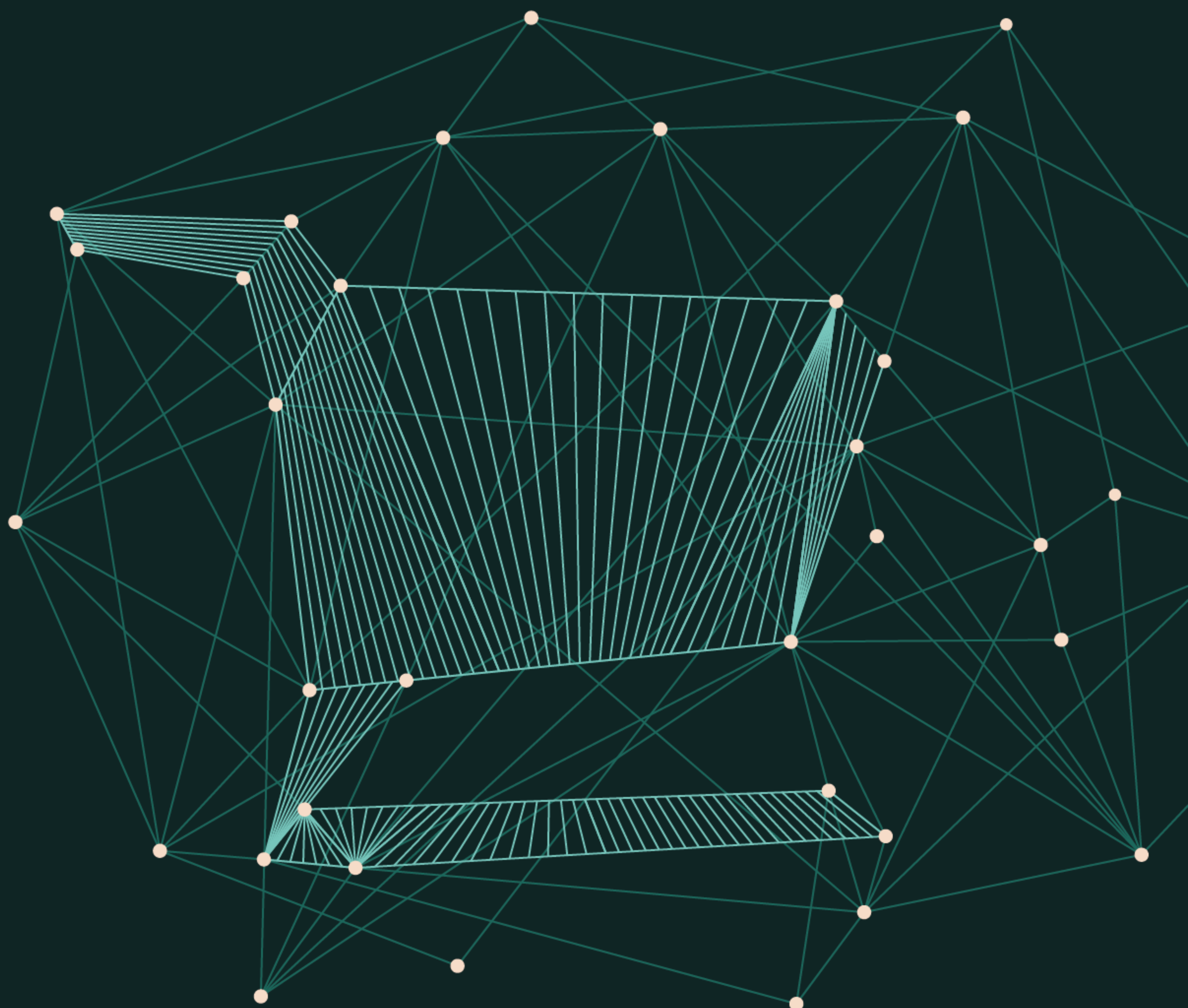
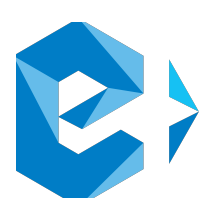


E-COMMERCE: SUSTAINABLE AND ETHICAL

THE CHAMBER OF DIGITAL
ECONOMY REPORT 2021



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Introduction

We want to share with you the results of the first extensive and in-depth study of the e-commerce market in Poland, which deals with business ethics and sustainable development. The Chamber of Digital Economy, Poland's leading organization, dealing with the digital economy, has prepared the report.

