



# NON-FINANCIAL STATEMENT FOR THE GROUP

## CORPORATE GOVERNANCE, RESPONSIBILITY AND SUSTAINABILITY

### Letter from the CEO

Dear shareholders, dear colleagues, dear readers,

Besides delivering great customer experiences and fast growth, it is extremely important to me that we take our corporate responsibility seriously – that includes social as well as environmental and governance questions. To give the topic enough importance, we have included in our ambitious goals for the end of 2019 to build a great corporate responsibility and sustainability program.

In 2018 our main focus was on identifying key issues and setting out a framework for our corporate responsibility and sustainability. For 2018/19 that strategy is set along the following pillars:

- **Giving Back:** To local communities through food donation and volunteering programs
- **The Environment:** Understanding and improving our greenhouse gas footprint and finding ways to package delivered food more sustainably
- **Diversity and Inclusion:** Creating a diverse and inclusive workplace with equal opportunities for everyone

Our brands around the world contribute to this strategy in many different ways and I'm proud of the progress our team has already made. At the same time, I am also certain that a lot remains to be done and we continue to build our capabilities in those areas. I truly believe that for a company to be successful in the long-term it has to lead not only in commercial success but also in taking responsibility for the many other challenges the world faces today.

Please find in the following section an overview of where we stand today on some of these topics and what we plan for the future. I look forward to continuously improving in all of these areas and providing ever more transparency on these issues to our various stakeholders.

**Yours,  
Niklas**



### SUSTAINABILITY AT DELIVERY HERO

Sustainable thinking and action based on fixed values and principles – these are essential foundations of Delivery Hero’s success. The Company assumes responsibility towards society as a whole and follows the principle of sustainable development. In this way, we contribute to creating stable economic, social and ecological conditions for present and future generations.

In 2018, we will report for the first time in reference with the GRI standards of the Global Reporting Initiative. We intend to expand this reporting in the future and, thus, meet the requirements for transparent sustainability reporting. Our Investor Relations and PR departments can help with any questions you may have about our report. For the first time, we have created a GRI Content Index, which can be found on page 161 et seq.

Furthermore, this nonfinancial statement for the Group (NFS) of the Delivery Hero Group (hereinafter referred to as Delivery Hero) has been prepared in accordance with the information required under Sections 315 b, c and 289b to e of the German Commercial Code (HGB) with regard to material, environmental, employee, social, and human rights, and the fight against corruption and bribery.

Within the individual aspects, the underlying concepts and due diligence processes are discussed and existing results are reported. In accordance with Section 315b (1) sentence 3 HGB, reference is also made to nonfinancial information in the Combined Management Report on individual aspects. In addition, the NFS reports significant risks in accordance with Section 289c (3) No. 3 and 4 HGB if the information is necessary for an understanding of the course of business, the business result, the position of the Group, and its effects on nonfinancial matters.

Delivery Hero has not yet defined any nonfinancial performance indicators relevant to management in accordance with Section 289c (3) No. 5 HGB. Furthermore, there is no direct connection between the amounts reported in the Annual Financial Statements pursuant to Section 289c (3) No. 6 HGB and nonfinancial concerns.

### Business Model

Information on Delivery Hero's business model can be found in the Group Management Report 2018 on page 57.

### Risk Management

In order to ensure sustainable business success, it is crucial that Delivery Hero recognizes significant risks and opportunities that can influence the business at an early stage. For this reason, Delivery Hero has established a risk management system that is designed to manage future challenges. The risk management function is performed by the Governance, Risk & Compliance (GRC) department.

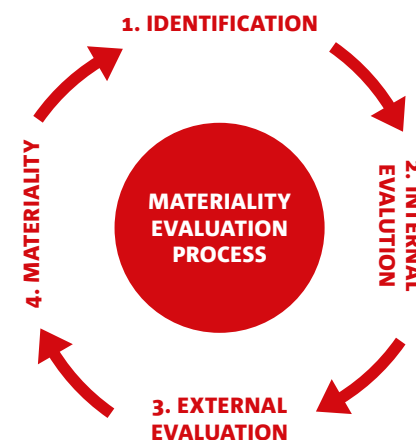
Delivery Hero generally assesses risks from a net perspective after taking risk-mitigating measures into account. In connection with the effects on the five nonfinancial issues, no material risks were identified that are associated with the Company’s own business activities or with its business relationships, products, and services that have serious negative effects on nonfinancial issues.

Further information on risk management at Delivery Hero can be found in the risk and opportunities report 2018 on page 72 et seq.

