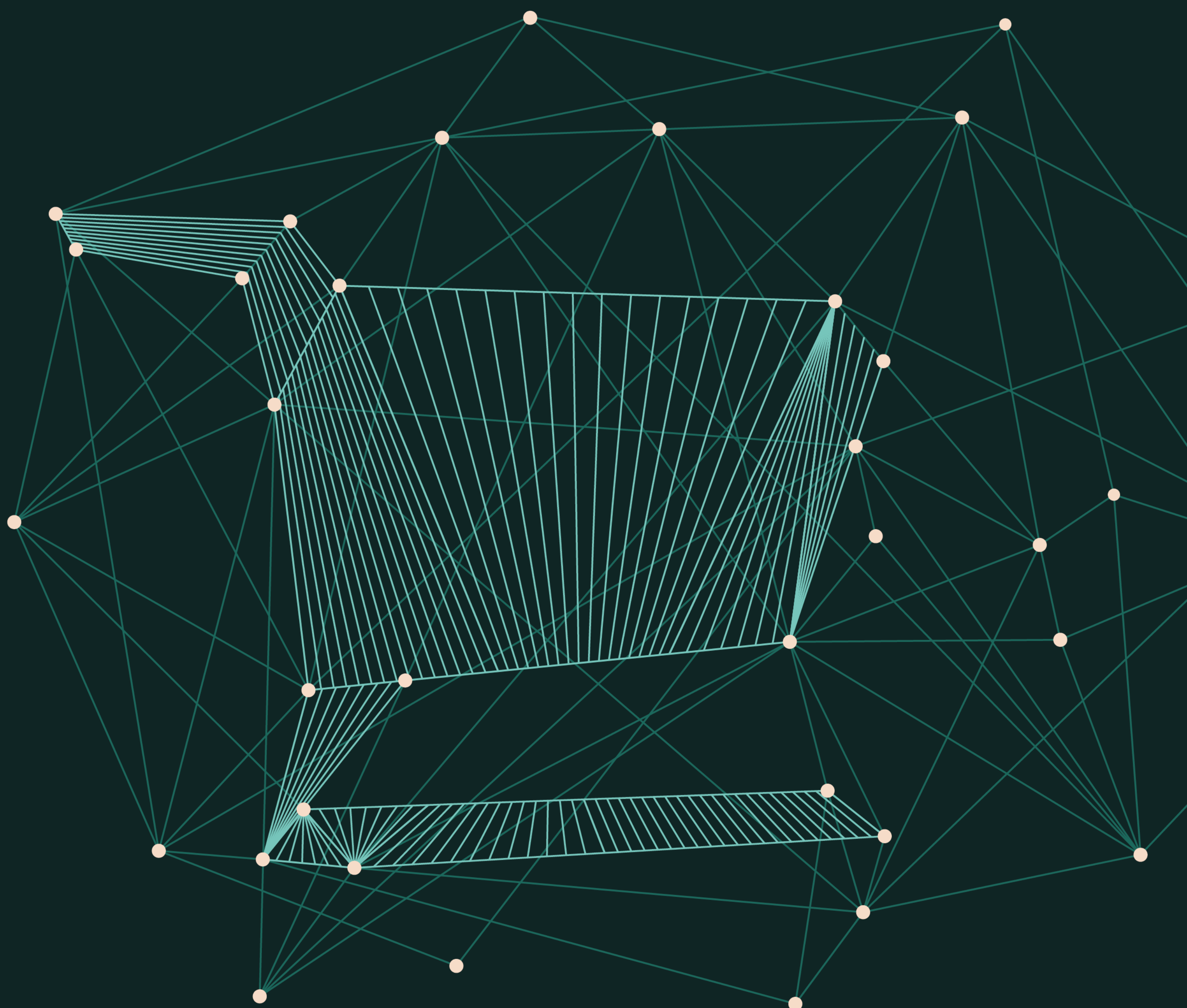


SUSTAINABLE E-COMMERCE

∴ THE CHAMBER OF
DIGITAL ECONOMY | 2023

ABSTRACT



RAPORT AUTHOR

RESEARCH AND ANALYSIS

GENERAL PARTNERS



INTRODUCTION

▶ The digital economy is experiencing growth, including e-commerce. The growth of e-commerce is helped by the scale of the use of new technologies. Given the investments in this area, further increasing interest in commerce, online shopping by customers and companies should be expected. This is confirmed by the predictions of the PWC company, which estimates the growth of e-commerce in the country at tens of billions of zlotys (by more than 94 billion over the next few years to 187 billion zlotys in 2027). We have repeatedly referred to these figures, but we do not forget to generate more, of our own devising, which say even more about e-commerce - our field of interest. For example, 3 out of 4 eCommerce executives interviewed by the Chamber of Digital Economy estimate that the industry's growth rate will reach 15-20 per cent per year in the coming years. Thousands of small, medium and large companies are working for the success of e-commerce. The number of e-tailers is now more than 150,000 entities. These are the findings of the report "Decade of e-commerce 2013-2023" e-Chamber.

In this case, we invite you to take a look at the next, third edition of the "Responsible e-Commerce" report. We continue with a description of the market - the attitude of customers and the state of advancement of companies and managers in the areas of environmental and social responsibility. The data presented also refers to corporate citizenship - the involvement of brands in social issues.

However, the business aspect remains paramount here, which ties in with the mission of the Chamber of Digital Economy - to assist the country's e-commerce companies in their continuous development, large and SME. For this reason, the report is an extremely valuable source of knowledge on how cost optimisation, which relates to value, is presented in a turbulent reality that often requires companies to protect their interests at all costs. To the variously defined responsibility and ESG, (environment, social, governance) factors not yet measured everywhere in a uniform and standardised way.

Is there anything that companies are prepared to sacrifice in order to maintain growth and create a favourable environment for their existence? What will consumers turn a blind eye to when the falling purchasing power of the zloty makes them thin their shopping baskets or choose cheaper, non-certified goods? Here we describe real, sometimes difficult dilemmas and give a coherent description of e-commerce reality from this side.