In the report, we capture the state of managers' knowledge, the relevance of CSR strategies, ethics in e-business and the advancement of sustainable development of companies, including the effects of activities aimed at having a positive impact on the environment. Similarly, we present a reliable picture of consumers' views on e-commerce stores on the following issues: ecological sales of sustainable products, supply chains, environmental protection in e-business, cooperation of companies with the environment for the common good. Having the opportunity to contact top management of Polish e-commerce, we have a collection of comments and thoughts on the direction of Polish e-commerce, which is like a frigate under full sail on a great sea of opportunities. According to PWC, e-commerce in Poland has grown by 35 per cent and will reach a 14 per cent share of retail sales value in 2020. For this reason, we are also pleased to provide you with a basket full of inspiration on how to revise business strategies and respond to market needs to be as close as possible to your target group. This knowledge fills the first part of the report - "Green e-commerce". The second part of the report deals with the no less important issue of - "Ethics in e-commerce". Here we discuss the fundamental issues of running any business - values, principles, respect for the rights of consumers, employees and citizens, and transparency. An integral part of the ethical part of the report is the "E-commerce Code of Ethics".

It is worth noting that the first Polish report "Sustainable e-commerce" is part of a larger project of the Chamber of Electronic Economy, which also includes the first Polish Rating of companies "Sustainable e-commerce" and Digital Economy Forum, which this year will be entirely dedicated to the topics discussed herein. These events are intended to be cyclical.

The whole is a clear and noticeable promotion of the European Green Deal, green digital economy, CSR and the UN Sustainable Development Goals. It is about consolidating the trends that have already taken place, promoting these issues to emerging e-business and society in general. We believe that this report will serve further to develop companies, society and the digital economy. We encourage you to read it and join the Chamber of Digital Economy and join in the work of our subject-matter groups, the School of Digital Economy, or legislative activities aimed at shaping the best legal framework for e-commerce.



Patrycja Sass-Staniszevska
CEO
The Chamber of Digital Economy



Paweł Oksanowicz
Coordinator of CSR and Sustainability Group
of the Chamber of Digital Economy