### Strategy and Materiality

The materiality analysis, which we carried out during the reporting period, assesses and prioritizes the relevance of social, environmental and governance issues for Delivery Hero and its stakeholders, in order to support the organization’s decision-making and strategy development process. From this process, the material topics for Delivery Hero are obtained, which are the ones able to affect the value creation for the Company, and at the same time, are recognized as being important for Delivery Hero’s different stakeholders.

The Delivery Hero materiality process followed the following steps:





1. Identification of the topics that are potentially relevant for Delivery Hero which need to be considered in the process of reviewing the materiality matrix identified through an analysis of the context and of the global, sectoral and organizational trends.
2. Internal evaluation of the impact of each of the topics on Delivery Hero’s vision, strategy and performance. The impact of the issues should be evaluated taking into consideration their magnitude and probability of occurrence. At this stage, the key stakeholders that need to be involved in the materiality review process are identified.
3. External evaluation of the importance of the topics, from the perspective of key stakeholders, by conducting a consultation process with these stakeholders.
4. Review of the issues’ materiality matrix, presenting the most relevant subjects under two dimensions, the key stakeholders’ perspective and the organization’s perspective.

In 2018, as a result of the process implemented and of the analysis conducted, seven material topics were identified according to the matrix below. These topics differ from the topics defined as material in the last report due to the new materiality analysis.

Besides the material topics identified in this way, Delivery Hero is fully committed to the worldwide observance of human rights in everything we do. We actively oppose forced or compulsory labor of any kind, all other forms of modern slavery, child labor, and human trafficking. Discrimination and inequality in employment and occupation have no place at Delivery Hero either. For us this is an integral and natural part of doing business anywhere in our global markets and we have thus not included this topic separately in the materiality matrix. Furthermore, we will report on the topics of “emissions” and “social responsibility” on a voluntary basis.

NONFINANCIAL ASPECT	MATERIAL TOPIC	PAGE
CROSS-CUTTING ISSUE, AFFECTS ALL NONFINANCIAL ASPECTS	LAWS AND REGULATIONS	51
ENVIRONMENTAL CONCERNS	PACKAGING USE AND DISPOSAL	52
EMPLOYEE CONCERNS	OCCUPATIONAL HEALTH AND SAFETY	54
	EMPLOYEE SATISFACTION	54
	DELIVERY HERO AS AN EMPLOYER	53-54
SOCIAL CONCERNS/ FIGHTING CORRUPTION AND BRIBERY	GENERAL DATA PROTECTION REGULATION <sup>1</sup>	51-52
	DATA LEAKAGE	51-52

<sup>1</sup> This issue concerns both social issues and fighting corruption and bribery.



### MATERIALITY MATRIX OF DELIVERY HERO





### Stakeholders engagement

Our stakeholders are key to our business, therefore, to build and maintain a close relationship and dialogue with them is critical to our success. To define and implement a sustainability strategy, Delivery Hero developed a stakeholders' consultation engagement process through which we actively collect their expectations and ideas, on an ongoing basis. This enables key-stakeholders participation to help us define our sustainability roadmap definition, which is constantly updated with their feedback in an agile manner.

#### Investors and shareholders

We are committed to growing and increasing the return on investment of our investors.

Annual financial statements, provisional reports, investor meetings, dedicated email communications.

#### Customer

We are focused on improving our customers lives' by providing amazing and innovative services and good food.

Satisfaction surveys, social media, brand studies (focus groups + surveys)

#### Employees

We want to motivate and engage our people so they can achieve their maximum.

Engagement survey, performance management process, all-hands/update meetings, supervisory board representation

#### Restaurant partners and suppliers

We intent to impement high social ethical and environmental standards in all relationships with our partners and suppliers.

Engagement surveys (Restaurant NPS), account management operations, supplier onboarding

#### Local community

We are determined to improve the communities where we operate and work in.

Volunteering program, conferences

#### Regulators

We are interested in maintaining an open dialogue with regulators and being compliant with legalisation and regulation.

Dialogue with regulators in local markets

■ Why is the stakeholder important?

■ Examples of engagement activities/resources



## LAWS AND REGULATIONS

One material topic for Delivery Hero to operate sustainably in the long term is to be compliant with all laws and regulations in the markets we operate. Below we outline some of the ethical and legal standards we hold ourselves accountable to.

### Values, principles, standards, and norms of behavior

We act within the framework of ethics, integrity and applicable laws and always in the interest of Delivery Hero. Delivery Hero does not tolerate any form of fraud, bribery/corruption or other forms of non-compliant behavior by our employees or other stakeholders. We expect from our employees not to engage in any activity or perform tasks that are contrary to the interests of Delivery Hero. All business decisions need to be made solely in the best interests of the Company, not for personal benefit. These business practices have been documented in a code of conduct which is distributed within the organization and updated regularly. The local companies are responsible for signing and communicating the Code of Conduct.

