

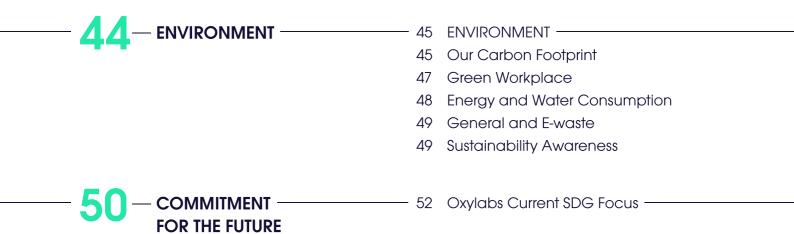
# Impact Report 2022

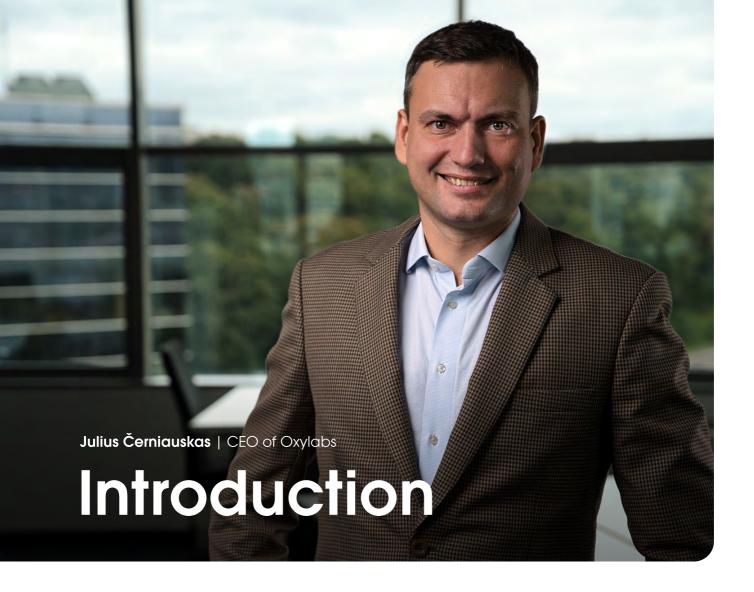
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# **Table of Contents**





We are pleased to present our second impact report, showcasing Oxylabs' commitment to positive global change through our business operations. This report highlights our efforts to address sustainability challenges, celebrate achievements, and identify areas for growth.

Sustainability is a core part of our strategy, and we remain dedicated to collaborating with stakeholders to enhance our global impact. Our focus includes tackling climate change through emissions reduction and setting climate action goals. We have already taken significant steps, such as transitioning to a renewable energy-powered office, and our commitment extends beyond these actions.

Our ethical business practices, knowledge-sharing, innovation, high-quality products, and positive stakeholder impact reflect our goal of building a better future. We recognize the importance of our employees and the broader community, and we strive to provide learning opportunities and foster positive influence.

We believe in the potential of web intelligence to drive positive initiatives, as demonstrated by "Project 4beta," our pro bono initiative. Through partnerships with academic institutions, government agencies, and non-profit organizations, we make progress toward our ethical and sustainability objectives.

Our collaboration with i2Coalition on the Ethical Web Data Collection Initiative and our Baltic Sustainability Award recognition further exemplify our commitment.

Moreover, the acquisition of Webshare expands our market coverage and client services.

We actively support Ukraine throughout the ongoing conflict, firmly believing that collaboration strengthens us and that peace can be restored through joint efforts.

As the industry evolves, we envision a future where all businesses have access to data and business intelligence for growth and prosperity. Sustainability is a vital aspect of our journey toward a better world.

I extend my heartfelt gratitude to our partners, employees, and the community for their significant contributions to achieving our sustainability goals. With your continued support, we are confident in reaching these objectives.

E

100%

renewable energy at HQ office

S

9/10

employees would recommend working at Oxylabs

G

28

**new patents** in Europe and USA

## 2022 Timeline

## **FEBRUARY MARCH** Started supporting Ukraine Received Financial Times Europe's Fastest Growing Company Recognition **MAY APRIL** Received the Best Overall Proxy Appointed a Sustainability Provider 2022 award from Proxyway Manager **JUNE JULY** Opened Kaunas Office Became a member of Unicorns Lithuania **AUGUST SEPTEMBER** Acquired Webshare Launched the Project 4beta initiative **OCTOBER NOVEMBER** Moved to Cyber City Received the Baltic Sustainability Award **DECEMBER** Co-founded the Ethical Web Data Collection Initiative (EWDCI)

## **About the Report**

For our second sustainability report, we decided to review our activities in regards to Sustainable Development Goals and concentrate on setting ESG goals and tackling them.

#### **Our Focus Areas**

In 2021 we focused on two key areas: education and innovation, corresponding to the SDG4 Quality education, and SDG9 Industry, innovation and infrastructure goals. As we continue to pursue greater sustainability goals, we increased our focus towards a third pillar—climate change, which corresponds to SDG13—Climate action.

## **Quality Education**

Lifelong learning stands as one of the most important aspects of our daily lives, especially in an innovation-driven economy, Oxylabs strives to foster it wherever and whenever feasible. Our goal is to improve education in three key areas:

- Internal opportunities for Oxylabs employees to learn and grow.
- Learning and growth opportunities for the tech community.
- Collaborations with academics, NGOs, communities, and public institutions by providing free information, advanced data collection solutions, and infrastructure.

#### Industry, Innovation and Infrastructure

As an industry leader, we strive to be at the forefront of innovation, inspiring not just cuttingedge technology but also an ethical approach to web scraping. Understanding how important web data collection is becoming, our efforts have been focused on the following:

- Innovating in the industry, fueling it with research and development.
- Developing and registering new patents to create cutting-edge technologies.
- Delivering infrastructure to ensure our clients' effective operations.

#### **Climate Action**

As climate change is the biggest threat to the planet now, we are joining forces with others to stop the devastating outcomes by:

- Accounting for GHG emissions and starting to implement our reduction plans.
- Switching to renewable energy sources where possible.
- Responsibly consuming and reducing the use of resources and waste.



## **About Oxylabs**

Established in 2015, Oxylabs is a web intelligence acquisition solution and premium proxy provider, enabling companies of all sizes to utilize the power of big data. Constant innovation, an extensive patent portfolio, and a focus on ethics have allowed Oxylabs to become a global leader in the web intelligence acquisition industry and forge close ties with dozens of Fortune Global 500 companies.

Oxylabs is part of the <u>Tesonet</u> community. Tesonet is a rapidly growing business accelerator and investor specializing in cybersecurity, web intelligence, HealthTech, EdTech, and Growth Tech.

In 2022 and 2023, Oxylabs was named one of the fastest-growing public web data-gathering solutions company in Europe in the Financial Times' FT 1000 list.



#### **Our Mission and Vision**

We share all the know-how that we collected over the years in the industry to create a future where big data is accessible to all businesses. We seek to create a healthy environment for everyone to grow and thrive in.