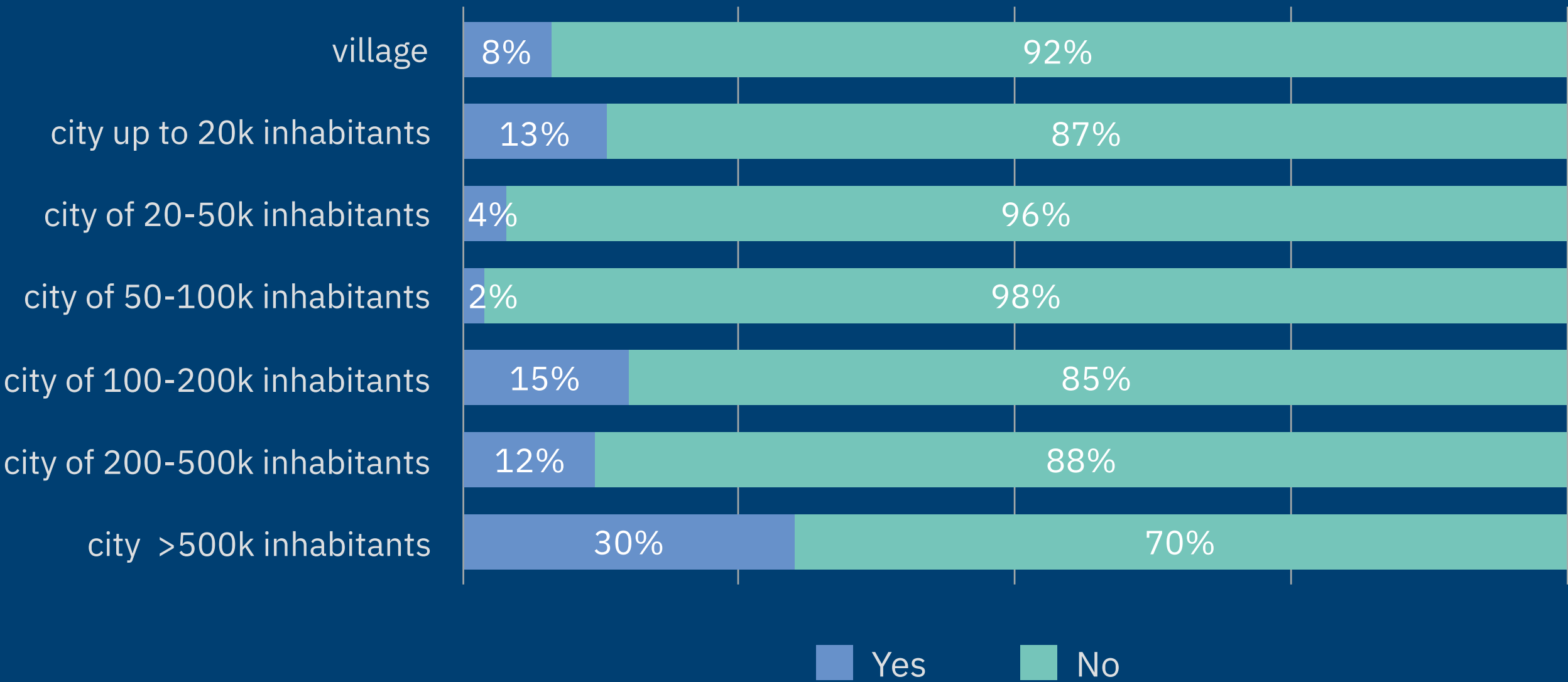
KNOWLEDGE AND FUNDAMENTALS

Highlights:

- Most consumers had not heard of sustainability (87%) or socially responsible business (91%). Those who have encountered the term socially responsible business before have primarily experienced it in the workplace (21%), on television (21%) and the radio (19%).
- Consumers perceive the most environmentally unfriendly e-commerce practices to be the use of foil to package shipments (22%), the packaging of food products in plastic bags and plastic bags (20%), and the packaging of small products in large packages and the use of fillers (18%).

These same practices are perceived to be the most burdensome. Yet, interestingly, 53% of women, and twice as many men, do not consider any of these practices environmentally unfriendly.

Do you know what sustainability means in the economy?
E-commerce: Sustainable and Ethical report, N=1530, all respondents

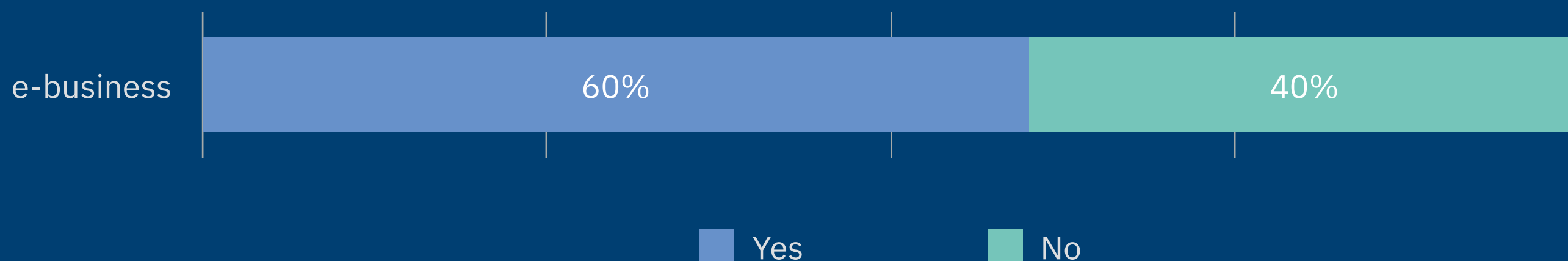


STRATEGIC APPROACH OF E-BUSINESS FOR RESPONSIBLE AND SUSTAINABLE DEVELOPMENT

Highlights:

- 60% of e-firm employees know what responsible business means, and they rate the importance of this idea very high - 5.16 (on a scale of 1-6).
- An even more familiar concept to e-firm employees is sustainable development. 76% knew of this concept, and the importance of this idea received a rating of 4.81 (on a scale of 1-6).
- Almost all, i.e. 98% of the surveyed employees of e-firms, declare that their workplace operates in the area of corporate social responsibility, and almost half of the e-firm representatives claim that their company has set strategic directions for sustainable business.

