners. Consequently, together with Mobexpert, Bitdefender and Banca Transilvania, we launched the “Donează pentru linia întâi” (Donate for the front line) platform, which translated into a signal of unity. Through the platform, we set out to help those who were the most exposed to the virus and to give other people the possibility to contribute.

The initiative was met with openness and support by a large number of companies, which made important donations: more than 5,700 companies and 75,000 people contributed. Together with these companies and the people who believed in this idea, we collected over 13.6 million RON, which were spent for essential protective materials and equipment.

This way, with the help of the “Donează pentru linia întâi” platform, we managed to direct over 5 million three-ply protective masks towards doctors,

Police officers and gendarmes, and high-protection 350,000 N95 masks (FFP2) to doctors in hospitals. Moreover, two high-performance ventilators, were donated to the Suceava County Hospital and to the Victor Babeş Clinical Hospital in Bucharest, under the coordination of the Department for Emergency Situations.

Also from donations, we equipped the National Centre for Coordination and Management of Interventions, the “brain” of intervention operations since the start of the medical crisis generated by COVID-19 with state-of-the-art equipment worth over 500,000 RON, helping them react even faster when our lives are under threat.

“Donează pentru linia întâi”, a joint effort in support of those who save lives.

With money collected from the donations made on the “Donează pentru linia întâi” platform, two mechanical ventilators and 4.5 million masks were purchased, reaching over 10,000 doctors and nurses.



Fashion Days

Social responsibility best practices

With Fashion Days, we support local fashion designers. We launched Romanian Corner, where our customers can discover products “Made in Romania” with a smart, fresh and innovative design, made of natural materials, thus helping encourage local production.

We currently have 91 Romanian brands in our portfolio, and we continue to integrate about 6-7 new brands every month. One of the main advantages they gain is the very process of integration into Romanian Corner, which involves learning, analysis, a new business approach, and access to digital know-how.

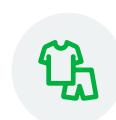
The brands are also promoted in the Fashion Days app and on the website, on social media, in dedicated newsletters, including smartphone push notifications, TV advertising campaigns with increased visibility and access to a large number of customers.

Involvement in the community

Together with Banca de haine (Clothes Bank), we started the [#DonationDays](#) campaign to help families in need, while extending the lifespan of clothing items. Banca de haine is the main partner and beneficiary of the campaign, being a non-profit organization, which takes care of many communities and families in need, towards which donations of clothing, footwear, home goods, and toys are constantly directed.

Fashion Days implemented the entire donation process: placing specially equipped containers in 16 cities, then collecting, sorting, ensuring sanitation and transport of the donations to Banca de haine, including support for sending them to the end beneficiaries.

So far, 97.8 tonnes of clothes were collected, which reached 36,000 families across the country.



97,8 tonnes of
clothes collected
so far



36,000
beneficiary
families



Chapter 9

Annexes

- ▶ Annex 1 - GRI Disclosures
- ▶ Annex 2 - Data and reporting in accordance with the GRI standards
- ▶ Annex 3 - List of abbreviations and footnotes

Annex 1

GRI Disclosures

INDICATOR	NAME	INFORMATION
General indicators		
GRI 102	General disclosures	
102 - 1	Name of the organization	Page 6
102 - 2	Activities, brands, products, and services	Page 6, 7
102 - 3	Location of headquartes	Page 116, Annex 2 – General reporting, Table 1
102 - 4	Location of operations	Page 48, 49, 116, Annex 2 – General reporting, Table 1
102 - 5	Ownership and legal form	Page 8, Annex 2 – General reporting, Table 2
102 - 6	Markets served	Page 6, 98, 99
102 - 7	Scale of the organization	Page 7
102 - 8	Information on the employees and other workers	Pagina 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, Annex 2 – Quantitative reporting – Employees, Table 13
102 - 9	Supply chain	Page 9, 10
102 - 10	Significant changes to the organization and its supply chain	Page 48, 80, 120
102 - 11	Precautionary Principle or approach	Page 30, 31, 32, 33, 34, 35, 36, 37, 38, 40, 41, 43, 48, 49, 51, 53, 54, 55, 56, 57, 62, 63, 64, 65, 66, 67, 68, 69, 70