We also create it with our everyday choices, shopping in a not inconsiderable number of over 120,000 e-commerce shops with a Polish address. Companies influence this reality by creating strategies and policies. This is all contained in this document, which we invite you to read.



Patrycja Sass-Staniszevska

CEO
CHAMBER OF DIGITAL ECONOMY



Paweł Oksanowicz

HEAD OF THE SUSTAINABLE E-COMMERCE
GROUP AT THE CHAMBER OF DIGITAL ECONOMY

Key findings

Consumers

▶ 1

What is sustainable development?

Knowledge of sustainability concepts has improved significantly among consumers this year. What is ethics in e-commerce is now known by 19% (+2p.p.). On the other hand, knowledge of what sustainability is in the economy is declared by 21% of respondents vs. 15% a year ago. The situation is even better when it comes to knowledge of the concept of responsible business. Here, 23% of respondents are aware of what SD (sustainable development) or possibly CSR (socially responsible business) is, compared to 13% in 2022 and 8% a year ago.

Employers share knowledge

This year, respondents were much more likely to learn about sustainability issues in their workplace (as much as 40%), followed by the Internet (also mainly company websites) and product packaging. Unfortunately, in general, the role of the Internet in informing Poles about SD is not growing. We are also still not gaining knowledge from universities and schools.

▶ 2

▶ 3

Conscious and practical e-choices

When choosing an e-retailer, consumers primarily look at low prices, assortment, promotions and delivery methods - very practical factors, all the more so at a time of rapidly rising prices. However, various sustainability-related elements are taken into account by as many as 42% of e-consumers. On the other hand, when choosing a product in an e-store, various SD-related aspects are already important for 6 in 10 online shoppers.

Ecology is a 'must be'?

Consumers are analysing their e-commerce purchases. 60 per cent of internet users say they take into account when shopping online whether an e-store is an SD compliant business. The importance of this element for e-buyers is 3.94 on a scale of 1-6 vs. 4.19 a year ago. 37% of respondents pay attention to whether a shop sells certified products. In turn, 30% declare that the e-tailer's visible SD activities encourage them to buy.

▶ 4

▶ 5

Attention, the consumer is watching!

Only 11% of consumers do not perceive any non-environmental e-shopping practices. A year ago, the figure was 33%. A clear increase in awareness of such e-commerce activities is therefore evident. In the top negative practices in 2023, consumers indicated various aspects of delivery, in particular the lack of or insufficient number of parcel machines.

Key findings

Consumers

▶ 6

Polish e-commerce more responsible

The Polish e-commerce market as socially responsible received a rating of 4.19 this year (vs. 4.08 in 2022, 3.89 even a year earlier).

No turnaround on returns

Consumers point to good descriptions, pictures and information about the composition of products as elements that support conscious online shopping and therefore reduce the risk of returns. Unfortunately, despite these indications, the majority still does not consider returns in e-commerce as an activity that has negative consequences for the environment. A year ago, 36% of respondents perceived such a relationship and today it is similar - 36%.

▶ 7

▶ 8

Best solutions at hand

Among the ideas for how e-commerce can reduce its environmental impact, consumers currently rate recommerce (i.e. the option to sell branded second-hand products) best, followed by return packages and the choice of a longer delivery option, where all items from an order are delivered together.

Are e-stores listening?

22% of internet users say they would be happy to report violations to e-shops if they had the opportunity to do so, however, as many as 63% (vs 57% a year ago) feel that businesses do not recognise and take them into account anyway.

▶ 9

▶ 10

The crisis is not good for ecology

The green product packaging aspect is highlighted by 55% of internet users. This is -6pc less than in 2022. However, the willingness to pay a surcharge for eco-packaging has increased this year. This is declared by 34% (+6p.p.) of respondents. If consumers were to pay extra, it will again be very small amounts. 39% would pay additional PLN 3-5. 35% would like to pay additional PLN 1-2.

Key findings

E-business

1

Knowledge of SD is increasing

The concept of ethics in e-commerce is familiar to all managers surveyed. What responsible business is, on the other hand, 91% of those surveyed know. The concept of sustainability is similarly known to 91% of e-companies.

Strategy complemented

This year, 9 out of 10 surveyed managers rated their company as one that behaves responsibly. In turn, more than half of e-companies (55%) now have a defined strategy for responsible development and e-business, and in this field it is worth noting the increase from 47%. 82% of entities also claim that elements of SD have already been written into their development strategies.

2

3

Dialogue increasingly important

Education of their customers about SD is already carried out by 2/3 of the companies surveyed. By far the most common way in which customers are informed about a company's or brand's SD activities is through various channels. Market feedback is gaining in importance. Satisfaction levels of customers, employees or business partners are already surveyed by 91% of companies.

SD is a tangible benefit

Nine out of 10 e-firms surveyed indicated that they benefit from doing business responsibly. Again, the most common benefits are image benefits, now indicated by 80% of companies, but also this time strategic and brand development and environmental benefits. The economic benefits, derived from SD, are again appreciated by 6 out of 10 e-companies.

4

5

Technology support

The most commonly used sustainability tools have changed from last year. Nowadays, companies rely primarily on modern solutions and investments in environmentally friendly technologies, as well as on taking care of and investing in their employees and their well-being. It is also worth noting that a variety of tools are being used by companies year on year.

