



ECO ESSENCE SUSTAINABILITY STRATEGY 2030

STRATEGY:

Eco Essence

Sustainability 2030

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Eco Essence_Sustainability 2030

A: General information

The current global scenario necessitates that all businesses take the lead in supporting and implementing solutions to reduce environmental impact and contribute to increasing equity in local and global communities.

To create a comprehensive sustainability strategy, it is necessary to consider all Sustainable dimensions, as well as their influence on our company's operations.

As a general rule, there are **4 basic pillars of sustainability: human, social, economic and environmental.**

Human sustainability

As the name implies, human sustainability is concerned with people. Everyone is affected, directly or indirectly, by the production of commodities and the provision of services. This section focuses on accountability, skills and skills development.

Social sustainability

The purpose of social sustainability is to test and develop social system that in the end serve as the foundation for the communities in which we perform. Social sustainability is about the big picture, considering communities and cultures from a global viewpoint.

Social economic sustainability

Economic sustainability refers to long-term economic growth methods that do not interfere with the other pillars of sustainability. This area focuses on the efficiency of resources and practical management.

Environmental sustainability

The first thing that comes to mind when saying the word "sustainability" is the environmental sustainability, as it is the most promoted pillar of them all. This pillar concerns all natural habitats and ecosystems, as they are important to our own survival. The ultimate goal is to "ensure the satisfaction of the population's demands without endangering future generations".

We are pleased to present the **2030 sustainability strategy** of DeliGroup, **Eco Essence.**

This strategy encompasses the full value chain, from ingredient sourcing to production to distribution to consumers with an emphasis on sustainability, health & safety, taste and the quality of our services.



B: Our vision

To help built happier, healthier and more sustainable communities. Our interest for the environment, translated through our care to reduce the environmental impact of our operations, our commitment to people, by providing safety and health at work, equal opportunities, and an inclusive and diverse work environment, as well as our concern to conducting our business at the highest ethical and integrity standards, are the basis for our vision.

In view of this statement stands our **Business Conduct Policy** and our **Supplier Code of Conduct**.

A vision for the future. Our approach to sustainable progress

For our company it is important to stay current not only with the market developments, but also with our customers' needs and expectations. This means it will be necessary for us to identify the appropriate methods to further develop our services, while keeping our promise outlined in the **Eco Essence** strategy.

In the long run, we can remain competitive by adding value to the communities in which we operate.

Responsable action must become an integral part of our company and the way we work.

For over 25 years, our company has been guided by strong ideals. Through the years, our success has been built on responsibility, ethics, respect for our business, employees, suppliers, clients and customers alike, and most importantly on our transparency and accountability in everything we do.

Conclusion: to navigate and overcome any obstacles on our path to sustainability, we will need to innovate as well as change the organizational culture.

Main objective:

Defining our internal company culture taking responsibility into account. Our internal culture is represented by our company's values, which are clearly and openly articulated both internally and externally.

Actions:

- Adopting sustainability as a core corporate

value;

- Apointing an internal Chief Sustainability Officer (Catalin Bodeanu);

Communicating internally our vision and expectations regarding **Eco Essence** strategy to all parties involved using Actimo platform;

- Involvement of local teams by first educating and informing through mandatory e-learning modules, on different sustainability themes. Gathering feedback from all relevant stakeholders, encouraging open communication and transparency about potential obstacles in implementing our strategy.

Conclusion: from the start we need to include all employees, including leadership in this process so implementing our strategy becomes easy, but most importantly so it can be assumed by all parties.

C: Our mission for 2030

We recognize that it is our company responsibility to first educate our employees on the significance of individual and institutional responsibility.

Commitment 1: Raise sustainability literacy among all of our employees and to integrate sustainability at all levels of our organization, using the internal platform Actimo.

Commitment 2: Sustainability must become a cornerstone of our business with the goal of becoming an example of sustainable development at all levels of our business.

Commitment 3: Balancing financial profitability with social and environmental adherence, as well as the well-being of our clients and employees.



D: At leadership level

We envision two strategic methods to achieving the sustainability goals outlined in **Eco Essence** strategy.

Method 1: For starters, it is founded on the understanding that sustainability must be clearly expressed within the company's broad general principles and objectives. This is critical in order for current sustainability projects to endure future developments.

Method 2: Establishing and defining clear structures within the company, to ensure the success of this strategy and to develop future sustainability initiatives.

E: Sustainability structure proposal:

- CEO
- BOARD OF DIRECTORS
- CHIEF SUSTAINABILITY OFFICER, CATALIN BODEANU
- HSE & QUALITY DIRECTOR
- SUSTAINABILITY TEAM & REPORTING TEAM (UNIT MANAGERS / REGIONAL MANAGERS)

To ensure that the actions will produce desired results, we will divide the plan into three implementation phases, as follows:

Phase I. Changing the organizational culture

Correct information of all parties involved and offering the proper tools and resources for the incorporation of features of sustainability into daily activities.

How we want to accomplish this: training courses, informational materials, and the exchange of best practices between sites are some of the techniques that can assist us in accomplishing our goal.