#### **Our Values**

As a leading company in the proxy and web intelligence industry, we ensure that the highest business ethics standards lead all our operations. Our core values guide us toward achieving our mission.

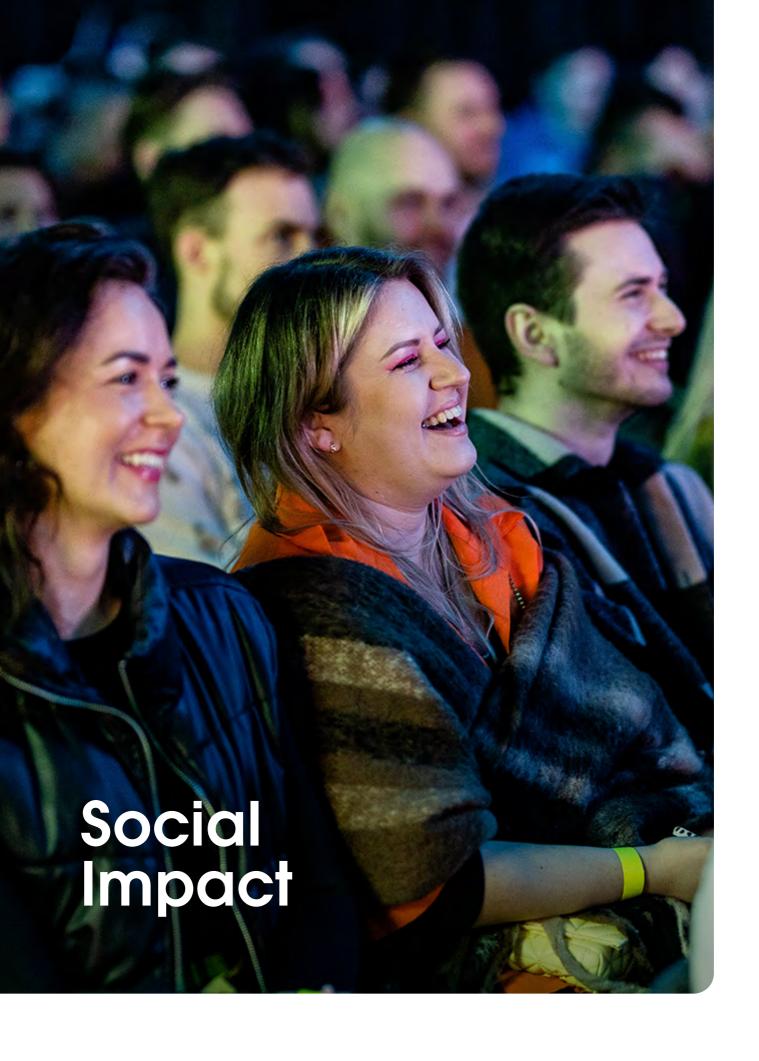


### **Our Sustainability Vision**

Oxylabs is a sustainable, ethical business bringing benefit to the planet and people by ensuring the accessibility of open web data.

## Our Sustainability Strategy

Integrating economic, social, and environmental goals into the company strategy in order to create long-term value for the company, planet, and people.



# **Employees**

Our employees are the backbone and most valued aspect of our business. We are committed to fostering a workplace culture that prioritizes learning and development, health, safety, and, most importantly, the well-being of our team. Through various training and development programs, we ensure that our team members have the tools and resources they need to succeed in their roles and beyond.

## **Oxy Ethos**

Oxy Ethos defines how we operate, what values and principles we have, and what practices we encourage. In other words, it's the Oxylabs' identity.



#### Focus on results

Clear focus toward our goals helps us reach excellent results.



#### Team up

Working together, sharing knowledge, and supporting each other drive our teams.



#### Feel proud, stay humble

We feel proud of our achievements, but we stay humble in the spotlight.



#### Stay hungry for knowledge

Curious minds are the driving force in the world of innovations.



#### Own it

Take initiative and lead the way—we will support you all along.



#### Keep it playful

We are having fun on the way to great results.



## **Employees by gender**

- Women 43.32%
- Men 56.68%

The number of women colleagues in the company increased in comparison to 2021. The pay gap between women and men at Oxylabs is 26.65%, mainly because there are more men in engineering teams, where salaries are higher than in other positions.



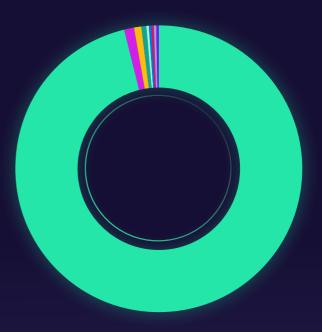
## **Employees by nationality**

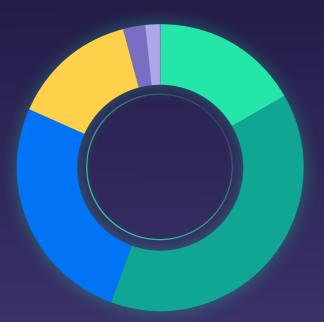


Ukrainian – 0.27%

Indian - 0.27%

Compared to 2021, **the number of non-Lithuanian colleagues increased slightly**, but instead of four different nationalities, nine are being employed by Oxylabs.





## **Employees by age**

<20 - 0.27%

**Output** 35–39 – 14.17%

**4**0-44 - 2.41%

**25-29 - 38.77**%

>45 - 1.6%

0 30-34 - 26.2%

Additionally, the number of employees in almost all age groups over 30 years old has increased compared to 2021.



## Health, Safety, and Wellbeing

The health, safety, and well-being of our employees are fundamental to us. At Oxylabs, we aim to promote work-life balance while providing a safe and healthy workplace. We offer a wide range of office perks that make work both enjoyable and effective, as well as offer company-wide events, extra time off, and other benefits that prioritize the physical and mental well-being of our employees.

## **Health and Safety Benefits**

Health insurance after the trial period

Health checks and flu shots on-site

Physical wellness specialists on-site and online

Compensated sports activities

Covered expenses for Mental well-being applications

Compensated psychotherapy sessions

#### **Work-life Balance**

Oxylabs trusts in adaptable working arrangements—our employees have flexible working hours, can mix remote and onsite work, and are able to work from anywhere if required.

#### Work from Home

After the COVID-19 pandemic, Oxylabs implemented a hybrid working model. Our current policy is three days from the office and two days from home.

#### Work from Anywhere

Our employees can work from anywhere in the world for a set duration.

In 2022, nearly 58% of all Oxylabs employees used the opportunity to work from home. Additionally, almost 22% of all employees used Work from Anywhere as their working arrangement.

Finally, to enjoy summer after continuous lockdowns, we had 4-hour work days for all Fridays in July 2022.

## **Employee perks**



Events and leisure



Additional payouts on special occasions



Employee Stock
Ownership Plan (ESOP)



Fully stocked office kitchen



Referral bonus



Development books in the library



Electric vehicle and bike parking



Additional vacation days



Partner discounts

## **Fun and Collaboration**



#### **Annual winter event**

Every winter a themed event for the Tesonet community companies is held to celebrate the past year and achievements.