Annex 1

GRI Disclosures

INDICATOR	NAME	INFORMATION
102 - 12	External initiatives	Page 18, 21, Annex 2 – General reporting, Table 6
102 - 13	Memberships of associations	Annex 2 - General reporting, Table 3
102 - 14	Statement from senior decision-maker	Page 3
102 - 15	Key impacts, risks, and opportunities	Page 16, 17, 18, 19, 20
102 - 16	Values, principles, standards, and norms of behaviour	Page 11, Annex 2 – General reporting, Table 6
102 - 18	Governance structure	Page 8, Annex 2 – General reporting, Table 2
102 - 21	Consulting stakeholders on economic, environmental, and social topics	Page 22
102 - 40	Lists of stakeholder engagement	Page 22, Annex 2 – General reporting, Table 4
102-42	Identifying and selecting of stakeholders	Page 22, Annex 2 – General reporting, Table 4
102-43	Approach to stakeholder engagement	Page 22
102-44	Key topics and concerns raised	Page 23
102-45	Entities included in the consolidated financial statements	Page 8, Annex 2 – General reporting, Table 2
102-46	Defining report content and topic boundaries	Page 23
102-47	List of material topics	Page 23, 24
102-48	Restatements of information	Not applicable
102-49	Changes in reporting	In accordance with GRI Standards, the Core version
102-50	Reporting period	1 April 2020 – 31 March 2021
102-51	Date of most recent report	July 2020
102 - 52	Reporting cycle	Yearly
102 - 53	Contact point for questions regarding the report	sarah.jitoiu@emag.ro
102 - 54	Claims of reporting in accordance with the GRI standards	This report was drawn up in accordance with the GRI Standard, the Core version
102 - 55	GRI content index	Page 130

Annexa 1

GRI Disclosures

INDICATOR	NAME	INFORMATION
102 - 56	External assurance	The GES inventory was drawn up under the coordination of EY Netherlands
GRI 103	Management approach	
103 - 1	Explanation of the material topic and its boundary	Page 26, 27, 45, 46, 72, 73, 84, 86, 101, 102, 118, 119
103 - 2	The management approach and its components	Page 13, 15, 16, 17, 29, 31
103 - 3	Evaluation of the management approach	Page 13, 15, 16, 17, 37, 38, 40, 41, 43, 48
Economic indicators		
GRI 203	Indirect economic impacts	
203 - 1	Infrastructure investments and services supported	Page 120, 121, 128
203 - 2	Significant indirect economic impacts	Page 85, 86, 87, 88, 92, 94, 121
Environmental indicators		
GRI 302	Energy	
302 - 1	Energy consumption within the organization	Annex 2 – Quantitative reporting – Consumptions and greenhouse gas emissions, table 7
GRI 304	Biodiversity	
304 - 2	Significant impacts of activities, products, and services on biodiversity	Page 37, 38, 42, 43
304 - 3	Habitats protected or restored	Page 37, 38, 42, 43
GRI 305	Emissions	
305 - 1	Direct (Scope 1) GHG emissions	Page 31, 32, 33, 34, Annex 2 – Quantitative reporting– Consumptions and greenhouse gas emissions. Table 8
305 - 2	Energy indirect (Scope 2) GHG emissions	Page 31, 32, 33, 34, Annex 2 – Quantitative reporting– Consumptions and greenhouse gas emissions. Table 8
305 - 4	GHG emissions intensity	Page 35
305 - 5	Reduction of GHG emissions	Page 45, 46, 47, 48, 49, 50, 51, 53, 54, 55, 56, 57, 60, 62, 63, 64, 65, 66, 67, 68, 69, 70
GRI 306	Waste	
306 - 1	Waste generation and significant waste-related impacts	Page 39, 40, 41, 64, 65, 68, 70, 78, 79

Anexa 1

Indicatori GRI

INDICATOR	NAME	INFORMATION
306 - 2	Management of significant waste-related impacts	Page 39, 40, 41, 64, 65, 68, 70, 78, 79, Annex 2 – Quantitative reporting – Waste, Table 12
306 - 3	Waste generated	Annex 2 – Quantitative reporting – Waste, Table 9
306 - 4	Waste diverted from disposal	Annex 2 – Quantitative reporting – Waste, Table 10
306 - 5	Waste diverted to disposal	Annex 2 – Quantitative – Waste, Table 11
GRI 308	Supplier Environmental Assessment	
308 - 2	Negative environmental impacts in the supply chain and actions taken	Page 32, 36, 53, 54, 55, 56, 57, 61, 63, 64, 81
Social indicators		
GRI 403	Occupational health and safety	
403 - 2	Hazard identification, risk assessment, and incident investigation	Annex 2 – Quantitative reporting – OHS, Table 15
403 - 3	Occupational health services	Annex 2 – Quantitative reporting – OHS, Table 15
403 - 5	Worker training on occupational health and safety	Annex 2 – Quantitative reporting – OHS, Table 14
403 - 7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Annex 2 – Quantitative reporting – OHS, Table 15
403 - 8	Workers covered by an occupational health and safety management system	Annex 2 – Quantitative reporting – OHS, Table 13
GRI 404	Training and education	
404 - 1	Average hours of training per year per employee	Page 106, Annex 2 - Quantitative reporting – Employees, Table 19
404 - 2	Program for upgrading employee skills development and transition I assistance programs	Page 106, 107, 108
404 - 3	Percentage of employees receiving regular performance and career development reviews	Annex 2 – Quantitative reporting – Employees, Table 18
GRI 405	Diversity and equal opportunity	
405 - 2	Ratio of basic salary and remuneration of women to men	Page 112, 113, 114, Annex 2 – Quantitative reporting – Employees, Table 20
GRI 413	Local communities	
413 - 1	Operations with local community engagement, impact assessments, and development programs	Page 38, 40, 43, 85, 86, 87, 120, 121, 122, 123, 124, 125, 126, 127
413 - 2	Operations with significant actual and potential negative impacts on local communities	Page 120