Phase II. Implementation of our objectives

Phase III. Monitoring and proposing new measures and initiatives



F: What we want to achieve and how:

Our further goals are based on the **United Nations' Sustainable Development Goals**. We understand the significance and positive impact of each of the **17 Objectives**, but we believe that we can have a social influence and make a constructive contribution in the following **6 OBJECTIVES**, which we have split into 3 big sections, as follows:

First Section: - Human Empowerment

Our areas of interest according to the UN goals are:



Key indicators / main subjects of interest

1) Diversity, inclusion and belonging.

- Developing and maintaining a diverse workforce to help us innovate, exceed customer expectations, and remain competitive on the local market.
- Strongly and consistently promote our diversity and equality values through internal platforms, as well as to all our partners. Development of programs and workshops on different subjects regarding diversity, inclusion and belonging.
- Making sure that there is no bias in our recruitment process through clear internal HR procedures.
- Paying attention to the way we attract, hire, keep and promote our people, through developing internal programs. Our goal is to help each employee maximize their potential regardless of their gender, culture, ethnicity, race, religion or belief, sexual orientation, nationality, disability status, age, or beliefs.
- Identify and remove any barriers that could hinder the contributions of our employees or their access to opportunities / career advancement.
- Cultivating an environment with a collective sense of belonging by:
 - Training and educational programs to create awareness, foster understanding, and build inclusive behaviors.
 - Evaluating compensation and benefit structures.
 - Promoting work-life balance.
 - Implementing flexible work arrangements that accommodate diverse needs.
 - Promote talent and develop an internal program of career growth.
 - Team buildings or team activities, creating shared experiences.
 - Establishing benefits | programs etc. to demonstrate that the well-being of our employees is a top priority for the company.



2) Discrimination and harassment

DeliGroup does not accept any sort of discrimination, physical or verbal harassment, or intolerance, according to our internal standards and the **Code of Business Conduct**.

What we do now: In this regard, the internal FaceUp platform was introduced at the Group level in 2023. FaceUp is one of the reporting channels used to ensure that workers who experience harassment or discrimination at work, or any other violations of our standards, have the tools they need to report such incidents correctly and on time.

Our objectives for the future:

- Educate employees about discrimination by holding regular and easy to understand training sessions.
- Focus groups.
- Provide managers with a soft skill training.
- Developing other tools / communication channels for reporting such issues.

4) Preventing accidents and promoting health

We take responsibility for our employees' safety and health and do everything we can to keep them safe from accidents and occupational diseases.

We strive to improve our employees' health and well-being while maintaining their long-term performance potential. As a result, we should continually work to improve our health and safety culture.

- Start to use the Toolbox Talk as part of our daily activities. 15-20 minutes morning meetings where the Unit Manager presents the team small subjects regarding health & safety issues.
- Conduct quarterly training sessions for our staff. Either by using the internal platform Actimo, or by on-sites workshops. Making sure that all employees understand the information & translate it into their daily actions. Through quizzes and monthly audits, we need to make sure that the Health & Safety procedures and policies are implemented accordingly.
- Developing a Reward Team Program. We should reward the teams that are responsible and implement all the procedures correctly, while penalizing the teams that are not. Rewards can be as simple as verbal recognition/newsletters etc., or as formal as inclusion in a monthly company awards program. This program may help people find the Health & Safety more appealing.
- Creating an Induction Kit and an Induction Program. As part

3) Women leadership & health

We are continually progressing and have raised the proportion of women in management. As a result, in 2023 the management team of Deli Group Romania will have 50% women.

Our objectives for the future:

- Developing an internship program for young women.
- Through partnerships with other companies providing courses to build and develop skills for women employees.
- Making sure there is no payment gap between men and women on same job roles in the company, and that this gap is not due to biases.
- Provide mental health services and assistance. Due to a multitude of causes, including the pressure to achieve in their careers, cultural expectations, and the difficulty to manage work and family life, one of the most critical difficulties confronting women in the workplace is mental health.



Safety First

of this kit, our proposal is to include:

- Information materials regarding DeliGroup company.
- Business Code of Conduct.
- Information regarding DeliGroup expectations on workplace behaviors.
- Information about our values and principles.
- Our discrimination and harassment policy – and the FaceUp platform.
- Health & Safety policies and procedures.

After the Induction any new employee (no matter of the job performed) should have valuable information regarding the company and the way we conduct our business. The Induction period should set the standards for future performance, while welcoming the new employee in the team.



5) Well-being and health

Customer well-being

- Developing internal education or informative programs for our customers. We strive to make our customers make healthy choices.
- Adding to our menus more healthy options and reformulating our recipes.
- Change customer mentality. Developing a program Less is more through which we should encourage customers to consume less, not quantity but quality.
- Developing a Wellness program for our customers. The program must provide either a financial incentive to encourage healthy living (buying our healthier menus, products etc.) or use rewards (exp: creating a partnership with a supplier that can provide our loyal customers

with some monthly healthy package or a partnership with a platform like <https://www.abonamentesali.ro/> and offer an extra discount for our customers to gyms).