Do you know what responsible business means?
E-commerce: Sustainable and Ethical report,, N=54, e-business

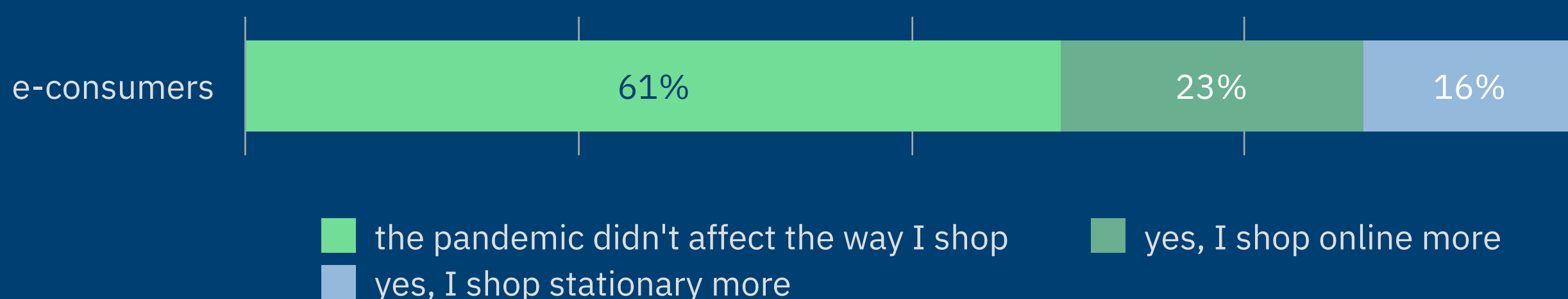


IMPACT OF PANDEMIC ON ECOMMERCE ACTIVITIES

Highlights:

- Respondents during the pandemic began buying online more often. Almost a quarter of respondents admit this. Yet, at the same time, as many as 61% of consumers say the pandemic had little impact on their purchasing decisions. Instead, the pandemic had a much more significant impact on e-businesses, making significant changes to adapt to the situation.
- Poles gave a surprisingly high and positive assessment of the impact of the pandemic on companies' involvement in CSR activities (3.85 on a scale of 1-6). It was also stated that CSR is a necessity today if a company wants to be competitive (4.12 on a scale of 1-6).
- Most consumers can wait longer for delivery if a given e-shop would send all ordered products in one parcel. At the same time, the average waiting time for an order by consumers is up to 3 days.
- Most of the respondents are aware of the non-environmental character of returns and also declare that they pay attention to whether the parcel is packed in an ecological manner.

Has the pandemic situation affected the way you shop?
E-commerce: Sustainable and Ethical report, N=1530, all respondents



SUSTAINABLE E-COMMERCE MARKET

Highlights:

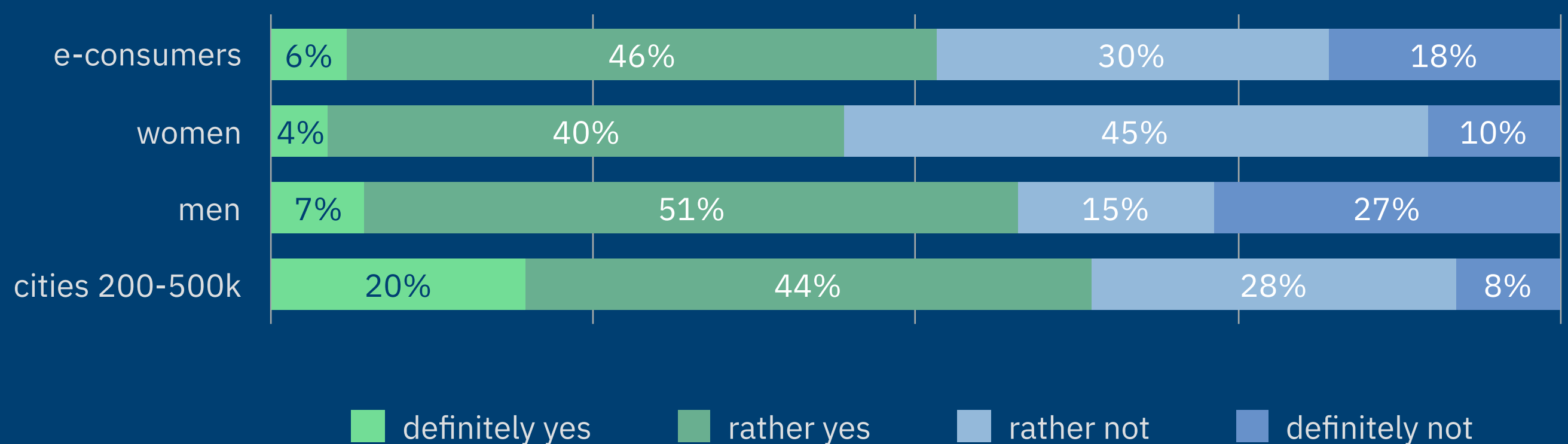
- Among the most popular CSR tools used by the company of the surveyed e-firm employees were: implementation of environmentally friendly technologies, environmental goals to reduce energy consumption, water consumption, packaging waste.
- As many as 93% of the companies active in CSR benefit from it. The benefits described include image benefits, but also economic benefits.
- The most popular CSR activities in the responsible product and supply chain are: offering safe and sound quality products/services, created with awareness of the source of materials, with attention to environmental protection, diversification of payment forms, as well as the implementation of innovations and technologies. However, the most popular CSR activities in ecological protection turned out to be: conscious waste management (segregation, recycling), implementation of innovative solutions reducing the negative impact on the environment and environmental education of employees and customers of e-business.
- The most popular CSR activities in responsible employee relations were identified as personal data protection policy, occupational health and safety policy, clear contracts with employees, and effective internal communication and crisis communication procedures. As far as CSR activities in the area of social responsibility are concerned, actions for the benefit of the local community and involvement in charity actions.
- Most companies have CSR activities written into their strategy. These activities are motivated by the desire to build a more positive image of the company or results from its values.
- Almost half of the companies check what approach in the field of CSR is presented by other entities before commencing cooperation. The companies vetted most often are suppliers of products and services, subcontractors and producers.
- 43% of the surveyed companies educate their customers in the field of CSR. In addition, almost half of the E-firms' employees claim that customers are informed in various channels in their workplace what CSR activities are active within the company.
- Customer satisfaction is surveyed more often than employee satisfaction.

THE CONSCIOUS E-CONSUMER

Highlights:

- More and more e-consumers pay attention to the store's return and complaint policy before making a purchase (52% and 50% respectively). Hence, a tip for e-businesses to display the policy visibly so that e-customers do not get discouraged quickly. Also crucial for 55% of e-consumers is whether a given vendor is a responsible company operating in accordance with sustainable development. Active operation of e-shops in CSR provides a positive image of the company in the eyes of the e-client. Therefore, e-businesses must place such information in a visible place on their website.
- Respondents agree that CSR is a must for companies today if they want to be competitive in the marketplace (4.12 on a scale of 1-6).
- According to the respondents, the most involved shopping categories in CSR activities are: groceries, fashion and home appliances/RTV/photos. On the other hand, marketing/advertising is indicated as the least engaged category.
- The most convenient channel of communication with the e-store for customers is e-mail, as well as Messenger, telephone communication.
- Nearly half (43%) of consumers say they would report a company for unethical or environmentally harmful practices if they had the opportunity. As many as 44% believe companies take such reports into consideration.

Do you consider what their return policy is like before deciding on a particular e-shop?
E-commerce: Sustainable and Ethical report, N=735, online shoppers





Luca Cassetti

SECRETARY GENERAL OF ECOMMERCE EUROPE

Why should businesses support each other in the promotion of sustainable development?