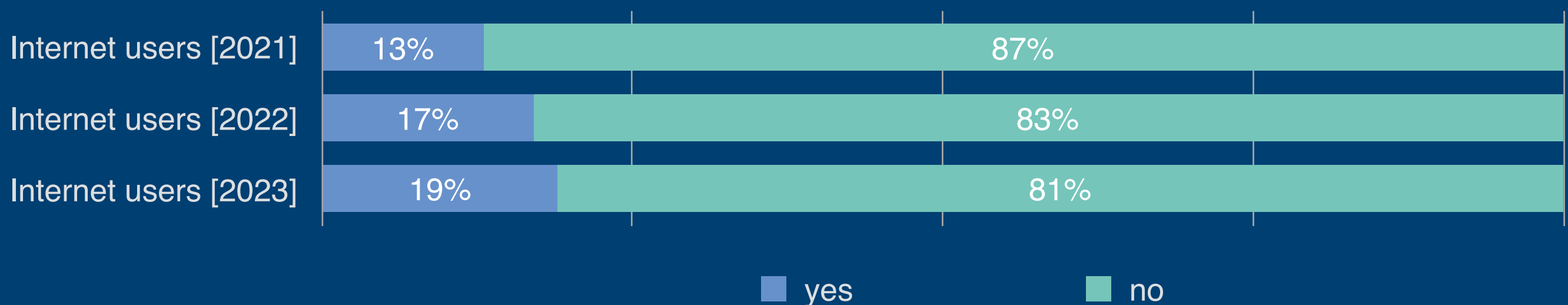
Ethics in e-commerce business: knowledge of the concept

- The concept that is related to doing business responsibly and growing in a sustainable way is e-commerce business ethics. Familiarity with this concept among the consumers surveyed increased again this year, but unfortunately only slightly. This is an increase of +2p.p. For Polish women, familiarity with the term "ethics in e-commerce business" remained unchanged at 19%. Among men, on the other hand, the percentage of those familiar with the concept increased by +3p.p., to 18%. Familiarity with the concept is still highest in the largest urban centres, but its growth this year has definitely happened elsewhere - in small towns with a population of 20-50,000.

GRAPH 1

Do you know what ethics in e-commerce means?

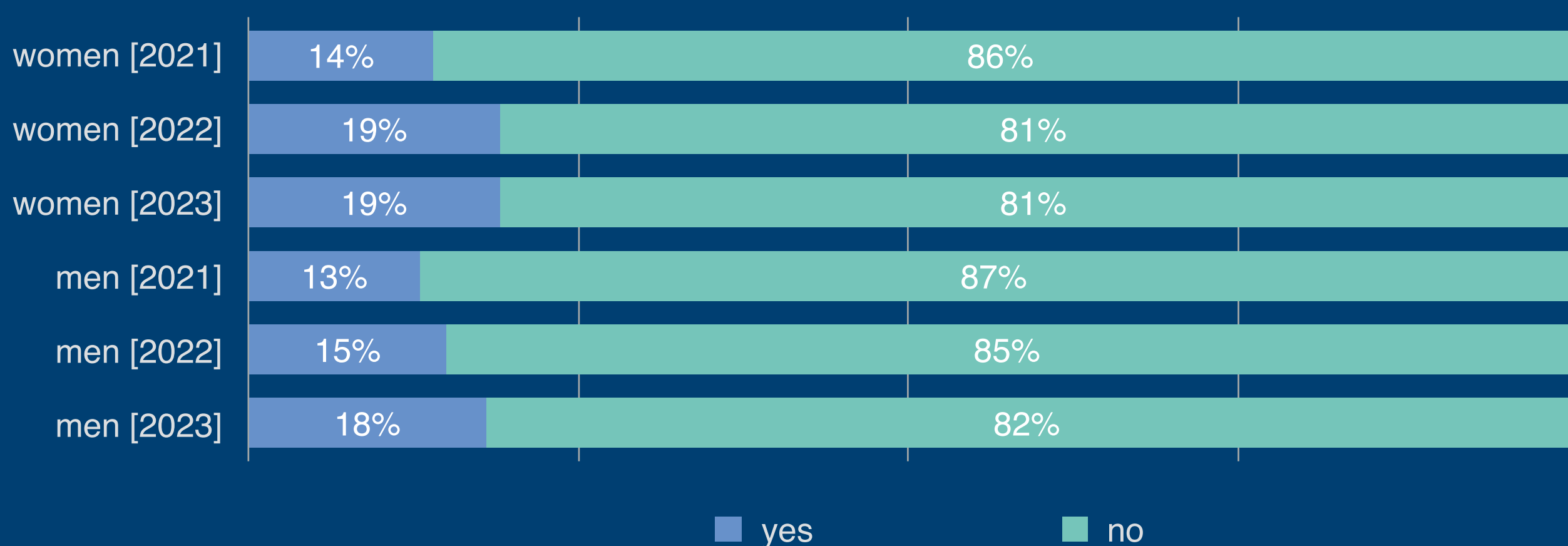
Sustainable E-commerce 2023 Report, N=1828, all respondents, Sustainable E-commerce 2022 Report, N=1709, all respondents, Sustainable E-commerce 2021 Report, N=1530, all respondents



GRAPH 2

Do you know what ethics in e-commerce means?

Sustainable E-commerce 2023 Report, N=1828, all respondents, Sustainable E-commerce 2022 Report, N=1709, all respondents, Sustainable E-commerce 2021 Report, N=1530, all respondents