Annex 2

Data and reporting in accordance with the GRI standards

General reporting

1. List of headquarters and operational centres of eMAG Group, 2020, GRI Disclosures 102-3, 102-4

COMPANY	HEADQUARTERS	COUNTRY
Agito Sp.z.o.o	Inflancka 4a, Varşovia	Poland
Conversion Marketing SRL	Str. Grigore Alexandrescu 59, Bucharest	Romania
Extreme Digital Kft/Zrt	Str. Rákóczi 70-72, Budapest	Hungary
Dante International SA	Swan Office Park, Sos. Bucuresti Nord 15-23, Voluntari	Romania
eMAG IT Research SRL	Swan Office Park, Sos. Bucuresti Nord 15-23, Voluntari	Romania
Depanero SRL	Str. Orhideelor 27-29, Bucharest	Romania
Depanero SRL	Str. Portului 19A, Galaţi	Romania
PC Garage SRL	Str. Logofăt Tăutu 68A, Bucharest	Romania
International Ood	Blvd. Tsarigradsko 40, Sofia	Bulgaria
Sameday (Delivery Solutions SA)	Blvd. Splaiul Independenței 319, Bucharest	Romania

COMPANY	OPERATIONAL CENTRE	COUNTRY
Agito Sp.z.o.o	Warehouse – DC15, Błonie	Poland
Dante International SA	Call Center, Ploiești	Romania
Dante International SA	Warehouse DC1 – Joița, Giurgiu	Romania
Dante International SA	Warehouse W10– Chiajna, Ilfov	Romania
Dante International SA	Showroom – Calea Sagului, Timișoara	Romania
Dante International SA	Showroom - Piața Consiliul Europei 2, Timișoara	Romania
Dante International SA	Showroom – Strada Liviu Rebreanu 6A, București	Romania
Dante International SA	Showroom - Șoseaua București-Ploiești 44C, Băneasa	Romania
Dante International SA	Showroom - Șoseaua Virtuții 148, București	Romania

Annex 2

Data and reporting in accordance with the GRI standards

COMPANY	OPERATIONAL CENTRE	COUNTRY
Dante International SA	Showroom - Str. Lector 1-3A, Sibiu	Romania
Dante International SA	Showroom - Strada Niciman 2, Iași	Romania
Dante International SA	Showroom - Blvd George Coșbuc 251, Galați	Romania
Dante International SA	Showroom - Blvd Tomis 218, Constanța	Romania
Dante International SA	Showroom - Strada Calomfirescu 2, Ploiești	Romania
Dante International SA	Showroom - Pitești Retail Park, Pitești	Romania
Dante International SA	Showroom - Calea Severinului 15, Craiova	Romania
Dante International SA	Showroom - Calea Mănăstur 2-6, Cluj-Napoca	Romania
Dante International SA	Showroom - Strada Piața Cetății 1, Oradea	Romania
Dante International SA	Showroom - Strada Nicolae Titulescu 58, Brașov	Romania
eMAG IT Research SRL	HUB - Craiova	Romania
eMAG IT Research SRL	HUB - Iași	Romania
Extreme Digital Zrt	Showroom - Erzsébet krt. 18, Budapest	Hungary
Extreme Digital Zrt	Showroom - Piața Őrs vezér 25/a, Budapest	Hungary
Extreme Digital Zrt	Showroom - Strada Ezred 1-3, Budapest	Hungary
Extreme Digital Zrt	Showroom - Mammut, Strada Lövház 2-6, Budapest	Hungary
Extreme Digital Zrt	Showroom - Colț Móricz Zsigmond 15, Budapest	Hungary
Extreme Digital Zrt	Showroom - Str. Szentmihályi 131, Budapest	Hungary
Extreme Digital Zrt	Showroom - Blvd Szent István 30, Budapest	Hungary
Extreme Digital Zrt	Showroom - Str. Bev38 6, Budapest	Hungary
Extreme Digital Zrt	Showroom - Str. Kinizsi 5, Budaörs	Hungary
Extreme Digital Zrt	Showroom - Str. Piac 56, Debrecen	Hungary