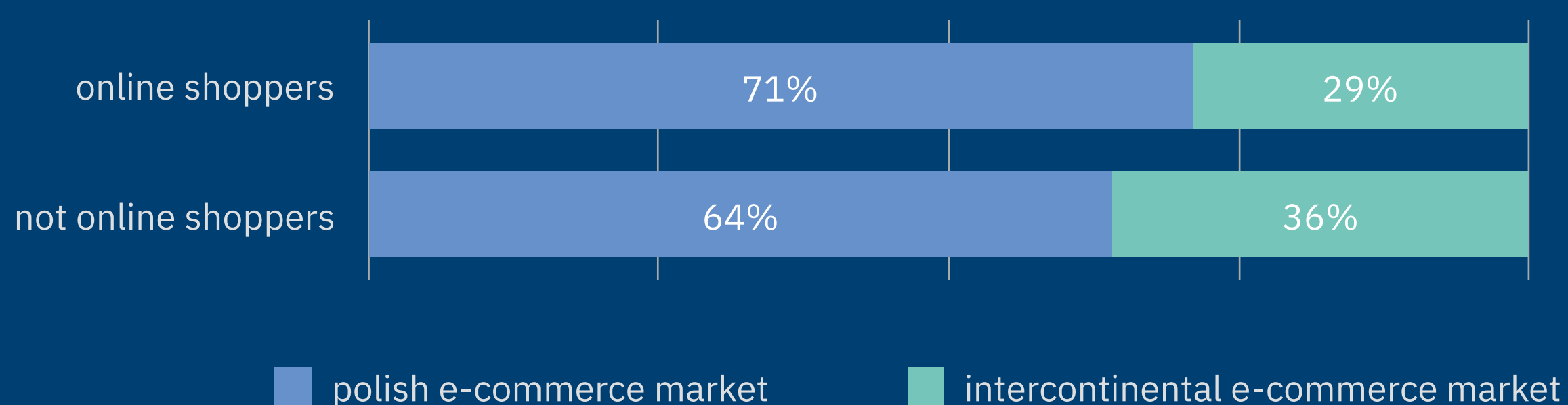
All businesses are part of a complex social, environmental, and economic ecosystem, and of course part of wide supply chains and networks of companies. Therefore, business decisions are not taken in a vacuum, and cooperation is at the heart of the transition to more sustainable practices. Areas that carry the most opportunities to reduce emissions in e-commerce are those where the participation of all actors is needed to enact long-lasting changes. One example is the importance of companies supporting each other to improve e-logistics, where the sharing of practices and data between retailers and delivery providers is fundamental. It can promote better communication to businesses and consumers (e.g., on the environmental impact of different types of delivery), but also to increase the overall efficiency and reduce the environmental impact of e-logistics (e.g., group delivery of items; better calculate delivery routes, optimize trucks to match the evolution of packaging, ...). The interconnectedness of players' decisions and existing cooperation should of course be considered when defining new policies, and leave businesses the flexibility to cooperate to continue build market solutions.

THE FUTURE OF CSR IN ECOMMERCE

Highlights:

- 68% of consumers believe that the Polish e-commerce market is more socially responsible than the intercontinental market. These are good statistics that bode well for a thriving future for the e-commerce market in Poland.
- More than half of the respondents say that more CSR activities should be implemented in the Polish market..
- The highest rated idea for reducing environmental impact was the option to package the shipment without plastic/foil (4.83 on a scale of 1-6).
- Respondents cited saving water (39%), sorting trash (37%), and not littering (35%) as the actions that had the greatest impact on environmental improvement.

Which e-commerce marketplace do you think is more socially responsible?
E-commerce: Sustainable and Ethical report, N=1530, all respondents



E-commerce Code of Ethics

PREAMBLE

As the e-commerce industry, and as each company within the industry, we are aware of our growing role in the economy and society. We believe that only a business that acts ethically can grow sustainably by gaining a social license to operate. Therefore, we try to understand our impact on the economy, society and the environment and take such actions that will serve the common good and minimize the potential adverse effects of our activities. Therefore, we have decided as an e-commerce industry to develop, adopt and develop a Code of Ethics, which is a compass that sets the principles of our business activities towards customers, employees, business partners and other stakeholders. By adhering to these principles, we will jointly shape a friendly environment for developing companies operating in the industry, building our customers' trust and social welfare. Furthermore, we want to create ethical e-commerce based on competitive advantages to provide value to our customers while caring for human rights contained in the Universal Declaration of Human Rights

Therefore, as the Chamber of Digital Economy, we encourage all entities operating in the e-commerce industry to implement the principles of the Code of Ethics of e-commerce in their daily business practice. We play Fair Play for the good of our companies, our customers, the industry and society!