#### **Annual summer event**

In summer, all of the Tesonet community comes together for a themed event to celebrate the start of the season and to recognize everything that has been achieved.



#### On-site fun

In Oxylabs' offices employees can enjoy foosball, arcade games, PlayStation, balance boards, scooters, and partake in many more entertainment activities.



Oxylabs designates a budget per person each quarter to have team-building activities to improve company culture and performance.



## **Employees' Satisfaction**

53
Oxylabs Employee
Net Promoter Score

(eNPS)

The score continues to be high, although we have experienced a drop compared to the previous survey (63).

<u>eNPS</u> score measures how likely employees are to recommend the organization they work at as a good place to work. The result can range from -100 to +100. In Lithuania, the average score is between +20 and +50.

The eNPS results show that **our teams continue to be strong**, caring for each member, and focused on reaching outstanding results.

## **Learning and Development**

Oxylabs employees can partake in various initiatives aimed at boosting their growth and career opportunities. Moving forward, we are determined to give even more attention to this crucial area and further strengthen it in 2023.

## **Internal Training**

79.9%

of employees have participated in at least one internal training session (introductory sessions not included).

Most popular training according to participant numbers: DiSC for teams, hiring training, feedback culture, structured approach to problem-solving, residential proxies for advanced users.

## **External Training**

69.7%

**of employees** have participated in at least one external training session.

Most popular external training according to participant numbers: leadership training, networking workshop, public speaking, English language.

On average, each employee attended eight events (internal and external) in 2022.



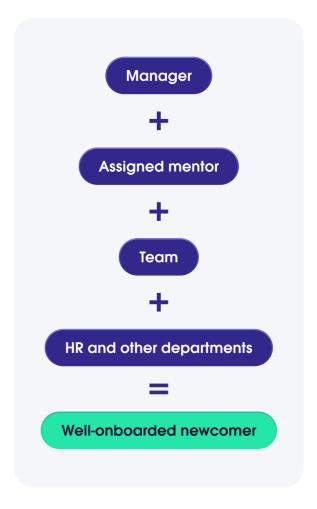
## **Newbies Onboarding Week**

Our main goal for onboarding is to make sure that every newcomer feels welcome, knows exactly what is expected of them, and how they can be productive, and to ensure that they feel included and involved.

Each of the following parties play a crucial role in the onboarding process →

#### **Newbie Sessions**

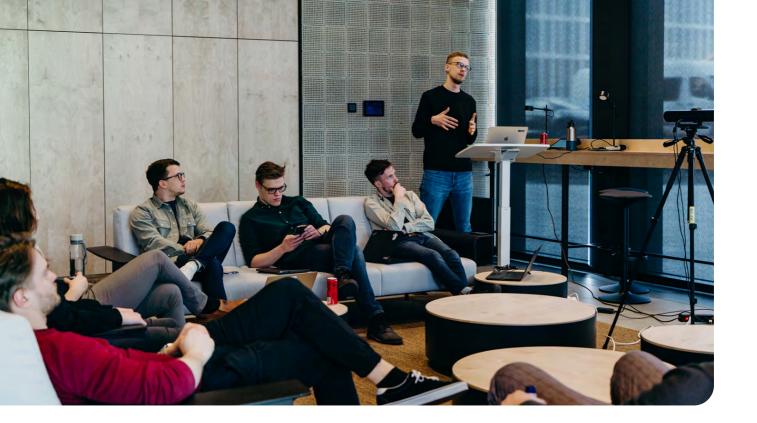
During interactive introductory sessions, new employees learn about our company, communication tools, policies, culture, benefits, and latest news. The session aims to foster networking and create a sense of belonging. Additionally, new team members get to know the dedicated HR Business Partner, their function and the Oxylabs' values. Finally, a dedicated product structure, departments, and teams are presented to the newcomer.



## **Training Sessions**

Training sessions are the first step towards understanding Oxylabs in general.





## **Online Learning**

Our employees can choose from Skillshare, Coursera, Blinkist, Pluralsight, Frontend Masters, Educative, CXL, and Udemy platforms to improve their professional or personal skills.

## **External Training**

If we can't accommodate our employees' training needs with the internal offering described above, they can attend training outside the company. Additionally, they may participate in conferences, boosting motivation and inspiring them to create new things.

## **Ambassadors Program**

The Ambassadors' program is the place where people find out about internal career stories from the very people who grew within Oxylabs and took their careers to the next level. Career

Ambassadors are there to help Oxylabs' employees and guide them to the next stage in their career or simply be one more familiar face in the company to have a chat with.

## Mentorship with TesoXchange

TesoXchange is an internal mentorship program that offers an opportunity to learn from experienced professionals within the Tesonet community who share their knowledge, achievements, and challenges experienced throughout their careers.

## Talent Attraction, Retention and Development

By the end of 2022, Oxylabs employed over 350+ people. As one of the market leaders in a highly specialized industry, we put great emphasis on our employees, helping them foster a culture of innovation and experimentation.

**79%** 

Response rate of the Oxy Pulse Check 2022, Q4 4.1

(out of 5)

The overall pulse of Oxylabs and Leadership pulse continue to be healthy

7/10

Leaders promoted internally

9/10

Employees would recommend working at Oxylabs

(Annual employee survey results)

11.97%

Voluntary turnover in 2022

(Based on the Baltic salary survey data for 2021, the Lithuanian average voluntary turnover of companies in the IT sector was 18%.)



Oxylabs was nominated among the **TOP 10 Employers** of the Year by MeetFrank.

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# Community

Our success as a business is intrinsically linked to the well-being of the communities we operate in. We prioritize cooperation with local stakeholders and work towards developing strong partnerships that can help us create a positive impact. Our focus on industry education, for instance, enables us to empower individuals with the knowledge and skills necessary to thrive in today's rapidly changing economy. Additionally, we are committed to giving back to the community through various initiatives that support social welfare, education, and environment.

## **Industry Education**

We educate the industry through the launch of various projects, such as <a href="OxyCast">OxyCast</a> podcasts, <a href="Scraping Experts">Scraping Experts</a> lessons, and <a href="OxyCon">OxyCon</a> conferences. Additionally, we are dedicated to supporting and empowering women in tech by providing educational opportunities and resources to bridge the gender gap in the industry.

## Guilds and Big Tech Energy Meetups

At Oxylabs, we have various opportunities to share knowledge and promote collaboration and creativity such as Guilds and Big Tech Energy events.

Guilds are initiated by people from our company who invite other colleagues from a similar professional field to attend regular meetings during which discussions, knowledge sharing, experiences, and advice are talked about.

Oxyabs also hosts a series of regular events called Big Tech Energy, during which we invite all members of the engineering community to hear our colleagues' presentations about the latest technologies, various challenges, and discoveries in our daily work or in the global engineering community.

## **Empowering Women**

We encourage women to try out IT and engineering careers and support mentoring programs to spread the word about possibilities for women to change their careers to IT and engineering roles.

Eleven women who have participated in the Women Go Tech (WGT) program course received a "Discover Technologies" certificate. After successfully finishing the program, all of them got employed by Oxylabs, either in tech or non-tech-related roles.