Annex 2

Data and reporting in accordance with the GRI standards

COMPANY	OPERATIONAL CENTRE	COUNTRY
Extreme Digital Zrt	Showroom – Strada Vasvári Pál 1, Győr	Hungary
Extreme Digital Zrt	Showroom – Str. Petőfi Sándor 4, Kecskemét	Hungary
Extreme Digital Zrt	Showroom – Str. Corvin 2, Miskolc	Hungary
Extreme Digital Zrt	Showroom – Str. Szarvas 13, Nyíregyháza	Hungary
Extreme Digital Zrt	Showroom – Str. Nagy Lajos király 16, Pécs	Hungary
Extreme Digital Zrt	Showroom – Str. Várkörút 52, Székesfehérvár	Hungary
Extreme Digital Zrt	Showroom – Blvd Tisza Lajos 60, Szeged	Hungary
Extreme Digital Kft	Warehouse – Strada Zöldmező, Üllő	Hungary
Extreme Digital Kft	Warehouse – Strada K-Sped, Üllő	Hungary
International Ood	Showroom – Bulevardul "Sitnyakovo" 48, Sofia	Bulgaria
Sameday (Delivery Solutions S.A.)	Warehouse – Village Rudeni, Ilfov	Romania
Sameday (Delivery Solutions S.A.)	Warehouse – Str. Stefan Cel Mare, 154, Sibiu	Romania
Sameday (Delivery Solutions S.A.)	Warehouse – Str. Sesului, Apahida, Cluj-Napoca	Romania
Sameday (Delivery Solutions S.A.)	Agency – Intrarea Oxigenului 1A, Cernica, Ilfov	Romania
Sameday (Delivery Solutions S.A.)	Agency – Blvd Aurel Vlaicu 125, Constanța	Romania
Sameday (Delivery Solutions S.A.)	Agency – Blvd A. I. Cuza, Tunari, Ilfov	Romania
Sameday (Delivery Solutions S.A.)	Agency – Str. Ana Ipatescu 39, Jilava, Ilfov	Romania
Sameday (Delivery Solutions S.A.)	Agency – Calea Aviatorilor 4, Ghirada, Timiș	Romania
Sameday (Delivery Solutions S.A.)	Agency – Strada Dacia 1B, Chiajna, Ilfov	Romania
Sameday (Delivery Solutions S.A.)	Agency – Splaiul Independenței 319, București	Romania
Sameday (Delivery Solutions S.A.)	Agency – Str. Industriilor 10, Chiajna, Ilfov	Romania
Sameday (Delivery Solutions S.A.)	Easybox Factory - Splaiul Independenței 319, București	Romania

Annex 2

Data and reporting in accordance with the GRI standards

2. List of companies within the eMAG Group and its shareholders, GRI disclosures 102-5, 102-45

COMPANY	SHAREHOLDING STRUCTURE
Agito SP ZOO (Poland)	Held by Dante International SA (99,99%) and MH e-commerce Holdings (0,01%)
Conversion Marketing SRL	Held by Dante International SA (90%) and Pahomi Marius Mihai (10%)
Delivery Solutions SA	Held by Dante International SA (92,4339%) and Baltaru Lucian (7,2507%)
Depanero SRL	Held by Dante International SA (99,9997%) and Iulian Gabriel Stanciu (0,0003%)
eMAG International OOD	Held by Dante International SA (99%) and Iulian Gabriel Stanciu (1%)
eMAG IT Research SRL	Held by Dante International SA (99,98%) and Iulian Gabriel Stanciu (0,02%)
eMAG Logistica SRL – 99,99%	Held by Dante International SA (99,99%) and Iulian Gabriel Stanciu (0,01%)
eMAG Operations SRL	Held by Dante International SA (99,98%) and Iulian Gabriel Stanciu (0,02%)
eMAG Retail SRL	Held by Dante International SA (100%)
Extreme Digital eMAG Kft	Held by Dante International SA (52%) and by Extreme Digital Group Vagyonkezelő Kft. (48%)
HCL Online Advertising SRL – 95,2%	Held by Dante International SA (96,6%), Șerban Andrei-Alin (1,1%), Brenda Mihai Cristian (1,5%) by Duță Laurențiu Bogdan (1,3%)
International Marketplace Network B.V. – 25%	Held by Dante International SA (25%), Cnova France (25%), e-Price Operations SRL (25%) and real- Holding GmbH (25%)
PC Garage SRL	Held by Dante International SA (100%)
Zitec Com SRL – 24,9061%	Held by Dante International SA (24,9061%), Ștefan Laura Camelia (3,7547%), Daia Lucian Cristian (1,5019%), Bălțeanu Marius Gabriel (1,5019%), Lăpușan Alexandru Cătălin (32,0969%), Lăpușan Ramona Simona (32,0969%), Pena Cristian Laurențiu (2,0708%) and Axon Alexandru (2,0708%)