Knowledge and attitudes

Highlights

- ▶ Knowledge of sustainability concepts is still quite low, but it is improving among consumers for another year in a row. The increase has been primarily among groups such as Zennials, as well as residents of small towns with a population of 20-50,000.
- What is ethics in e-commerce is now known by 19% (+2p.p.). On the other hand, the level of knowledge of what sustainability in the economy is has increased significantly more, i.e. knowledge of the concept is declared by 21% of respondents vs. 15% a year ago.
- The situation is even better with regard to knowledge of the concept of responsible business. Here, 23% of respondents are aware of what SD (sustainable development) or possibly CSR (socially responsible business) is, compared to 13% in 2022 and 8% a year earlier. Contact with the term ESG, on the other hand, is declared by 19% of respondents, which is less than in 2022 (-4p.p.).
- What sustainability is, in general, is known by 14% (+4 p.p.) of respondents, with internet users now much more likely to indicate that they learned about sustainability issues in their workplace (as much as 40%), followed by from the internet (mainly company websites) and also from product packaging. It is still too rare to learn about SD at universities. The Internet also seems to be underutilising its full educational potential.
- Consumers agree that SD activities can indeed benefit both companies and communities, but they are also much more likely this year to believe that companies undertake SD activities primarily to improve their image and increase profits. Consumers seem to be polarising on this issue.
- Internet users are keeping a close eye on e-commerce's SD activities. No eco-unfriendly e-commerce practices are now seen by only 11% of consumers. A year ago, the figure was 33%, so there is a clear increase in awareness of such e-commerce activities. It is noteworthy that the top negative practices in 2023 also included other elements than a year ago - elements that respondents had not previously paid much attention to. At the top of the list, consumers identified various aspects of delivery in 2023, in particular the lack of or insufficient number of parcel machines and the issue of sending products from one order with one shipment, even if this will mean longer waiting times. Packaging has "gone down a bit", but consumers are still clearly bothered by small products being packed into too large parcels.

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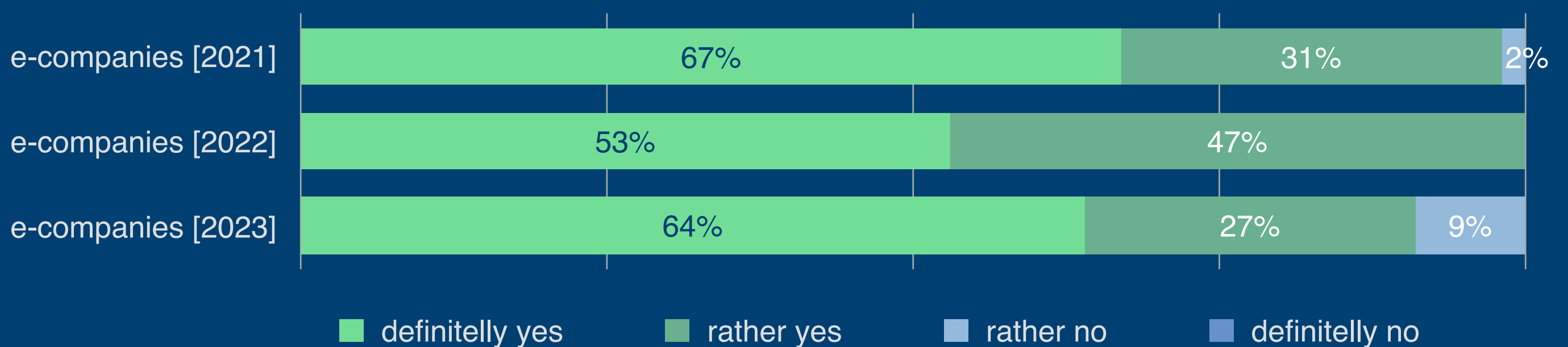
Strategic SD approach

▶ A year ago, all companies surveyed indicated that they acted in a responsible manner towards employees, customers, the environment, suppliers and business partners, and thus were generally socially responsible. Currently, 91% of the surveyed companies have made such a declaration, with a definite 'yes' said by more companies than a year ago, 64%, but at the same time 9% indicated that they are unlikely to meet the conditions to say that they act responsibly in all of the areas mentioned. This may indicate an increasing awareness of what SD is and how complex it is to implement in companies.

GRAPH 3

Does the company you work for act responsibly towards employees, customers, the environment, suppliers, business partners (operates in the area of corporate social responsibility)?

Sustainable E-commerce 2023 Report, N=55, e-business, Sustainable E-commerce 2022 Report, N=53, e-business, Sustainable E-commerce 2021 Report N=54, e-business

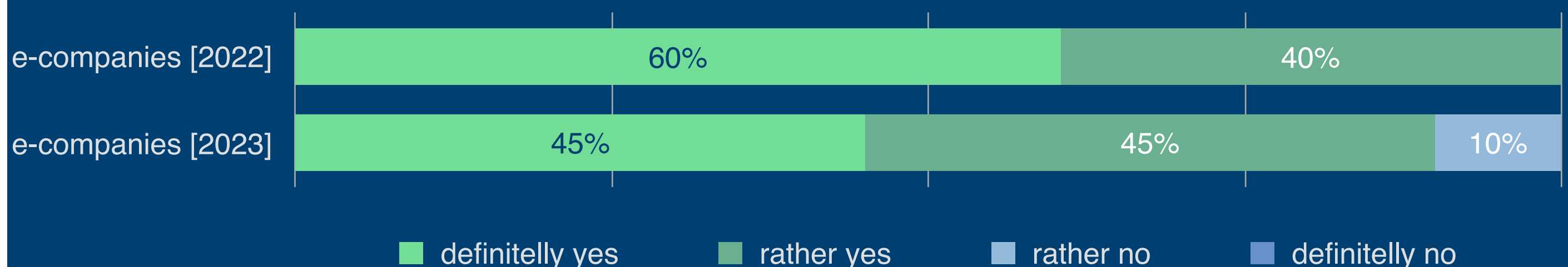


▶ The situation is similar when it comes to acting in a responsive manner in the area of e-commerce. Here, too, 9 out of 10 companies in question declared such compliance with the idea and principles of SD, with responsible and ethical conduct of e-commerce strongly confirmed by 45% of respondents (vs. 60% a year ago).

GRAPH 4

In your opinion, does the company conduct e-commerce in a responsible/ethical manner?