OUR PRINCIPLES

1

Integrity in all we do

Integrity is the foundation of building relationships with our customers. Through honest business practices, we can earn the trust of both our customers and other stakeholders. We communicate with our clients clearly and understandably. Our communications with customers, both face-to-face and through web interfaces, comply with legal requirements. The products we offer are presented honestly and factually and the costs associated with a purchase are communicated transparently. We place our contact information on our websites in a way that is accessible and easy to find. In conducting advertising activities, we are guided by the principles of fair competition. We make sure that the information provided is understandable and not misleading. We maintain clear rules for positioning products and services in our search engines. We respect intellectual property rights, and therefore, among other things, we attach great importance to monitoring the origin of the goods sold by us .

2

We build our credibility through high quality business processes

The basis of our development is reliability, which we ensure by taking care of high-quality business processes. We offer secure payment mechanisms and provide comprehensive post-purchase services. We reliably handle complaints under applicable regulations and the best standards. We strive to create mechanisms that ensure that our products and services are entirely safe for our customers.

3

Our customers can feel safe with us

Thanks to data, we can provide products and services and help our customers make quick and accurate purchase decisions. Therefore, we take special care of data security. We protect our customers' data by applying appropriate technical and organizational measures to ensure data security both at the stage of collecting and further processing. We also emphasize the transparency of data processing as required by applicable law. Furthermore, when planning new solutions or services, we adhere to the principle of data protection by design. In this way, we consider the principles of personal data protection already at the stage of designing new solutions.

4

Creating friendly workplaces

The e-commerce industry and our companies are all about the people who work in them. We want our employees to be proud to be part of this environment. That is why we provide friendly and non-discriminatory workplaces where it is possible to develop with passion. We care about respect for the dignity of every person, equal opportunities for promotion and attractive working conditions and remuneration. Ethical people create an ethical business, and therefore, among other things, through this Code, we strive to build a professional ethos of e-commerce employees.

5

We care about technology quality

Without technology, there is no e-commerce. New technologies, social media, artificial intelligence systems allow e-commerce to develop and respond to customer expectations. We are aware of the ethical challenges that are associated with the technological solutions we use. That is why we care about the safety of the digital solutions we use and develop them based on current knowledge. At the same time, we are aware that new moral dilemmas related to innovative technologies still appear and will continue to appear. Aware of this, we monitor the state of knowledge about the ethics of new technologies and strive to implement good practices in this area.

6

We develop and innovate ethically (ethics by design)

The foundation for the growth of the e-commerce industry is technological and business innovation. It is the innovation that allows us to deliver better value to our customers. Before the introduction of innovations to the market, will be subjected to ethical review. It is impossible to foresee all the consequences of innovations. Therefore, we are committed to responding quickly if innovations have negative ethical implications on users. We develop and implement ethical innovations that are trustworthy and put people first.

7

We care about the most vulnerable

A measure of moral conduct is how we care for the most vulnerable. We are aware that among our clients, there are people from groups requiring special attention and protection. Therefore, we conduct our business practices in such a way as to protect children and adolescents, the elderly, people with disabilities, people who are excluded or struggling with addictions and mental illnesses.

8

Human rights are an integral requirement in supplier selection

Our suppliers grow with us. However, we want this growth to respect human rights, particularly labour rights. Therefore, we will require our suppliers to commit to respecting human and labour rights so that our supply chain is free of child labour, human trafficking, slave and forced labour. In addition, we will strive to ensure that our suppliers have safe and non-discriminatory working conditions that guarantee the dignity of workers, adequate levels of remuneration, and working hours that comply with international standards, ensuring sufficient time for rest. .

9

We care about the environment

We all breathe the same air, drink the same water, use the same nature. Nature is our common good threatened by climate change. That is why we strive to make our business practices environmentally friendly by, among other things, taking an eco-friendly approach to packaging, reducing our carbon footprint, and using water rationally.

Out of concern for our planet, we will support projects related to the implementation of the idea of a closed-loop economy.