3. Associations and other organizations in which eMAG is a member, 2020, GRI Disclosure 102-13

ASSOCIATIONS AND OTHER ORGANIZATIONS IN WHICH EMAG IS A MEMBER, 2020	
American Chamber of Commerce	(AmCham)
Romanian Association of Online Stores (Asociația Română a Magazinelor Online)	(ARMO)
Employers' Association of the Software and Services Industry (Asociația Patronală a Industriei de Software și Servicii)	(ANIS)
Concordia	
Foreign Investors Council	(FIC)
UN Global Compact	

Annex 2

Data and reporting in accordance with the GRI standards

4. List of stakeholder groups included in the consultation process, GRI disclosure 102-40

STAKEHOLDERS
Top management and managers of eMAG's departments
eMAG Group employees
Suppliers of goods and services
Commercial clients
Representatives of public institutions
Local government
Non-governmental organizations
Media representatives
Romanian professional associations in e-commerce
European professional associations in e-commerce
Representatives of the Romanian academia

5. Certifications, GRI Disclosure 103-1

STANDARD	CERTIFICATION FOR	SOCIETY	TERM
BREEAM International New Construction 2016	Logistic Centre DC2, design phase, Excellent rating	Dante International SA	/
BREEAM International In-Use: Commercial Version 6	Logistic Centre DC1, design phase, Excellent rating	Dante International SA	2021 - 2024
ISO 9001	Quality Management System	Dante International SA	2019 - 2022
ISO 14001	Environmental Management System	Dante International SA	2019 - 2022

Annex 2

Data and reporting in accordance with the GRI standards

6. eMAG Group regulations, codes, and policies, GRI disclosure 102-16, 103-2

REGULATION, CODE, POLICY	CONTENTS
Internal Regulation	The provisions of the Internal Regulation include, among others, the rights and duties of employees and the employer, as well as measures in force to ensure occupational health and safety. The regulation contains clear provisions on work ethics and integrates the principles of gender equality and equal opportunities at the workplace.
Code of Ethics and Business Conduct	The Code of Ethics and Business Conduct sets up the values and measures needed in view of integrating the ethics standards in the group's business, strategies, and operations. The basic principles of the code include fair employment, occupational health and safety, environmental protection, integrity and responsibility in business.
Whistleblowing Policy	The Whistleblowing Policy was developed for the purpose of building an open culture based on trust, which prevents inappropriate conduct, as well as the procedures for employee protection and assistance.
eMAG Group's Anti-Corruption Policy	The Anti-Corruption Policy sets up the internal anti-corruption standards applied at the level of eMAG Group. The objective is to protect the group and its employees regarding involvement in corruption. The commitment is that of complying with the legal provisions on combating corruption, of developing internal rules to implement them and to apply them in their relation to any third party.
Procedure on Managing Conflicts of Interests	The main objectives of the Procedure on Managing Conflicts of Interests are to promote honesty, integrity, and a fair management structure, as well as to support fairness in the decisions of eMAG Group's employees, an integral part of exercising their duties.
Policy on Legal Compliance	The Policy on Legal Compliance reflects eMAG Group's commitment to carry out its activities in accordance with applicable laws, rules, and regulations. This policy also establishes the requirements for legal compliance programmes within the eMAG group. The objective is to protect the Group and its employees from any behaviours which are not in compliance with the laws and regulations in force.
Policy on sanctions and Export Control	The objective of the Policy on Sanctions and Export Control is to ensure that the employees of the eMAG Group understand the importance of economic and commercial sanctions and that they comply with them. All companies within the eMAG Group must comply with these standards.
Human Rights Declaration	The Universal Declaration on Human Rights presents a series of standards needed to recognize the dignity inherent to all human beings. As part of the eMAG Group declaration, we commit to observe these rights and standards and to contribute to their development.