Sustainable E-commerce 2023 Report, N=55, e-business, Sustainable E-commerce 2022 Report, N=53, e-business, Sustainable E-commerce 2021 Report N=54, e-business



Strategic business approach

Highlights

- Familiarity with the concepts of sustainability, sustainable e-business, and ethics in e-commerce is very high among managers. The first two are known to 9 out of 10 respondents. What ethical e-commerce is, on the other hand, every e-commerce manager surveyed knows.
- At the same time, managers also rate the proximity of the aforementioned ideas in their companies very highly. As was the case a year ago, in no case did the rating fall below 5 on a scale of 1-6, and in the case of responsible e-business it increased significantly.
- Currently, slightly fewer companies declare that they act in accordance with the idea and principles of socially responsible business (91%) and conduct e-commerce in an ethical manner (90%), but they have such a model of development and activity much more frequently written into their strategy (55%).
- For yet another year in a row, managers indicate more and more motives why sustainability principles are implemented in companies. At the same time, these are increasingly often the requirements of the environment and not the result of principles professed within the company. There was also a significant increase in indications that SD is a necessary element for building a positive image of companies and actually a necessity in the current times.

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Pandemic impact Highlights

- ▶ Poles have become accustomed to pandemic conditions, although this year more people indicate that the pandemic has changed these habits. In particular, one-third declare that they have been shopping more frequently in e-commerce since covid-19.
- In the post-pandemic years, Polish consumers have instead started to pay more attention to whether companies operate in accordance with sustainability principles and to actively seek information in this regard.
- Despite this increased interest and sense of responsibility, the willingness of respondents to report unethical practices has unfortunately decreased again. This is due to the fact that Poles now have less of a feeling that, should they report such unethical practices, their information would be accepted and taken into account by e-companies.

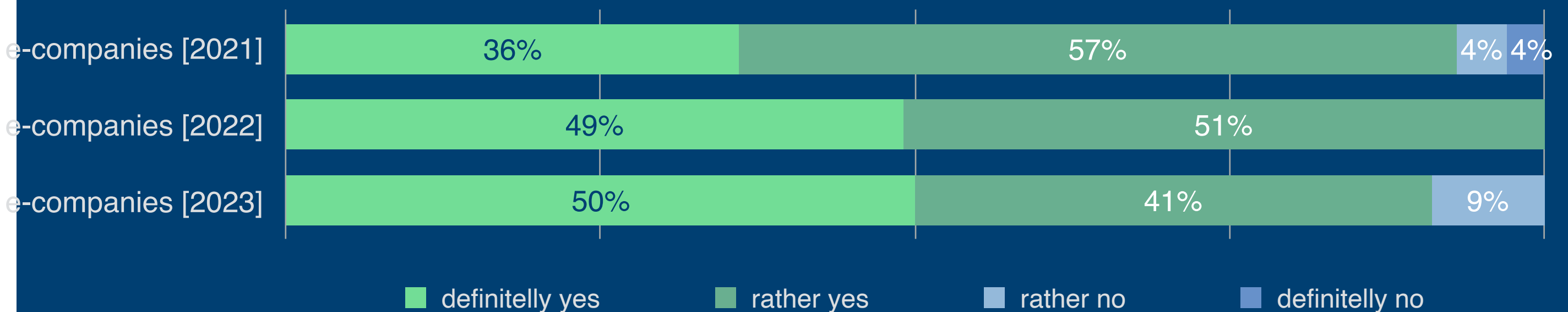
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Benefits of running a responsible business

▶ The benefits of doing business in a socially responsible and ethical way are felt by almost all companies surveyed that operate in this way in e-commerce. None strongly denied it, with 9% of the companies surveyed having doubts.

GRAPH 5

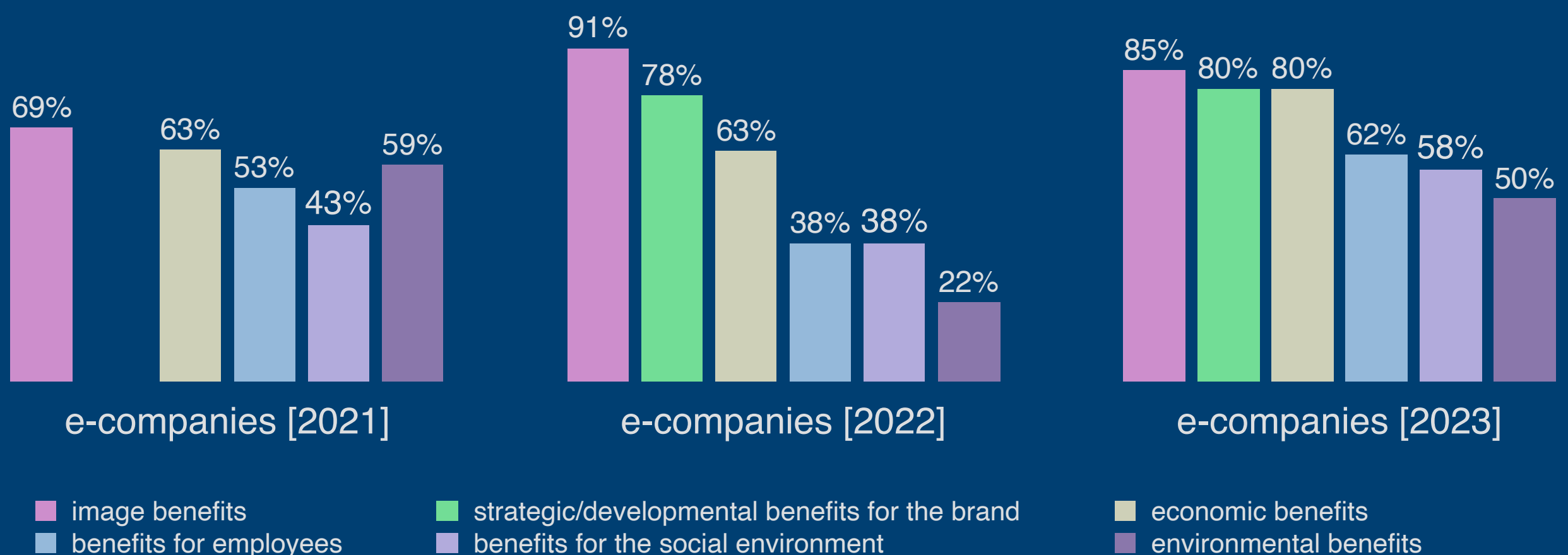
Does the company benefit from doing business in a responsible/ethical manner?
Sustainable E-commerce 2023 Report, N=55, e-business, Sustainable E-commerce 2022 Report, N=53, e-business, Sustainable E-commerce 2021 Report N=54, e-business



▶ It is noteworthy that companies that feel the benefits of doing business responsibly point to many more of them this year. First and foremost, more companies declare that they benefit economically (80% vs 63% a year ago). The surveyed managers also confirm benefits for employees (62% vs 38% in 2022), as well as benefits of the social environment (+20pc) and the environment (+28pc).