### Mechanisms for advice and concerns about ethics

Every employee at Delivery Hero is responsible for addressing violations or potential violations of the laws, the Delivery Hero Code of Conduct or internal policies. To report serious compliance breaches and illegal business practices an internet-based whistleblower platform was made available in multiple languages and is available around the clock. Our whistleblower system guarantees an anonymous submission and the highest level of security for whistleblowers. Employees should first contact their supervisor or their respective Compliance department and make use of the whistleblower platform only in cases where this appears not possible. All reported issues are carefully assessed by Delivery Hero and in appropriate cases, the case is managed as per the regulations and procedures for handling reported compliance concerns. The confidentiality of information given by the individual reporting a compliance violation is protected to the maximum extent possible. The recipient of the information of Delivery Hero may share it only on a need-to-know basis consistent with applicable law. Delivery Hero respects the request of confidentiality and anonymous reporting.

## DATA PROTECTION AND PRIVACY

The growing competitiveness in the markets where Delivery Hero has operations requires an increasing focus on the customer, especially on the continuous improvement of their experience. In a context of high digitalization and more informed, proactive and demanding customers, it becomes clear that technology should be used to achieve and ensure our clients maximum satisfaction, while handling their data with care.

### Scope of Company's publicly available data protection policy

The privacy policies of all platforms in the EU are currently being processed. Upload of the updated version will be implemented by February. The compliance level of our corporate website (deliveryhero.com) is currently not at the required level and will also be revised within the specified period. The privacy policies of the operating companies comply with the requirements of Art. 13 and 14 GDPR. The adjustments to these privacy policies will be marginal.



### **Rights provided to individuals regarding the control of their data**

All customer care agents have been trained to deal appropriately with data subject requests and necessary templates have been provided. Our customers can exercise their data subject rights at any time by sending their requests to the e-mail addresses specified in the privacy policies or to [dpo@deliveryhero.com](mailto:dpo@deliveryhero.com). These will then be answered after verification of identity within the legal deadline. On many platforms, a GDPR function was integrated into the accounts of the customers, which simplifies and guarantees the exercise of the data subject rights. Via this function, customers can view the stored data, submit advertising objections and delete their accounts at any time. The deletion takes place within 48 hours by overwriting the personal data several times.

### **Information Security Policies and System audit frequency**

Delivery Hero is committed to protecting the data of our customers and employees. Irrespective of external audits, systems that have been assessed as potentially risky according to internal risk analyses are subjected to a data protection impact assessment and continuously reviewed as part of a monitoring process. In addition, penetration tests are carried out regularly and adjustments made, if needed.

### **Scope of employee training on data security and/or privacy related risks & procedures**

Every employee has to complete a compulsory data protection training once a year and pass a test. In addition, department-specific training is carried out to take account of the relevant special requirements and to increase awareness. For example: GDPR specifications for the Hire-2-Retire Process; Privacy by Design and Default for Product and Tech departments, and others.

### **PACKAGING USE AND DISPOSAL**

As one of the focus areas of our sustainability strategy is the environment, we believe that one important topic for our Company is sustainable food packaging.

#### **Materials and sourcing**

While Delivery Hero's restaurant partners mostly source their own food packaging materials, Delivery Hero also sells some packaging materials to restaurants and can help educate restaurants about the sustainability of materials used as well as help to provide access to sustainable alternatives to some traditional food packaging options.

Delivery Hero's management approach to the topic is currently decentralised. Those brands/management entities which offer to sell packaging materials to restaurants are responsible for sourcing appropriate packaging material independently. This works well given the highly local nature of our business and the respective different needs of markets. In order to improve this approach further, we are currently working on providing central support with establishing a list of preferred suppliers of sustainable packaging options.

Besides improving the sourcing of materials Delivery Hero resells to our restaurant partners, there are many other initiatives the Company can take to improve the sustainability of food packaging used for deliveries. Some of our brands have implemented opt-out features for takeaway cutlery, thus significantly reducing the number of plastic and single-use cutlery by our restaurants. Furthermore, some of our brands have invested into educating our restaurant partners about sustainable packaging options and which materials to avoid because of their ecological footprints. As this is a key pillar in our corporate responsibility and sustainability framework, we continue to explore other options to contribute to a better food-delivery packaging ecosystem.



### **DELIVERY HERO AS AN EMPLOYER**

One of the keys for Delivery Hero's current and future success is our highly qualified and engaged employee base. Attracting and retaining great talent is essential. We are committed to building a great employee experience and hired a Chief People Officer to the management team of Delivery Hero to help us achieve this.