As women are surrounded by stereotypes, our colleagues took part in a podcast program "Girls don't do that" to share stories of how they found their passion in life and a career path in tech that makes them happy every day.



Programming has always been an unknown field for me, and, as I thought at the time, not for women. A programmer does not necessarily have to have excellent knowledge of mathematics, but rather, they must have good logical thinking. When the second wave of Covid started, I lost a large part of my job, and it started to demotivate me. At that time, an acquaintance offered me to join a programming course. I had nothing to lose and started learning. After studying intensively for a year, I got my first job at Oxylabs.

Karina Garifovaitė | Former Front-End developer at Oxylabs

## **Partnerships**

Oxylabs are committed to promoting sustainability not only through our products and services but also by investing in sharing our knowledge. By prioritizing knowledge-sharing, we empower individuals and communities to drive positive change towards a more sustainable future.



In 2022, Oxylabs launched a global pro bono initiative, "Project  $4\beta$ ", dedicated to solving critical research questions and missions at the scale of global public web data. Through "4 $\beta$ ", Oxylabs supplies the know-how, infrastructure, and resources pro bono to academic institutions, researchers, and organizations. We are proud that "4 $\beta$ " became a part of the University Industry Innovation Network (UIIN) community, which allows us to gain knowledge on how we can collaborate with universities as partners.



Providing value to individuals and societies at large is at the core of Oxylabs' business practices. Every day we witness how large-scale public web data gathering can help businesses get crucial insights. We know that our robust infrastructure and years of knowledge can also serve public initiatives to change the world for the better.



Julius Černiauskas | Chief Executive Officer at Oxylabs

Oxylabs collaborated with professors from the <u>University of Michigan</u> and <u>CODE – University of Applied Sciences</u> to share expertise in the field of ethical web scraping and, according to the universities' needs, will continue the cooperation by holding workshops and sharing public web data gathering solutions for academic purposes.

Oxylabs also fostered partnerships with students from <u>Northwestern University</u> and the <u>University of Duisburg-Essen</u> by providing public web data-gathering solutions for their research and continued conversations with other universities.



Data scientists often find themselves scraping data and are hopeful no one asks too many questions. The partnership with Oxylabs has allowed us to root the discussion of what actions are appropriate in the legal precedents formed over the last 20 years. Instead of avoiding the topic as taboo, we can address it head-on in the context of our curriculum.

Christopher Brooks | Assistant Professor at the University of Michigan

## **Talent Development**

We are dedicated to collaborating with various initiatives and universities to cultivate a diverse and inclusive workforce that can meet the challenges of a rapidly changing world.

Turing College Hackathon

Pycon

OxyCon

Next Generation of Kafka Summit

Creative Shock 2022

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## **Industry Recognition**

In 2022, we were nominated for five nominations in various fields—from being named as one of the Financial Times fastest growing companies to winning the Baltic Sustainability Award.

Financial Times   Statista	Named among 1000 Europe's fastest growing companies 2022
Baltic Sustainability Awards	Winner in the Social Initiatives category for automated illegal content detection
Global Good Awards	<b>Finalist</b> in Technology for Good category for Empowering the Public Sector in the Mission for a Cleaner Internet
GovTech Lab Awards	Winner for AI solution to detect illegal content regarding child abuse on the internet
Al Lithuania Awards	Finalist in "Best Application of Artificial Intelligence" category

## Giving Back to the Community

It is our responsibility to give back to the communities where we operate. We are committed to continuing to support Ukraine in its fight for freedom. Additionally, Oxylabs pursues and promotes environmental sustainability and have taken steps to minimize our ecological footprint through various initiatives.



## Ukraine

As 2022 was marked as the beginning of the war in Ukraine, our key emphasis was to support Ukrainians in the fight for their and our freedom.

Each of us individually made and continue to make financial and equipment donations, host Ukrainian refugees at our homes, and spend time volunteering and supporting the Ukrainian nation in various forms.

Oxylabs made a clear decision that we fully support Ukraine and oppose the aggression from Russia. Therefore, we stopped working with providers and clients from Russia and Belarus. At the same time, we deferred payments for the services and, in other ways, are helping our clients in Ukraine.

We also have donated computers to Ukraine, and our employees have donated their quarterly team building budgets of **over 20 thousand euros** for <u>Blue Yellow</u> and <u>Tryzub</u>—non-governmental organizations that have been supporting Ukraine's armed resistance.



#### You Donate. We Double

During the Christmas period, Oxylabs organized a mutual donation initiative. Any donations to charities and good causes were doubled to make a greater impact to affected communities.

We have listed 6 organizations to ensure we spread our help to meaningful and diverse areas:

- For Ukraine (Blue Yellow and Tryzub),
- For children (Save the Children Fund),
- For elderly people (the Silver Line),
- For people with disabilities (<u>Lithuanian Association of</u> People with Disabilities)
- For old forests' preservation and their biodiversity in Lithuania (the Ancient Woods Foundation).

Our employees and colleagues were very supportive and generous, collecting 10,622.97 EUR. Oxylabs doubled the amount and in total 21,245.94 EUR reached the organizations and funds in need.

#### Children

In June, Oxylabs organized an initiative for Ukrainian refugee children to collect sportswear and sports equipment. Oxylabs has also started cooperation with Vilnius Zolynas Children's Social Care Home and have donated five flat-screen TVs for children to enjoy in their free time after school.

As education is one of our main priority goals, we continuously try to involve pupils and students in various activities to show them possible future careers, such as participating in the Junior Achievement Shadowing Project. It was a great opportunity for pupils to communicate with specialists in various fields, hearing and seeing what potential organizations or workplaces of interest to them look like. Additionally, we invited the pupils to Oxylabs to get acquainted with the positions of Data Analyst and Web Product Owner.



### **Environment**

The Oxylabs team took part in the international initiative <u>River Cleanup</u> with the goal of stopping plastic from reaching our oceans by cleaning rivers, changing behavior, and transforming organizations.

In July, every Friday, we had a second half day for various activities. Some took part in the trip to Vilnius woods, a bike tour to Trakai, or volunteering at an animal shelter.

Moving forward, our strategic objective is to enhance our commitment to the local communities through various initiatives while simultaneously encouraging our personnel to participate in volunteering activities. We recognize the immense value that such collaborative efforts can bring in fostering a mutually beneficial relationship with the community and in promoting a culture of social responsibility among our employees.