Annex 2

Data and reporting in accordance with the GRI standards

Quantitative reporting - Consumptions and greenhouse gas emissions

7. Energy consumption, eMAG Group's operations, 2020, GRI disclosure 302-1

SCOPE 1		SCOPE 2	
Nonrenewable energy		Nonrenewable energy	
Motor fuel [GJ]	60,256	Electricity [MWh]	10,975
Natural gas [GJ]	13,922	Renewable energy	
Fugitive [kg]	46	Electricity [MWh]	3,629

8. Greenhouse gas emissions [t CO₂e], eMAG Group Operations, 2020, GRI Disclosures 305-1, 305-2

SCOPE 1	
Motor fuel	4,729
Natural gas	725
Fugitive	0
SCOPE 2	
Electricity	3,762
EMAG'S OPERATIONAL CARBON FOOTPRINT	
Total	9,216

Annex 2

Data and reporting in accordance with the GRI standards

Quantitative reporting - waste

9. Waste produced, [t], eMAG Group's operations - Agito, Dante, Conversion, Depanero, Extreme Digital, Sameday, 2020, GRI disclosure 306-3

TYPE OF WASTE	QUANTITY OF WASTE (TONNES)
Generale waste	1,448.539
Municipal waste	934.66
Plastic	592.959
Composites	498.632
WEEE (electrical)	108.506
Glass	0.012
Metal	24.652
Paper and cardboard	2,266.420
Wood	164.465
Garden and parks	2.738
Total waste ganerated (t)	6,041.489

Annex 2

Data and reporting in accordance with the GRI standards

10. Landfill diversion, [t], eMAG Group's operations - Agito, Dante, Conversion, Depanero, Extreme Digital, Sameday, 2020, GRI disclosure 306-4

NON-HAZARDOUS LANDFILL DIVERSION		
Type of waste	Quantity	Waste management process
General waste	0.249	Recycling
Plastic	592.959	Recycling
Garden and parks	2.738	Recycling
WEEE (electrical)	108.506	Recycling
Glass	0.012	Recycling
Metal	24.652	Recycling
Paper and cardboard	2,266.420	Recycling
Wood	1,644.65	Recycling
Total landfill diversion	3,160.001	

11. Landfilled waste, [t], eMAG Group's operations - Agito, Dante, Conversion, Depanero, Extreme Digital, Sameday, 2020, GRI Disclosure 306-5

NON-HAZARDOUS LANDFILLED WASTE		
Type of waste	Quantity	Waste management process
Municipal waste	934.566	Landfill
General waste	1,448.539	Landfill
Total landfilled waste	2,383.105	

*off-site landfill

Annex 2

Data and reporting in accordance with the GRI standards

12. Process for the collection and assessment of data on the waste collected by the contracted service provider, GRI disclosure 306-2

SCOPE 1	COLLECTION PROCESS	RELEVANT LAW
Logistics warehouses	The relevant statements and documents received from the authorized waste collectors, contracted by Dante International, are sent to the work email address indicated by the provider of waste management services until the 15th of each month for the data in the preceding month.	
Showrooms	For these locations, the service provider makes available a data base model filled-in by the showroom managers in accordance with the information included in the documents received from the contracted waste collectors.	Law no. 211/2011 on waste*
	This data is sent to the work email address indicated by the provider of services until the 15th of each month for the previous month.	Governmental Decision no. 856/2002 on waste management record-keeping and approving the list of waste, including hazardous waste**
	The classification of the waste generated from the activity of the showrooms is conducted by the provider of waste management services. Following visits in the contacted locations, they perform an analysis, based on which the classification is created.	
	This activity is carried out constantly, throughout the year, in accordance with the concluded contract, to improve the selective collection of waste and other obligations related to environmental protection, the basic objective being compliance with the legal provisions for such places of business.	
The data is reported to the environmental protection agencies for each place of business on a yearly basis (until the 31st of March)		

* Starting 26.09.2021, the new law on waste management takes effect (GEO 92/2021) and, within 180 days, the new waste management annexes will be regulated by Minister's Order.

** Training and implementation procedures on the measures for the selective collection of waste and the related obligations will be in accordance with the new legal requirements. Also, the data collection and the centralization procedure from the legal annexes and tables shall be updated at the time the above-mentioned Minister's Order is issued.