At present, in accordance with recent regulatory changes, we provide consumers with complete information and nutritional declarations about food products in all our locations in a quick and easy-to-access way through QR Codes. We also, provide with some educational materials from time to time, but not as part of a wider Well-being program, but as on-spot actions.

Other projects:

- We make every effort to develop connections with local projects and charitable groups to give or serve meals to those in need, or to offer unsold surplus food to those in need.

Second Section: Long-term value chain

Our areas of interest according to the UN goals are:



The model we propose to address food waste consists of three components:

- Prevention -> lowering the amount of food that goes unsold or uneaten.
- Recovery -> providing excess food to persons in need.
- Recycling -> specialized food waste and used oil collectors.
 - Expand our Happy Hour program: we want to expand the sale of unsold food at a discount in all our sites, as well as run educational programs about food waste and install special collectors for turning food waste into compost.
 - As a responsible company, we understand the value of collaboration with our customers, suppliers, and non-governmental organizations (NGOs) to improve our impact. In this regard, we are a member of the Sustainable Romania Coalition, an initiative that promotes sustainability and the development of skills, programs, and specific partnerships among entities from the business environment, civil society, and the public sector in Romania, to align with the 2030 Agenda and achieve sustainable development goals.
 - Sourcing X% locally produced ingredients in our menus to reduce the gas emissions due to transportation (Farm-to-table approach) and create menus according to season.
 - Using eco-friendly packaging or proposing other options for take-away segment (exp: package return program).
 - Build partnerships with sustainable ecosystems.

In recent years, we have included detailed sustainability information in our non-financial reports and statements to our external auditor.

Third Section: Environmental impact

Our areas of interest according to the UN goals are:



We strive to reduce our environmental effects and have developed strategies to improve our environmental performance. This includes the most efficient use of resources, as well as the constant monitoring of practices in our locations throughout the chain, from purchase to production, as well as the subsequent disposal of waste.

Our commitment to environmental management extends to our suppliers, who are asked to follow strong environmental management and safety standards at the level of their own companies/operations.

- Adapting the existing procedures to integrate the sustainability component.
- Creating an on-site recycling program.
- On-site roles and responsibilities regarding our sustainability strategy.
- Monthly / quarterly meetings to talk about Sustainability with Regional Managers / Unit Managers.
- Conducting reviews and audits of our activities to analyze and reduce our environmental impact. Each location should be graded as follows: critical / weak / optimal / excellent based on the measures implemented and the results obtained.
- Ongoing training on environmental challenges. Provision of courses, periodic information, about the sustainability strategy's objectives, available resources, and instruments.
- Annual reporting on our sustainability strategy measures and results.

Our organization is ISO 14001 certified, and we need all our units to establish an environmental management system with predefined indicators. By 2030, we want to reduce our direct greenhouse gas emissions by X%, through:

- Converting X% of the parking lot to hybrid vehicles. Especially our delivery and transportation vehicles.
- Reducing process-related emissions: implementing energy-efficiency measures in the food and cleaning sectors by purchasing

- more efficient equipment.
- Using innovative methods of cooking / cleaning to help reduce our direct gas emissions. Observe where waste and inefficient energy use is occurring.
- Lowering emissions associated with items, such as beef, by lowering the number of meals on the menu that contain beef.
- Developing and promoting plant-based menus and products.
- Developing partnerships with suppliers and clients to reduce greenhouse gas emissions
- from Scop 2 and Scop 3.
- Using chemical free, natural, and biodegradable cleaning products.
- Implementing inventory / monitoring tools to measure waste.
- Adding compostable containers in some of our locations.
- Minimize paper usage in the office – creating a recycling space.
- Using digital menus instead of paper menus. Expand our digital instruments for communication with our customers.

G: Conclusions:

1) The first and most important step in developing a sustainable strategy is to create a compelling business case for sustainability. Companies frequently encounter tensions between sustainability and competitiveness at this point. We need to understand that in the future competitiveness = sustainability, thus changing mentalities.

2) To successfully implement our strategy objectives, we must engage all employees no matter of their jobs, while considering country-specific demands, needs and legislative requirements.

3) Commit to a budget dedicated to our company sustainability strategy actions, while developing partnerships that will help us innovate, provide better solutions to accelerate our business objectives.

4) Choosing the appropriate metrics to keep the sustainability strategy on track. Setting objectives is pointless if you will never know whether you achieved them or not, because only what is measured is controlled.

5) Our sustainability strategy should be seen as an opportunity for our company to evaluate our relationships with local communities, our business conduct and find ways to improve.

6) An effective sustainability strategy can deliver several benefits, like:

- Provide additional revenue or growth opportunities through innovation.
- Minimizing our vulnerabilities.
- Enhancing our brand reputation.
- Cost savings by reducing energy, cutting waste and minimizing inefficiencies and hazards.
- Attract, motivate and retain best talent.

Management,

DeliGroup Professional Services