We support the Global Development Goals to which our business can be the most impactful

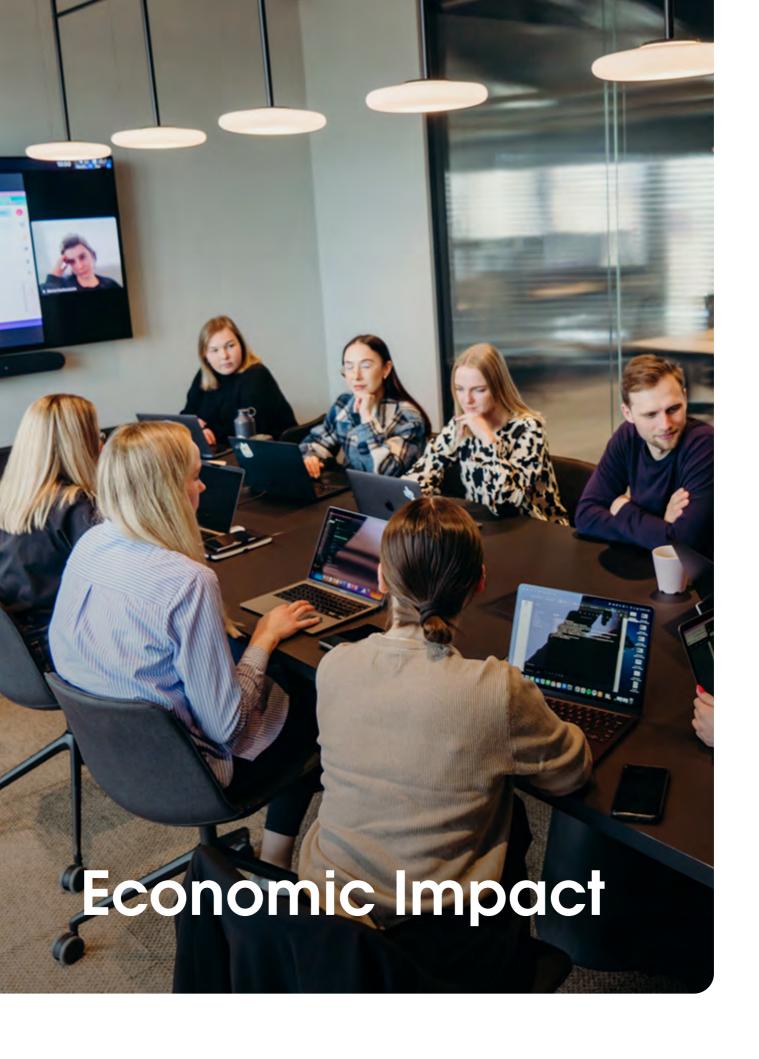














# Industry Innovation and Infrastructure

Our governance efforts are centered on industry innovation and infrastructure, research and development, and client relations. While Oxylabs has made great strides in these areas, we remain eager to continue improving.

## The Ethical Web Data Collection Initiative

In 2022, in collaboration with <u>the Internet Infrastructure Coalition</u> (i2Coalition) Oxylabs became one of the founding members of <u>the Ethical Web Data Collection Initiative</u> (EWDCI) to promote best practices for the web intelligence industry.

The goal of EWDCI is to bring together web data collectors to build public trust on the web data collection and aggregation industry. The EWDCI is dedicated to serving as the voice of the industry, collaboratively strengthening public trust in the practice of data collection and aggregation, promoting ethical guidelines, and helping businesses make informed data aggregation choices.

Members of the EWDCI have prepared a set of guiding principles built upon four main pillars: Legality, Ethics, Ecosystem Management, and Social Responsibility.

## **Unicorns Lithuania**

In order to strengthen the Lithuanian startup ecosystem and to share our experience, motivation, and inspiration, Oxylabs joined Unicorns Lithuania. This is a startup community with the mission to mobilize and encourage startups and the public to build the future of Lithuania—a successful modern country based on a high-value-added economy.

## Al and ML Advisory Board

Oxylabs continues working with the AI and ML Advisory Board, which reaffirms our commitment to innovation, providing expertise and guidance on new technology developments. The Board comprises leading figures in the machine learning, AI, and data science industries, many of whom have experience working for highly reputable organizations such as NASA, Massachusetts Institute of Technology (MIT), and UCL.



Adi Andrei Lead Senior Data Scientist







Pujaa Rajan ML Engineer









Ali Chaudhry PhD Researcher, Al









Jonas Kubilius Senior Al Engineer





Gautam Kedia ML Engineering Manager





For the year 2023, the AI/ML board predicted an increase in unseen Machine Learning capabilities, content generation techniques to become profitable products, Al apps to replace Google, and more use cases for Al-powered applications. Additionally, a pair of AI/ML board members, along with Oxylabs' representative, provided insights on the 2023 trends during an interview with Forbes.







#### Webshare

Oxylabs acquired Webshare Software Company, a distinguished Silicon Valley-based self-service proxy company whose portfolio includes over 10,000 active customers, including numerous Fortune 500 companies. Under the agreement, Webshare Software will continue to operate as an independent entity, receiving extensive support from Oxylabs to foster further market influence for the former company.



Our goal has always been to become a technology leader in the proxy industry. We see Oxylabs as a brotherly company whose values match those upon which we built our business. Through our combined forces, we will be able to continue scaling quicker and more efficiently, enabling us to have a greater positive effect on the proxy market industry.



Utku Zihnioglu | CEO of Webshare Software Company

## **Innovative Oxylabs Solutions**

Web scraping enables business innovation and competition, provides benefits to consumers—including serving accurate information and comprehensive pricing—and facilitates thorough data analysis for academic and public safety purposes. Every year our people strive to innovate and discover ethical solutions that enhance the efficiency and reliability of our products. In 2022, we added new features or products:



**Shared Datacenter Proxies.** Oxylabs Shared Datacenter Proxies come from remote (cloud) servers and are available to multiple users at any time. It is a powerful and cost-effective solution for public data gathering on the web.



Web Crawler. Crawler is a Scraper API feature that lets users crawl any site, select useful content, and have it delivered to them in bulk. Users can utilize Crawler to perform URL discovery, crawl all pages on a site, index all URLs on a domain, and for other purposes.



**Scheduler.** Scheduler is a free Scraper API feature used to automate your recurring scraping and parsing jobs by creating schedules for them.

## **Research and Development**

In 2022, Oxylabs received one European patent ("Smart proxy rotator"), which was validated and is currently valid in Germany, the UK, Lithuania, France, Ireland, the Netherlands, and Hong Kong.

Additionally, Oxylabs was granted 27 new patents in the USA. Oxylabs patents cover the core infrastructure disclosing the systems and methods for a proxy infrastructure and how a supernode is connected with exit nodes, how a proxy protocol request is received directly from a client computing device, and a selection for a single exit node is made from of the plurality of exit nodes.

The patents also cover scraping technologies, including patenting the system for improved generation of web requests when scraping that, because of the nature of the requests and time and manner they are sent out, appear more organic, as in human-generated, than conventional automated scraping systems. By the end of 2022, Oxylabs, in total, has obtained more than 50 patents.

# Client and Supplier Relations

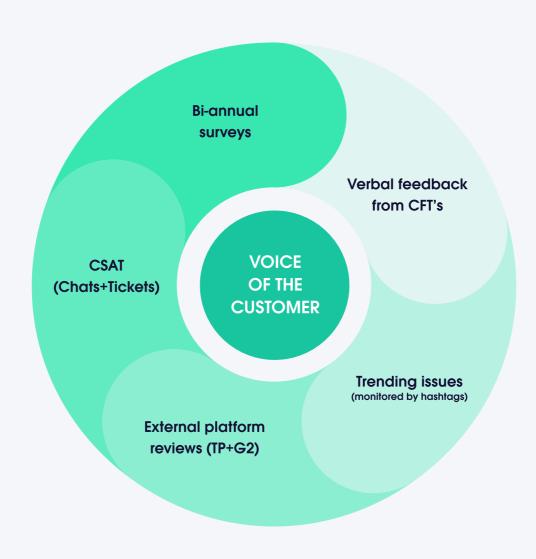
#### Voice of the Customer

At Oxylabs, we value customer centricity and consider it to be an essential aspect of our business strategy.