GRAPH 6

What areas do these benefits relate to?
Sustainable E-commerce 2023 Report, N=55, e-business, Sustainable E-commerce 2022 Report, N=53, e-business, Sustainable E-commerce 2021 Report N=54, e-business



Sustainable e-market Highlights

- Over the past year, e-business has significantly intensified SD activities in most of the areas surveyed. Those related to modern technology, but also human resources, i.e. respecting the rights of e-customers and employees, have gained the most importance.
- The most popular SD action in terms of responsible product and supply chain is the diversification of delivery forms to reduce CO2 emissions. The top SD action in terms of respecting e-customers' rights is ensuring data security, as well as optimising service processes. In terms of environmental protection, the most popular SD measure this year turned out to be environmental education of employees and customers again, and the measure in the area of responsible employee relations is taking care of the development and improvement of professional qualifications and satisfaction surveys. In the context of social responsibility, it is support for charitable organisations .
- Much more often than a year ago, companies educate their customers on socially responsible development and offer incentives to promote environmentally friendly activities.
- An Ethics Officer is already employed by 9% of the companies surveyed.
- It is important for companies to screen potential business partners for social responsibility. Suppliers, vendors, subcontractors or manufacturers are checked by 2/3 of companies before starting cooperation.
- As many as 82% of the companies surveyed are still involved in helping Ukraine. First and foremost these are collections, but also support of Ukrainian employees and their families in the immigration process and financial support of charitable organisations helping Ukraine. One in five e-companies broke off cooperation with companies from Russia and Belarus.
- Increasingly, companies are surveying the opinions and satisfaction levels of their stakeholders, most often customers and employees. Only 9% of surveyed entities do not conduct satisfaction surveys.