Annex 2

Data and reporting in accordance with the GRI standards

eMAG's standards for occupational health and safety

13. OHS training sessions, categories of beneficiaries in 2020, GRI disclosure 403-8

CATEGORIES OF BENEFICIARIES	
Category of beneficiaries	Number of beneficiaries
Employees in warehouses	1,532
Employees in showrooms	470
Employees in the office building	1,717

14. Employee Training Procedure in 2020, GRI disclosure 403-5

EMPLOYEE TRAINING PROCEDURE	
1.	Upon employment, the occupational medicine examination is conducted with the aid of the occupational risk factor identification sheet, drawn up by the OHS inspector, for each job, where the employee is given the job description sheet.
2.	We take the appropriate measures so that, in high-risk and specific risk areas, access may only be allowed for workers who received and acquired the adequate instructions
3.	We conduct training programmes that comply with the themes/training-testing programmes we approve as an employer, in accordance with Romanian laws. They have three stages: general introductory training, on-the-job training, regular training.
4.	Regular training is intended for the entire staff and aims to refresh and update knowledge in the area of occupational health and safety. The interval between two regular training sessions and the periodicity of training checks are established through the training-testing programme formulated at unit level, depending on the workplace and/or job conditions*
*In showrooms, the interval between two regular training sessions is no longer than 6 months, and, in the office building, it is no longer than 12 months, whereas in warehouses regular training is conducted no later than at 3-month intervals.	

Annex 2

Data and reporting in accordance with the GRI standards

15. Measures implemented in 2020, GRI disclosures 403-2, 402-3, 403-7

MEASURES/IMPLEMENTATION	
Prevention	In collaboration with an external prevention and protection service, we assess the risks for the workers' health and safety, including the choice of new work equipment, the use of chemical substances or preparations, as well as workplace arrangements.
	Following the assessment, we establish specific work and production methods for each job.
	We purchase both top of the range work equipment, as well as personal and collective protection equipment, in line with compliance requirements regulated by the law in force.
Protection	At the time of employment, the staff is subject to a strict assessment, based on: health status check, psychological testing, and a set time-frame for checking physical and professional capacities at the workplace.
	The competence of the future employee and their experience are checked and assessed.
	The staff is informed and trained regarding the legal requirements in force, the risks to which they are exposed, their consequences/results, as well as the measures to be taken and observed, specific for each and every workplace.
	In what concerns Occupational Health and Safety in Emergency Situations, accountability is incurred for the entire staff along the reporting line, depending on everyone's involvement.
Evaluation	We reassess the risks related to each workplace when the initial conditions are changed due to the appearance of higher performing technologies, new activities, changes of location, an upgrade of technological processes etc.
	We regularly assess knowledge of Occupational Health and Safety and Emergency Situations assimilated as a result of regular training and the way they are put into practice.
	We assess the way practical first aid exercises are conducted.

Annex 2

Data and reporting in accordance with the GRI standards

Quantitative reporting - Employees

16. Total number of internal and outsourced employees within the eMAG Group in 2020, by gender, GRI disclosure 102-8

NUMBER OF EMPLOYEES IN 2020							
COMPANY	OUTSOURCED EMPLOYEES			INTERNAL EMPLOYEES			TOTAL EMPLOYEES
	Women	Men	Total	Women	Men	Total	
Agito Sp. z. o. o.	-	-	-	15	26	41	41
Conversion Marketing SRL	-	-	-	15	17	32	32
Dante International Kft	9	5	14	203	241	444	458
Dante International S.A.	217	238	455	1669	1595	3264	3719
Delivery Solutions S.A. (Sameday)	93	140	233	386	753	1139	1372
Easybox Factory SRL	-	-	-	2	9	11	11
eMAG International OOD	1	-	1	128	75	203	204
Emag IT Research SRL	-	-	-	212	531	743	743
Emag Logistica SRL	-	-	-	2	2	4	4
Extreme Digital Zrt	20	31	51	124	228	352	403
HCL Online Advertising SRL	5	75	80	57	76	133	213
PC Garage SRL	-	-	-	32	57	89	89
Depanero SRL	-	-	-	84	180	264	264
TOTAL	345	489	834	2929	3790	6719	7553

Annex 2

Data and reporting in accordance with the GRI standards

17. Total number of eMAG Group employees according to the type of employment contract in 2020, GRI disclosure 102-8

COMPANY	EMPLOYEES WITH AN INDEFINITE TERM CONTRACT	EMPLOYEES WITH A FIXED TERM CONTRACT	TOTAL
Agito Sp. z. o. o.	40	1	41
Conversion Marketing SRL	31	1	32
Dante International Kft	441	17	458
Dante International S.A.	3398	321	3719
Delivery Solutions S.A. (Sameday)	1363	9	1372
Easybox Factory SRL	9	2	11
eMAG International OOD	198	6	204
Emag IT Research SRL	737	6	743
Emag Logistica SRL	null	4	4
Extreme Digital Zrt	382	21	403
HCL Online Advertising SRL	208	5	213
PC Garage SRL	88	1	89
Depanero SRL	264	-	264
GRAND TOTAL	7159	394	7553