In 2022 we launched the Voice of the Customer initiative with the aim to emphasize the voice of our customers across the organization while aligning key business stakeholders.

Together with cross-functional teams, we regularly collect, discuss, review, and address our cross-channel customer feedback.

As a result, it feeds back into Oxylabs' services, products, and policies, allowing us to better meet our customers' needs and create additional business value.



## **Quality Assurance Framework**

In order to deliver an even better and more consistent customer experience, in 2022, Oxylabs has introduced the Quality Assurance Framework within our Customer Success team.

These guiding principles focus on five key areas of expertise that are expected to be consistently adopted by the team members to ensure the highest quality standard.

Quality assurance framework scores are used to evaluate agents' performance and are included in the Customer Success team KPIs.



In 2022, Oxylabs was proclaimed Best Overall Proxy Provider 2022 in the annual Best Proxy Service Awards by Proxyway



#### **Client Reviews**



4.9 out of 5



(as of December 2022)





(as of December 2022)

(as of December 2022)

#### What our clients say about us



Since we started our partnership with Oxylabs most of our issues have been solved. In addition to the quality of their services, Oxylabs is very concerned with their customer service. These are the main points that make us recommend Oxylabs to our partners.

Bruno Calixto da Silva | Data Analytics, Americanas We have been utilizing Oxylabs' E-Commerce Scraper API for 3+ years now. <...> Oxylabs has been by far the fastest, most reliable service we have had to date. They also have been flexible in providing us volume discounts that keep us sticking with them! Their communication is outstanding and their service has been A+.

James Martin | Business Intelligence Manager, BBA Group SERP Scraper API saved us a lot of money. Before using this product, we had to do it manually, and clearly, it was an expensive process. But now that we have the SERP Scraper API in place, we can throw any number of search terms based around a specific brand or product into it and get the content.

lan Sims | Founder of Rightlander

#### **Service Reliability**

Oxylabs offers one of the largest ethical proxy pools in the market—102M+ IPs worldwide. Even with such a wide-ranging infrastructure, there were zero incidents with Oxylabs products during 2022. The average uptime for our products is listed in the table below in comparison to the numbers in 2021.

Product	Average uptime 2022	Average uptime 2021	
Residential proxies	100%	99.98%	
Next-Gen Residential Proxies	99.75%	99.76%	
Scraper APIs: Push-pull	99.95%	99.96%	
Scraper API: Real-Time	99.85%	99.78%	

#### Insurance

Oxylabs takes extra precautions to guarantee our client's business continuity in case of our objective fault. Our products are covered by Technology Errors and Omissions (Technology E&O) and Cyber insurance by the world's leading specialist insurance company—Lloyds. Our directors and officers are protected by civil liability insurance and Oxylabs is covered by general civil liability insurance.

#### **Suppliers**

We have generalized standards for our supply chain, allowing us to carefully select partners we can trust. Our most important goal is to ensure that we have ethically sourced IPs and IP pools based on the highest quality requirements. Additionally, we have an annual supplier review process for finding the most trustful data center providers. Each provider is supplied with a risk management questionnaire, which helps us to identify the best partners.

Data centers' suppliers are our main source to provide our Datacenter Proxy services. We choose to work with certified partners who power around 70% of the servers by renewable energy sources.

For 2023, we plan to do due diligence of our supply chain and prepare a Code of Conduct for our current and future suppliers.



# Corporate Governance and Compliance

Oxylabs adheres to local, national, regional, and international laws. Our legal team stays up-to-date on relevant legal events and adjusts our business model accordingly. We examine case law that may affect the data scraping process and related industries. Furthermore, our corporate governance structures ensure effective processes, resource management and communication throughout the company.

In 2022 Policy on Prevention of Violence and Harassment at Work was introduced to the employees. We have made initial steps to launch Anti-Bribery, Anti-Corruption Policies, Code of Ethics, and a Code of Conduct in the year 2023. Additional training is planned to create a better implementation of those policies.

#### **Privacy**

Data protection and privacy are essential aspects of Oxylabs' sustainability and ethical practices. We are committed to ensuring personal data protection, whether the data has been collected for the customer, employees, or business partners related purposes.

Data protection and privacy regulations are subject to rapid changes and developments. Nevertheless, we put our best efforts into adhering to highest privacy standards stemming from relevant laws, including the General Data Protection Regulation (GDPR), applicable national laws, and best industry practices. Our data protection policies and procedures are regularly reviewed and updated to ensure they remain aligned with industry best practices and current legal requirements.

We have defined specified, explicit, and legitimate purposes for data collection, and we do only collect personal data necessary for the provision of our services and relationship maintenance with our employees or business partners. The data is processed transparently and securely, and we take appropriate measures to protect it against unauthorized access, alteration, or theft. We only collect a reduced amount of data, which is relevant, necessary, and adequate to accomplish the purposes for which the data was primarily collected. Also, we adhere to our internal data retention policy.

We ensure execution of individual rights, entitle them with a centralized contact point for privacy matters at <u>dedicated</u> <u>email</u>. We control our third-party vendors that may access our data in the course of service provision: they are bound with confidentiality obligations, and data processing agreements (when required) to ensure secure processing of personal data.

We have contributed to continuously working towards the improvement of the level of data protection compliance. Therefore, in 2022 we have appointed a privacy-dedicated in-house counsel to consult on data protection-related legal issues. In our view, it is important to raise data protection awareness on a regular basis. Thus we conduct employees' data protection training. We believe that personal data protection is an integral and essential part of the vast majority of business processes. Therefore, we shifted our focus to ensure that privacy-related risk assessments should be conducted at the earliest stages of services/products development.

#### **Risk and Information Management**

The Risk management team is responsible for assessing and managing internal and external risks. Our Risk Management team takes care of the following processes:

- Payment risks. Taking care of fraudulent payments, trial system abuses, contractbreaking chargebacks, and managing customers who fail to pay for provided services.
- Compliance risks. Client onboarding, KYC, and monitoring for ethical and legal use of our solutions.
- **Business continuity.** Creating fail-safes, drafting plans for continued operations during crises, and managing unprecedented events.
- Process audit. The risk management team audits all departments, such as HR, IT, Finance, etc. Taking inventory of all processes, they outline the potential risks and propose solutions.
- **Employee awareness.** Our risk management team spends considerable time ensuring that employees are aware of possible business and process risks and either work internally to resolve them or escalate them to risk management teams. Regular training on various business aspects for new and existing employees are conducted.
- Cybersecurity risks. We have started performing automated cybersecurity vulnerability scanning on our infrastructure, making sure that our systems are up-to-date with no known critical vulnerabilities. We have enrolled Next-Generation Antivirus to our employee computers which proactively blocks malware, ransomware, exploits, and file-less attacks.