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SKRÓT

ŚWIADOMY E-KONSUMENT

⋮ ODPOWIEDZIALNY E-COMMERCE | RAPORT E-IZBY 2023

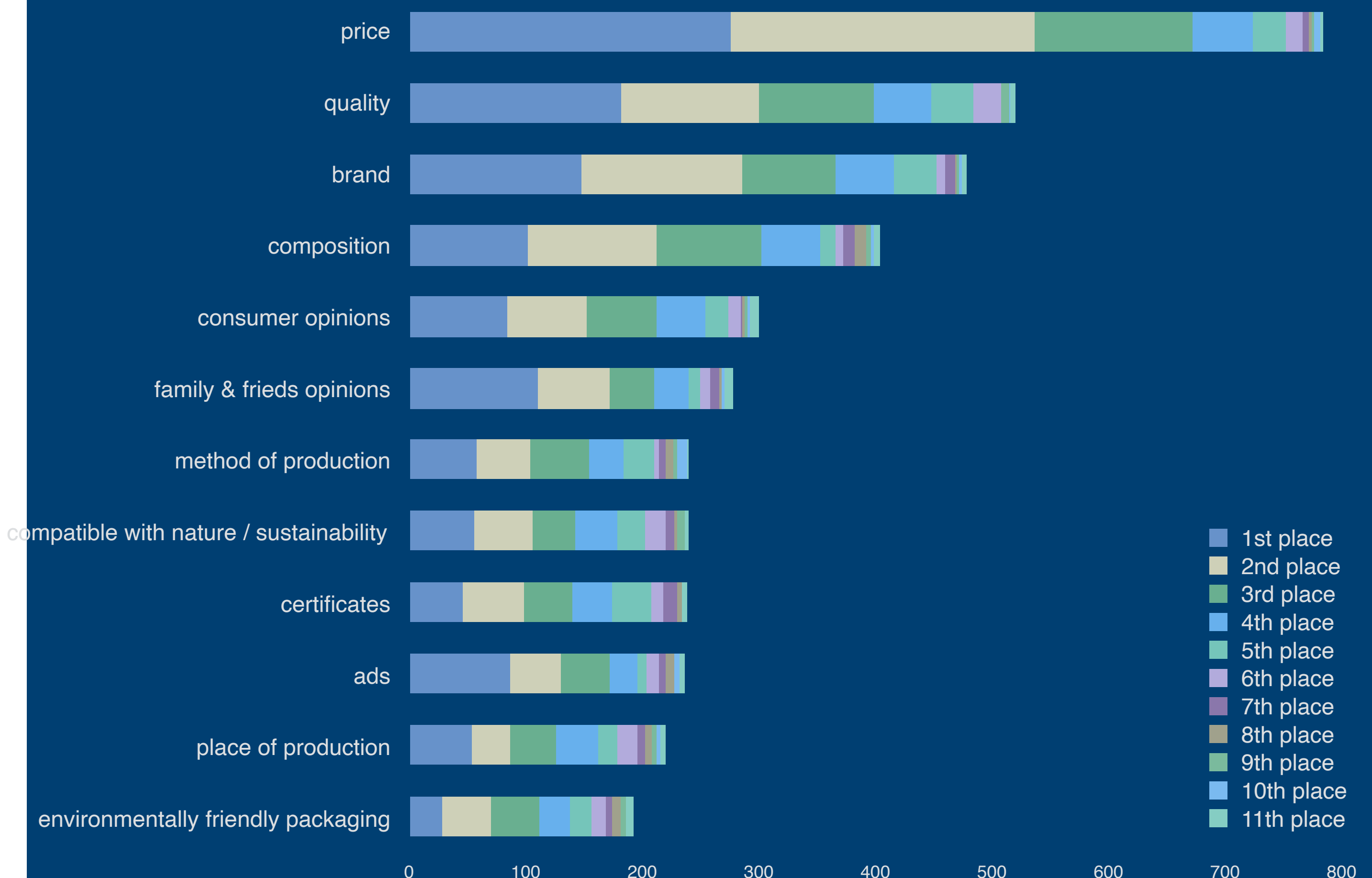


E-shop and e-product selection

Consumers this year are starting to take more factors into account when choosing both an e-commerce product and an e-tailer. Price, quality, brand and composition are still the primary factors in choosing an e-commerce product. However, this year, most likely due to inflation and the economic slowdown, the importance of price as this key decision-making element has increased even further. It was mentioned by 64% of the respondents, while another factor, quality, was mentioned by 42%. Such a difference between these two basic purchasing parameters has not been seen in surveys for 10 years. The role of the brand, which in a way is a guarantor of quality, has increased. It is worth noting that the indications of elements related to SD and ecology, although they do not occupy the first place, have increased significantly. Every 5th (vs. every 8th in 2022) consumer pays attention to naturalness, 20% (+5p.p.) of consumers take into account the place of production, the production method, certifications and environmentally friendly packaging. As many as 33% (+4p.p.) in turn pay attention to the composition of the product. In general, aspects related to SD are important for 6 out of 10 consumers buying online (+10p.p.). When choosing an e-retailer, consumers look primarily at low prices, assortment, promotions and delivery methods, very practical factors. In addition, in times of high inflation, low prices and promotions have become even more important as in the product selection decision. However, here, too, we can see a greater awareness and participation of SD-related elements in the choice of e-tailer. These are now paid attention to by 42% (+7p.p.) of e-consumers.

GRAPH 7

What factors do you consider when buying a product from an e-shop?
 Sustainable E-commerce 2023 Report, N=1230, regular online shoppers, Sustainable E-commerce 2022 Report, N=1190, regular online shoppers, Sustainable E-commerce 2021 Report, N=980, regular online shoppers



Conscious consumers

Highlights

- When choosing an e-retailer, consumers look primarily at low prices, assortment, promotions and delivery methods - very practical factors. Additionally, in times of high inflation, low prices and promotions have become even more important. It is noteworthy, however, that although SD-related elements were again ranked last among the indicated factors, indications of them increased.
- Overall, 42% (+7pp) of e-consumers pay attention to SD-related elements when choosing an e-retailer.
- When it comes to choosing a product in an e-shop, the basic factors remain very practical, such as price, quality, brand, composition and friends' opinions, but indications of elements related to SD and ecology have increased significantly. SD-related aspects matter to 6 in 10 consumers buying online (+10p.p.).
- This year, significantly fewer respondents (43% vs. 73% a year ago) declare that operating an e-business according to SD principles positively affects the image in their eyes. Perhaps this is becoming a standard for consumers.
- 60% (-7p.p.) of consumers declare that they take into account when shopping online whether an e-business is an SD-compliant business. The importance of this element for e-buyers is 3.94 on a scale of 1-6 vs 4.19 a year ago.
- 37% of respondents pay attention to whether a shop sells certified products. In turn, 30% declare that the visible SD activities of the e-retailer encourage them to buy.
- On the other hand, the number of consumers who are willing to wait for a parcel to be dispatched organically, i.e. all products at once, has increased. A year ago, this was 40%, now 60% of respondents declare such readiness, with 50% (vs. 28% a year ago) indicating that it depends on the type of products and whether they need them urgently.
- The ecological aspect of product packaging is emphasised by 55% of internet users. This is -6pc less than in 2022. In contrast, the willingness to pay a surcharge for eco-packaging has increased this year. This is declared by 34% (+6p.p.) of respondents. If consumers were to pay extra, it will again be very small amounts. 39% would pay additional PLN 3-5. 35% would like to pay additional PLN 1-2.
- Poles still do not consider returns in e-commerce as an activity that has negative consequences for the environment. A year ago, 36% of respondents perceived such a correlation, today it is the same - 36%.