Annex 2

Data and reporting in accordance with the GRI standards

18. Percentage of eMAG employees who received a performance assessment and feedback for career development in 2020, GRI disclosure 404-3

Percentage of employees who received a performance assessment and feedback for career development		
Total employees		97.03%
Gender	Women	97.17%
	Men	97.06%
Employee category	Managerial	97.4%
	Non-managerial	95.67%

19. Average number of training hours per employee per year in 2020, in eMAG, GRI Disclosure 404-1

Average training time	Per employee	Gender		Employee category	
		Men	Women	Managerial	Non-managerial
In class, Virtual Class, Conference, Virtual Conference	6h 45min (405 minutes)	7h 4min (424 minutes)	6h 17min (377 minutes)	6h 49min (409 minutes)	6h 7min (367 minutes)

Annex 2

Data and reporting in accordance with the GRI standards

20. Basic salary of women in relation to that of men, 2020, GRI disclosure 405-2

COMPANY	LOCATION	EMPLOYEES	MIDDLE MANAGEMENT
Conversion Marketing SRL	Romania	108%	-
Dante International SA	Romania	107%	108%
Emag IT Research SRL	Romania	88%	100%
Dante International Kft	Hungary	93%	70%
Extreme Digital Zrt	Hungary	100%	112%
eMAG International OOD	Hungary	97%	86%

*An unfilled space marks the absence of related data at the time of reporting

Annex 3

List of abbreviations

LIST OF ABBREVIATIONS	
AFS	After Sales
AWB	Air waybill - a document accompanying any dispatch, having a single identification code which allows for the tracking of the shipment
B2B2C	Business to Business to Customer is a business model where company 1 sells its product or service in partnership with company 2 to an end customer
B2C	Business to Customer refers to the direct sale of products and services between a business and the consumers who are also end users of its products or services
B2S	Back to Sender
BREEAM	Building Research Establishment Environmental Assessment Method - an internationally recognized green building certification system
CO ₂	Carbon dioxide
CO ₂ e	Carbon dioxide equivalent
Door-to-door delivery	Delivery of the parcel straight directly at the customer's door
eNSP	Employee Net Promoter Score
ESG	Environmental, Social, and Governance
FBE	Fulfilment by eMAG
GDP	Gross Domestic Product
GHG	Greenhouse gas
GJ	Gigajoule
GRI	Global Reporting Initiative
HR	Human Resources
KWh	Kilowatt hour
Last-mile delivery	Delivery of a parcel from the warehouse to the customer

Annex 3

List of abbreviations

LIST OF ABBREVIATIONS	
MJ	Megajoule
MW	Megawatt
MWh	Megawatt hour
OHS	Occupational Health and Safety
PET	Plastic used on a large scale for packaging
SDG	Sustainable Development Goals
t CO ₂ e	Tonnes of carbon dioxide equivalent

Annex 3

List of footnotes

¹ The emissions generated by eMAG Group's supply chain were first estimated in the year 2020 and were not audited

² The emission factors were taken over from IEA Emission Factors 2019, International Energy Agency

³ GHG Protocol Scope 2 Guidance, market-based approach, page 46

⁴ Target of -50% compared to 1990, valid for the utility vehicles category

⁵ Is E-Commerce good for Europe? Oliver Wyman, 2021. [is-ecommerce-good-for-europe.pdf \(oliverwyman.com\)](https://www.oliverwyman.com/insights/publications/2021/is-ecommerce-good-for-europe.pdf)

⁶ According to a study conducted in the Netherlands for Transportation Research Procedia in 2019: From home delivery to parcel lockers: a case study in Amsterdam. [From home delivery to parcel lockers: a case study in Amsterdam - ScienceDirect](https://www.sciencedirect.com/science/article/pii/S2214180119300000)

⁷ The calculation is based on the premise that an easybox delivery generates on average 14 g CO₂, and a standard delivery generates on average 300 g CO₂, according to the study conducted for Procedia in 2019.

⁸ For products sold in showrooms, we still issue invoices on paper, at the customer's request.

⁹ ESG criteria are environmental, social, and governance criteria.

¹⁰ [CIRCULAR ECONOMY fact sheet \(europa.eu\)](https://ec.europa.eu/economy_finance/circular_economy_fact_sheet_en)

¹¹ The research was drawn for the calendar year 2020

¹² In the research, we considered both eMAG's own activities in Romania (direct impact), and business transactions with our local collaborators (indirect impact), as well as the effect of the expenses incurred with the employees of eMAG and our collaborators to purchase products and services in Romania (induced impact)

¹³ The number of active employees on December 31st, 2020 was 5,567,428. Source: Labour Inspection



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