As there are various cybersecurity threats, we are actively scaling our cybersecurity capabilities by increasing our professional team. In 2022 we employed a dedicated Client Compliance manager and implemented a client ID verification process. For the moment, we are in the process of ISO 27001 certification, which should be finalized in autumn 2023. In addition, in 2023, we are planning to implement a Security information and event management (SIEM) solution to centrally provide real-time analysis of security alerts generated by applications and network hardware.

#### Ethical Use of Technology

As market leaders, we feel responsible for the direction the whole industry is taking. Oxylabs are active advocates of an ethical approach to web scraping. There are several ways we do so: by checking the reasons for which our potential clients want to use our products and by using ethical proxy infrastructure. We believe our participation in <a href="the-ethical-web-Data Collection Initiative">the-ethical web-Data Collection Initiative</a> (EWDCI) will strengthen our voice for the ethical use of web scraping.

#### **Ethical Proxy Acquisition Framework**

All Oxylabs residential proxies are ethically sourced. We have developed a grading system for all non-ISP residential proxy acquisition practices in the industry. We only consider the highest-grade tiers A+ and A ethical, as they fully inform end-users about the participation in the network, and/or provide financial reward for it (Tier A+). Such an approach sets Oxylabs apart in the market compared to our competitors.

Tier		Description	Result
Tier A+	<ul><li>✓ Financial reward</li><li>✓ Clear information</li><li>✓ User awareness</li><li>✓ User consent</li></ul>	A platform/app rewards in the monetary value end-users in exchange for participation in the residential proxy network	End-users are fully aware, consenting and financially compensated for participation
Tier A	<ul><li>✗ Financial reward</li><li>✓ Clear information</li><li>✓ User awareness</li><li>✓ User consent</li></ul>	A platform/app clearly informs and asks permission to include the end user in the residential proxy network	End-users are fully aware and consent using their device as an exit node
Tier B	<ul><li>X Financial reward</li><li>X Clear information</li><li>X User awareness</li><li>✓ User consent</li></ul>	A platform/app has hidden functions and misleading or confusing consent forms, which turn the end-user into an exit node	End-user's consent is acquired in a manner, which prevents true awareness of the participation in the residential proxy pool
Tier C	<ul><li>X Financial reward</li><li>X Clear information</li><li>X User awareness</li><li>X User consent</li></ul>	A malware automatically connects end-users to the residential proxy network	End-users are not consenting and not at all aware of their participation

#### **Know Your Customer**

We have a strict Know Your Customer policy which helps to check our potential clients profile before providing infrastructure.

#### **Ethical Use Cases**

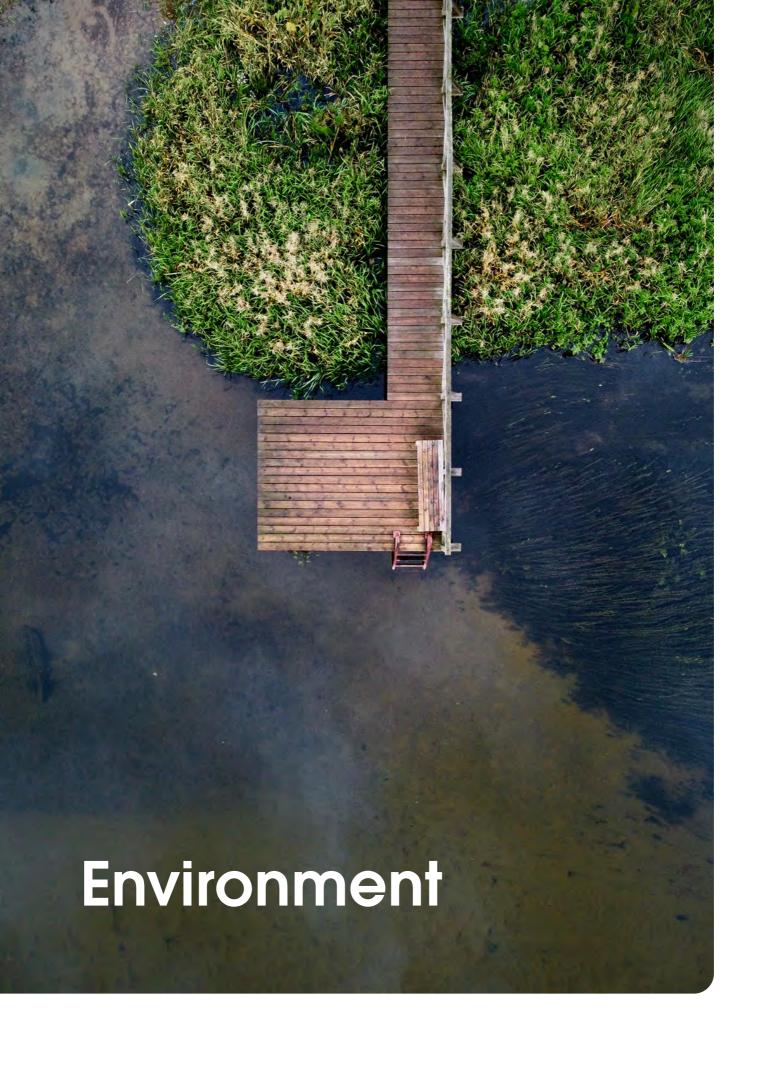
We require all of our clients to adhere to our Acceptable Use Policy, which lists certain activities that are prohibited while using our services and allows us to swiftly suspend the provision of services should we identify that it was breached.

We support the Global Development Goals to which our business can be the most impactful









### **Environment**

In 2022 we calculated our Greenhouse gas (GHG) emissions and made our first climate contribution. We have changed our headquarters to an energy-saving building powered by 100% renewable energy sources. Additionally, moving forward, we analyze possibilities to set carbon reduction targets in line with science-based recommendations to reduce our emissions. The main purpose of the recommendations is to limit the global temperature rise to less than 1.5°C, and we are committed to being a part of this global movement.

#### **Our Carbon Footprint**

We believe that real change in carbon emission reduction can be done when not only Scope 1 and 2, but also Scope 3 emissions are calculated and reduced. Therefore, this year we have added some emission categories from Scope 3 and intend to calculate other Scope 3 emissions in the future. Our emissions were calculated according to the methodology of the internationally recognised <a href="Maintended">Greenhouse Gas Protocol Corporate</a> Standard in collaboration with our carbon accounting software partner Plan A.