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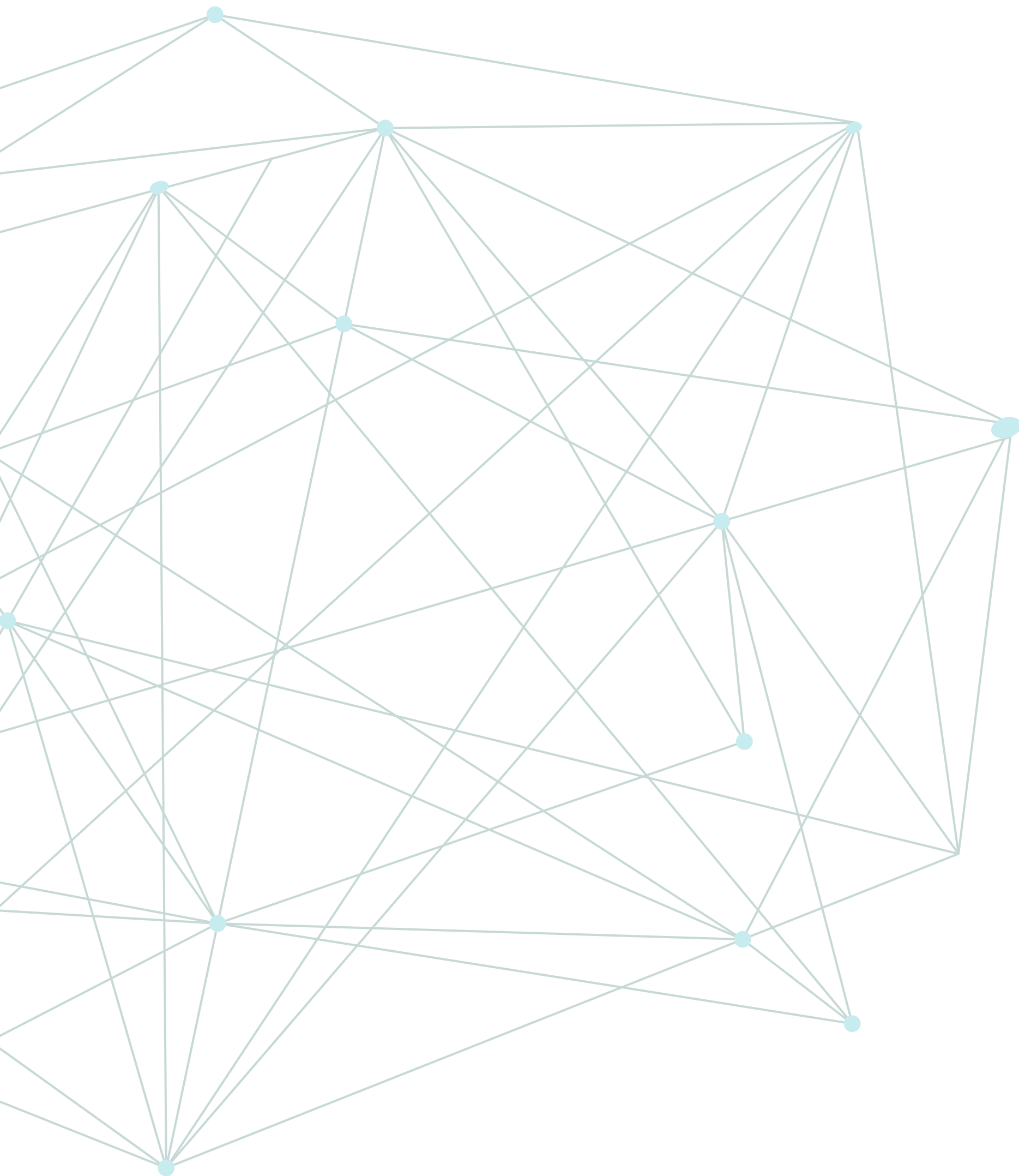
Our operations are based on legal regulations

Our business practices comply with applicable laws. We strongly oppose any corrupt practices, unfair behavior resulting from conflicts of interest, violations of fair competition laws and, in particular, price fixing.

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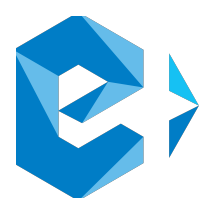
We promote business ethics

As e-commerce companies, we promote the ethical principles contained in this Code among our stakeholders, particularly our employees, customers, business partners and suppliers.



Thank you

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