

**Note of the Polish OECD NCP concerning the monitoring
of the case involving Grupa OLX Sp. z o.o.
submitted by Frank Bold Foundation**

Warsaw, July 28, 2020

CASE HISTORY

1. On 9 April 2018, the OECD National Contact Point (OECD NCP) received a notification of an alleged breach of the OECD Guidelines for Multinational Enterprises (hereinafter the “OECD Guidelines”). The notification was submitted by the Frank Bold Foundation (hereinafter also referred to as the “Notifier”), a non-governmental organization operating in the area of environmental protection with its headquarters in Krakow. The notification referred to the multinational enterprise Grupa OLX sp. z o.o., with its seat in Poznan and operating in the sector of online advertisement portals, being part of the corporate group OLX Group with its main headquarters in the Netherlands (hereinafter also referred to as the “Company”).
2. The following chapters of the OECD Guidelines were indicated by the Notifier: Chapter II “General Policies”, Chapter VI “Environment” and Chapter VIII “Consumer Interests”, which had been violated, in the opinion of the Notifier, through the placement of advertisements on the advertisement portal of the Company concerning sale offers for furnaces for, inter alia: burning processed oil and discarded wooden railway sleepers.
3. On 25 June 2018, the OECD NCP accepted the case for further consideration. After publishing the Initial Assessment in this case OECD NCP proposed to the parties to carry out *good offices* in order to work out a solution.
4. In September 2018 a meeting of representatives of the Company and the Author of the notification was held in the presence of the OECD NCP representatives. Further actions were taken directly between the parties, and the OECD NCP received written information from the parties on the progress of the cooperation.
5. On April 25, 2019, the parties signed an agreement of intent which states, inter alia, that the Notifier will monitor the content of the announcements placed on the advertisement website of the Company while the Company will remove from the website the advertisements indicated by the Notifier that violate the provisions on environmental protection. In addition, the Notifier offered expert support for the Company in activities aimed at protecting the air against pollution, promoting ecological attitudes, and a consumption model consistent with the principles of environmental protection and sustainable development.
6. On June 13, 2019, the OECD NCP agreed with the parties the content of the Final Statement which was published on July 1, 2019. In the Final Statement, the OECD NCP emphasized the parties' openness to dialogue and commitment to the process of reaching an agreement. The parties agreeing on the procedure to conduct by the Notifier permanent monitoring of the

advertisements published on the OLX.pl website in order to remove by the Company the advertisements concerning products and services which by breaching the environmental protection regulations may have a negative impact on the natural environment, in the opinion of the OECD NCP was the testimony of the deep commitment of the parties to act in the field of environmental protection. The OECD NCP will recommend the parties to conduct further activities in accordance with the agreement reached by the parties.

7. It should also be noted that the Final Statement of the Polish OECD NCP in the case concerning Grupa OLX Sp. z o.o. was met with great interest at the international level due to the fact that it was the first specific instance dealt with within the OECD NCP Network (formed by OECD NCPs in 49 countries) which concerned a multinational enterprise operating in the sector of internet advertising portals.

CASE MONITORING

On April 29, 2020, the OECD NCP requested the parties to provide information on the course of cooperation and the implementation of the agreement concluded between the parties. The Company sent its reply on May 15, 2020, whereas the Notifier on June 2, 2020.

1. Removal of advertisements

As agreed by the parties, the Company undertook to remove from the OLX.pl advertising website the advertisements indicated by the Notifier which violate the environmental protection regulations the subject of which were furnaces for burning processed oil and discarded wooden railway sleepers.

The Notifier submitted to the Company on March 22, 2019, May 20, 2019, and July 29, 2019, three lists of such advertisements. In total, during the period of cooperation with the Frank Bold Foundation, the Company received 285 links regarding advertisements with inappropriate content.

The Company has informed the OECD NCP that in the period from October 10, 2019, it has removed from the OLX.pl website 16,629 advertisements containing offers for furnaces burning processed oil. In addition in the case of 6,656 advertisements, the Company reminded users that their advertisements contained, for example, too laconic description and users either corrected their advertisements in accordance with the expectations of the Company and which were subsequently published on the website or did not take such action, therefore, the Company removed these ads from the site.

2. Expert support for the Company activities by the Notifier

By the virtue of the agreement between the parties, the Notifier undertook to provide the Company with expert support in matters relating to environmental protection in particular protection of air against pollution. The Company provided the Notifier, via e-mail, inquiries regarding inter alia the following issues:

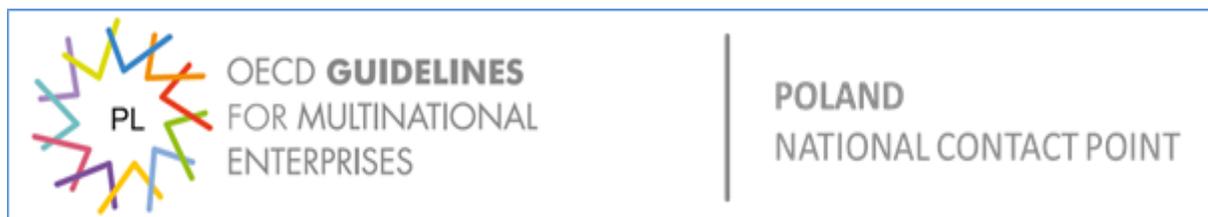
- Verification of the manual prepared by the Company for employees of the OLX's Customer Service Department regarding the procedure of verification and proceeding regarding the offers for sale of processed oil furnaces (boilers) placed on the advertising service;
- Detailed descriptions of offers for the sale of furnaces (boilers) placed on the advertising service by OLX.pl service users;
- Consultation of proposed answers to OLX.pl users prepared by employees of the Customer Service Department;
- Inquiry regarding the Ecodesign Directive (2009/125/EC) concerning emission and energy requirements for solid fuel furnaces;
- Inquiry regarding furnaces burning solid fuel and other types of fuels.