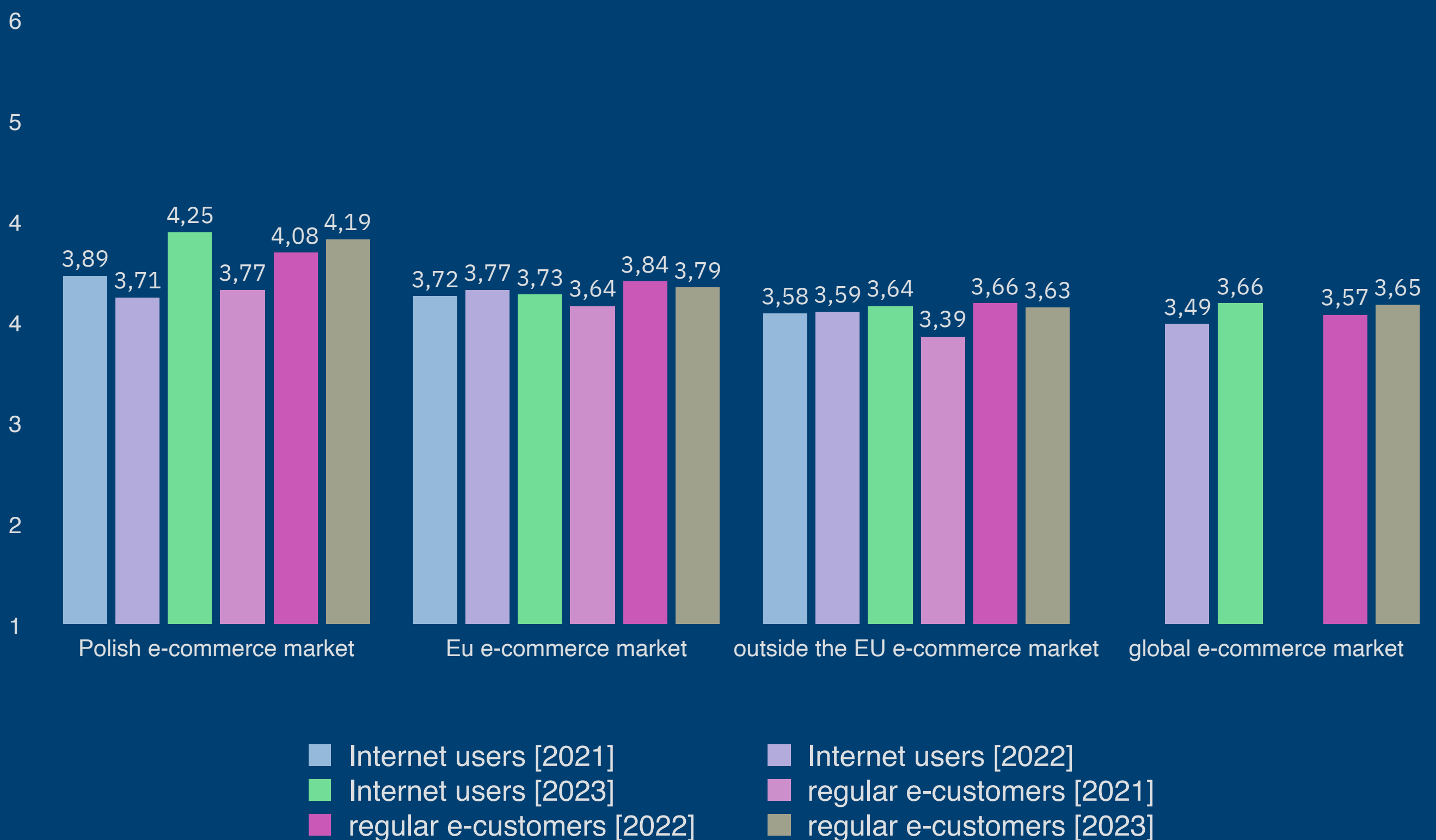
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Polish vs. foreign e-commerce market

► Invariably for the past 3 years, consumers have rated the Polish e-commerce market as the most socially responsible. In 2023, it received a rating of 4.25 on a scale of 1-6 - higher than a year ago and higher than the other markets surveyed, i.e. EU, non-EU and intercontinental. Nleco is concerned by the lower ratings of e-customers, who tended to rate the Polish market better than non-buyers or occasional online shoppers. This year, e-customers' ratings are lower (4.19 vs. 4.25). Interestingly, the ratings for the EU market, as well as for non-EU e-commerce, have fallen.

GRAPH 8

To what extent do you think the e-commerce market (...) is socially responsible?
 Sustainable E-commerce 2023 Report, N=1828, all respondents, Sustainable E-commerce 2022 Report, N=1709, all respondents, Sustainable E-commerce 2021 Report, N=1530, all respondents



► Consumers also rated the Polish e-commerce market again in terms of caring for the environment and being green. Here, the rating is again below 4, but significantly higher than just a year ago (3.90 vs. 3.56 in 2022).

SD future in e-commerce

Highlights

- The Polish e-commerce market as socially responsible received a rating of 4.08 from e-buyers this year, compared to 3.89 a year ago. The EU market was again rated worse than the Polish market, with a rating of 3.84, and the non-EU market received a rating of 3.58. The intercontinental market received the lowest rating.
- The Polish e-commerce market as socially responsible received a rating of 4.19 this year (vs. 4.08 in 2022, 3.89 the year before). The trend is therefore positive and consumers are generally rating Polish e-commerce better and better.
- In the context of caring for the environment, the Polish e-commerce market received a score of 3.9, which is also higher than a year ago (3.74).
- According to Internet users, it is Polish e-shops and not foreign ones that are more active in terms of responsible e-commerce (35% vs. 29%), but their predominance in the indications of Internet users is now much less clear.
- Respondents this year are less likely to believe that an environmental approach gives Polish entrepreneurs a competitive advantage (37%). It seems that environmental and pro-social policies are already becoming a standard requirement, a "must-be" factor rather than a "wow!" factor in e-commerce.
- Only 25% (-16p.p.) of surveyed e-customers now consider e-commerce to be more environmentally friendly than stationary shops.

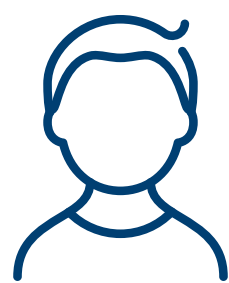
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Methodology

▶ Report is based on a survey conducted by the Mobile Institute on behalf of the Chamber of Digital economy. The survey was conducted in September and October 2023, using the CAWI (Computer-Assisted Web Interview) method - responsive electronic forms broadcasted on websites and via email.

The survey used the opinie.mobi survey system and instapps.io widgets. Responses were collected from 1828 Internet users and 55 representatives of e-commerce companies. Only complete fully completed forms were taken into account.

In the survey and report, by generation representatives we mean:



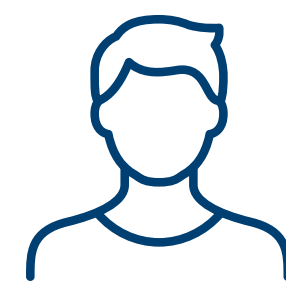
Z GENERATION

People born
after 1996 year



YOUNG MILLENNIALS

People born between
1990 and 1995 years



OLD MILLENNIALS

People born between
1984 and 1989 years



XENNIALS

People born between
1975 and 1983 years



X GENERATION

People born between
1965 and 1974 years



SILVER POWER

People born between
1946 and 1964 years

Thank you!

REPORT AUTHOR



IZBA
GOSPODARKI
ELEKTRONICZNEJ

RESEARCH AND ANALYSIS



Mobile Institute

GENERAL PARTNERS

allegro



InPost

MODIVO
GROUP