Emissions Category	2022 († CO2e)	2021 († CO2e)
Direct emissions (Scope 1)*	14.12	9.27
Indirect emissions (Scope 2)**	41.23	22.04
Other indirect emissions (Scope 3)***	479.85	198.61
Other emissions (events)****	10.72	1.73
Total	545.92	231.65

- \* Scope 1 emissions are direct emissions from company-owned and controlled resources: owned property (real estate, machinery), vehicle fleet, fugitive emissions. In our case, it's only fugitive emissions.
- \*\* Scope 2 emissions are indirect emissions from the generation of purchased energy, from a utility provider: purchased electricity, heating and cooling.
- \*\*\* Scope 3 emissions are other indirect emissions that occur outside the company's direct control in the value chain of the company, both upstream and downstream: in our case we included waste, cloud servers, business travel, employee commuting to work and work from home. Products and materials from the suppliers were not included into calculations even though those emissions create the biggest part in our emission calculation. This category will be provided in the future.
- \*\*\*\* Other emissions generated from the hybrid, virtual, in-person events.

Scope 1 and Scope 2 CO2e emissions are very minimal in Oxylabs, as we do not own real estate or vehicle fleet. Thus the biggest impact is created in Scope 3 emissions, which will be analyzed more in detail in the future. Based on the final results we will assess possibilities to set our decarbonization targets to be aligned with the Paris Agreement.

As a point of comparison, **1t CO2e** is roughly equal to the emissions of driving around **6000 kilometers** in a diesel car, or a single passenger flying **≈6200 kilometers**, or more specifically a one way trip between Frankfurt and New York.

#### Climate Contribution

According to our GHG emission numbers, we made our first climate contribution for a total of **800 carbon credits** to cover at least our GHG emissions calculated in 2021 and 2022 (provided in the table on page 45). We believe, however, that the most important goal for the company is to find ways to reduce its own emissions. Before we can enable such decarbonisation plans we invest in nature restoration projects. As carbon removal will play an essential role in reaching global climate targets, we chose to support the nature-based project in Peru as it prevents deforestation in Peru's most biodiverse Amazon rainforests.



This carbon project was initiated by the company Bosque Amazonicos SAC (BAM) in partnership with Brazil nut producers to conserve local ecosystems and secure economic opportunities for the local communities. The initiative has not only created an additional income source for the community, but has also invested in enhancing the processing of the Brazil nut, thereby multiplying the value of the harvested nuts. The Brazil nut forest is also home to several endangered species and provides a vital habitat for them. Finally, the project is verified by the Verified Carbon Standard (VCS) Program and was audited by both VERRA validation/verification bodies (VVBs) and Earthbanc.

This project tackles several SDG goals such as No Poverty (SDG1), Gender Equality (SDG5), Decent Work and Economic Growth (SDG8), Industry, Innovation, and Infrastructure (SDG9), Climate Action (SDG13), and Life on Land (SDG15).



#### **Green Workplace**

In 2022, at Oxylabs we had two big changes related to our premises. Due to company expansion, we have opened our second office in Kaunas (Lithuania) with the goal of staying in close contact with our people and to implement social, environmental and governance practices in all of our facilities.

The other big step was the move to our headquarters in Vilnius (Lithuania), to **Cyber City**, a brand new office building complex that has revitalized an underutilized city district. A derelict district was transformed through the construction of a new Oxylabs' office space in Vilnius, replacing old factories. Instead of expanding into different regions, this development focused on rejuvenating neglected areas within the city, effectively revitalizing the landscape of the rundown district.

The Cyber City construction project has been evaluated by the **BREEAM** International New Construction certificate and received the rating of Excellent and the BREEAM Post-construction certification (i.e., the final certification of the constructed building) process will be completed in 2023. Additionally, the main design and construction requirements were taken into account for a **Fitwel** assessment of the object.

BREEAM and Fitwell certificates demonstrate the quality, performance, and sustainability credentials of the buildings. BREEAM assesses the sustainability of a building based on factors such as energy, innovation, water, materials, and more. Fitwel focuses on the health and well-being of the building's users.

The Cyber City office is **100% powered by renewable energy** provided through Enefit service and has other various features such as automatic blinds and water saving devices, which help reduce energy consumption and improve energy efficiency. We encourage sustainable mobility, thus, in our parking lot, we have bicycle and e-scooter storage areas with electric vehicle charging stations for EV users. Finally, it's important to mention that the company does not own a vehicle fleet thus there are no additional maintenance costs.

It was important for us to find the best solution for the furniture and other equipment which was not moved to our new premises. Around ½ of the furniture was sold to our employees in an auction and almost ½ moved to the Kaunas office or to other Tesonet community's companies while the remainder was donated to NGOs.

#### **Energy and Water Consumption**

Oxylabs is an IT company which does not produce material products or own data centers. As such, the company itself does not consume a lot of resources. Our main energy consumption comes from the two offices in Vilnius and Kaunas. Electricity, heating, and water are obtained from local utility companies.

Additionally, various electricity, heating, conditioning and water saving solutions are implemented in the new facilities. The use of these resources does not create a meaningful impact in the calculation of our GHG emissions.

#### Energy consumption in 2021–2022

Consumption	2022	2021	
Electricity (MWh)	272.9	116.3	
Heating (MWh)	184.9	96.5	
Water (m³)	1259	986	

#### **General and E-waste**

After moving to new premises, we made changes, which helped to recycle more and reduce our waste. Separate garbage bins next to each desk were removed. Everyone is encouraged to sort out every piece of their waste in the kitchen containers, which are separated into: general waste, glass, plastic, paper, deposit and e-waste.

Additionally, we removed plastic bottles from meeting rooms. Everyone can enjoy filtered hot and cold water from hydro taps. We are also almost paperless, as paper is used for only those cases when material copies are required by local laws and regulations. Otherwise, we sign all our documents electronically and maintain electronic document databases.

As an IT company, we use a lot of electronic equipment. When it's necessary to replace computers, our employees usually take over the ownership of those devices. Otherwise, we donate electronic equipment, repair it if needed, and as a last resort, we dispose of it to responsible IT asset disposition services.

#### **Sustainability Awareness**

We have appointed a sustainability manager to conduct this transition journey. The awareness of the important topics and possible actions are communicated personally, via communication channels, on a team level, and to executive-level management. We have started adapting sustainability awareness training to our teams and will continue to spread knowledge by giving advice on what our teams can do to contribute to achieving emission reduction targets.

We support the Global Development Goals to which our business can be the most impactful













# Commitment For the Future

We took the year 2022 to review our impact on key social, environmental and economic areas, allowing us to start working on the reduction plan.

Concerned about climate challenges, Oxylabs is willing to participate in a common goal to **limit global temperature rise by 1.5°C.** 





#### We commit to:

- Build our carbon reduction strategy in line with science-based targets;
- Conduct a supply chain due diligence process and to implement Code of Conduct to our supplier procurement processes;
- Make a double materiality assessment;
- Enhance our commitment to local communities;
- Strengthen diversity and inclusion in our internal culture;
- Strengthen partnerships with NGOs, academia and public institutions;
- Implement good governance policies and practices,
- Report on our progress according to <u>Corporate</u>
   <u>Sustainability Reporting Directive (CSRD)</u>
   requirements.

## SUSTAINABLE GEALS DEVELOPMENT

## Oxylabs Current **SDG Focus**































### Want to Know More?

If you would like to know more about any of the topics mentioned in this Impact Report, please get in touch! Our team is ready to answer any of your questions related to Oxylabs' sustainability strategy.

Get in touch with Oxylabs