The Notifier provided partial support to the Company in relation to the above-mentioned inquiries, however in some cases the Frank Bold Foundation responds late to Company inquiries. The Notifier admits in the information provided to the OECD NCP that in the latest months of cooperation contact with the Company was limited due to the workload of the Frank Bold Foundation on the implementation of other projects, as well as difficulties in the organization of work resulting from the general situation caused by the COVID-19 pandemic.

3. Additional activities of the Company

The information provided to the OECD NCP by the Company shows that Grupa OLX sp. z o.o., during the period covered by the monitoring, also undertook other actions to increase the awareness and knowledge of OLX.pl employees in the field of trade in goods that pose threat to the environment, including

- Internal training was conducted for approx. 60 employees of OLX.pl platform;
- A webinar addressed to new employees was developed and recorded which took into account the issues related to sale offers of processed oil furnaces, also discussed were the solutions developed in cooperation with the Frank Bold Foundation. All in a simple and user-friendly manner;
- An inquiry was sent to external entities regarding the preparation of training courses for employees of the Company;
- Representatives of the Customer Service Department and the Sales Department met with users of the OLX.pl platform who offered processed oil furnaces (boilers) for sale. During the meetings they talked about the solutions applied on the OLX.pl website including the removal of advertisements that do not comply with the provisions on environmental protection indicated by the Frank Bold Foundation.



In addition, in the fall-winter season 2019/2020, the Company carried out a social campaign in social media the purpose of which was to increase public awareness and knowledge in the field of combating air pollution and smog. The campaign was concluded with an educational spot performed by the music group "T-raperzy znad Wisly" in which basic information on the protection of air against pollution was presented in a satirical form. The "Anti-smog song" spot on YouTube recorded over 1.6 million views.

THE OECD NCP CONCLUSIONS

The OECD NCP positively assesses the cooperation with the parties at various stages of the proceedings. In the Final Statement of June 13, 2019, the OECD NCP paid particular attention to the parties' openness to dialogue and the desire for a proper understanding of the recommendations formulated in the *OECD Guidelines for Multinational Enterprises* which are the international standard of responsible business conduct.

In the OECD NCP opinion, in the course of the implementation of cooperation between the parties in the period from July 2019, to the end of April 2020, particular attention should be paid to the commitment of the Company both in responding to the expectations of the Frank Bold Foundation regarding the removal of the indicated advertisements, as well as by undertaking other educational and training activities. Despite the positive assessment of the cooperation by the Notifier, the OECD NCP recognizes the expectation expressed by the Company regarding the greater involvement of the Frank Bold Foundation in the expert support for the Company. In the opinion of the Company the above-mentioned activities could be implemented more efficiently or on a larger scale if the involvement of the Frank Bold Foundation in expert support for the Company was greater.

On the basis of the OECD Guidelines it should be stated that the Company complied with the recommendations set out in Chapter II "General Principles" in particular point 13 according to which: *In addition to addressing adverse impacts in relation to matters covered by the Guidelines, enterprises should encourage, where practicable, business partners, including suppliers and sub-contractors, to apply principles of responsible business conduct compatible with the Guidelines.*

Moreover, it should be stated that the Company noticed the importance of the provisions formulated in Chapter VI "Environment" and in accordance with the recommendations of chapter VIII "Consumer Interests" it took appropriate measures to conduct its business, inter alia, in accordance with fair business, marketing and advertising practices and should take all reasonable steps to ensure the quality and reliability of the goods and services that they provide.

At the same time, the OECD NCP notes that Grupa OLX Sp. z o.o., as a result of the proceedings before the OECD NCP, gained knowledge about the international standard of responsible business conduct represented by *OECD Guidelines for Multinational Enterprises*, increased the awareness of the indirect environmental impact of the activity in the field of Internet websites and took specific actions to implement the recommendations of the OECD Guidelines in its activities.

The parties' agreement on the possibility for the Notifier to monitor the advertisements published on the OLX.pl website in order to remove advertisements regarding products that may have a negative impact on the natural environment was an expression of the active involvement of both parties in activities in the field of environmental protection. The purpose of this activity was, inter alia, striving to ensure compliance with the provisions of the broadly understood environmental protection law and to promote an attitude of a responsible approach to conducting business activities.

The OECD NCP very positively perceived the form of cooperation with the Company proposed by the Notifier as part of the implementation of the agreement. As a result of the case monitoring the NCP OECD states, however, that the Frank Bold Foundation did not make full use of the possibilities resulting from the agreement signed with Grupa OLX Sp. z o.o.

The OECD NCP recommends the Company to maintain the current approach both in the context of internal activities of the Company related to increasing the awareness of the employees of the customer service department for the purpose of maintaining the correctness of the descriptions of sales offers placed on the online advertising service, as well as in the context of cooperation with external partners in the field of monitoring advertisements available on the website with the view of the impact of the offered products or services on the environment. Due to the popularity of the OLX.pl website, in the opinion of the OECD NCP, it would be valuable to continue educational activities by the Company including social campaigns in the field of promoting responsible consumption attitudes addressed to website users.

The OECD NCP recommends the Notifier a further commitment to maintaining long-term cooperation with the Company.

Note of the Polish OECD NCP concerning the monitoring of the case involving Grupa OLX Sp. z o.o. will be published in Polish and English on the Polish OECD NCP website. The English version of this note will also be communicated to the OECD Secretariat and to the Dutch OECD NCP.

The OECD NCP concludes the proceedings in this case.