#### **Employment**

Delivery Hero employs thousands of people across the world at a variety of different levels of seniority. Our work with restaurants drives further employment, helping to create jobs in the communities we operate in.

The Company's approach to people operations is both central and decentralised. On a central level the Company has built out centers of expertise in various areas such as compensation and benefits, systems, recruiting that allow us to provide state of the art employee services at a global scale. In parallel, HR leaders in Delivery Hero's local subsidiaries ensure that the employee experience is tailored to local market requirements and we operate in line with local market regulation.

One of the many initiatives to ensure an engaged workforce at Delivery Hero is running regular global employee engagement surveys to inform people policies and measure their effectiveness.

#### **Diversity and equal opportunity**

Delivery Hero wants to be a diverse and inclusive Company that provides equal opportunities to all employees and reflects the customers and markets we serve. Through diversity, we can develop the products, platforms and services that engage our broad customer base most effectively, while also motivating and engaging our people. Delivery Hero is therefore committed to creating an equally great workplace for every one of its employees.

We have therefore set up a program that addresses the topic on three levels: tone from the top, people operations processes, and employee engagement.

The tone from the top is being established through an inclusive leadership agenda. Our senior leadership teams are undertaking unconscious bias training, run by an external consultant. We also engaged external support to review both quantitative data and gather qualitative insights. The findings have been presented to our senior leadership team and are informing the further development of our diversity and inclusion program.

On a process level, our people operations teams are committed to creating processes that prevent any systematic biases from manifesting. For this purpose we are constantly reviewing the results of hiring, performance management, promotion and compensation processes from a diversity and inclusiveness perspective. Our clear goal is to pay employees solely based on performance and their respective roles and we take measures to ensure that this is the outcome of our people processes.

We also aim to create an inclusive work environment by enabling flexible work-from-home policies where operationally feasible as well as the opportunity to work in part time roles.

Finally, we are also committed to assessing our physical office space and improve its inclusiveness whenever any changes, renovations or expansions are contemplated.

Besides the above measures driven by senior management and our people operations teams, our employees are also contributing to an inclusive work environment by forming employee groups (e.g. our "women-in-tech" initiative). We fully support these activities and aim to provide more resources and structure to them in the future in order to enable meaningful employee engagement on the topics of diversity and inclusion.





Besides the above initiatives, Delivery Hero is of course committed to adhering to all global and local regulation. This in particular includes compliance with the Law for Promotion of Remuneration Transparency between Women and Men (Entgelttransparenzgesetz). The reports required under this law are published separately to this report.

The diversity of our governance bodies is disclosed in the corporate governance section of the annual report 2018.

### **OCCUPATIONAL HEALTH AND SAFETY**

As Delivery Hero employs a large number of people, many of which work in our own delivery fleet, occupational health and safety is a topic of major interest to Delivery Hero.

We ensure that all employees are appropriately trained and educated about measures to avoid accidents and provide a safe working environment for everyone. This is done via training both in presence and online during our various onboarding process. For our delivery personnel, this includes trainings on various aspects of road safety, compliance with local traffic regulation and avoidance of accidents.

Any risks or hazards that are identified can be reported both through regular management channels as well as using the whistleblower hotline provided by the Company to ensure that both identified risks as well as incidents will be investigated and future risks prevented.

In many markets we also provide work-related accident insurance to our employees, often going beyond the required local legislation. In the context of implementing these insurance policies, risks are appropriately identified and incidents reported in order to provide transparency for the responsible management.

### **EMPLOYEE SATISFACTION**

Delivery Hero wants to maintain the satisfaction of its employees and use their potential for improvement in order to strengthen identification with the Company in the long term. We always pay attention to the needs of our employees and observe trends and developments in order to maintain a good competitive position in the hard-fought market for qualified employees in the long term. Concrete measures have been developed for this purpose, which are currently either in the planning stage or will be continued on an ongoing basis.

To enable us to respond to the needs of our employees, we conduct ongoing employee surveys. In this way we determine the general level of satisfaction and get a direct picture of our working atmosphere. From the results, we derive concrete measures that should contribute to maintaining or even improving employee satisfaction at a high level in the long term. A continuous improvement of the employee satisfaction is an integral part of our corporate strategy and the entire management team works continuously on designing and implementing appropriate measures.



## ADDITIONAL TOPICS

### Emissions

Within the framework of our sustainability strategy we also identified the reduction of greenhouse gas emissions as an important objective and hence disclose our management approach below although it was not identified as material according to the analysis described on page 47 et seq.

As global warming is a global issue, we believe that it is every business' responsibility to have awareness of its contribution to the emission of greenhouse gases and explore ways of reducing its impact.

In order to do so for Delivery Hero we have engaged a consultancy to help measure and identify reduction opportunities for our greenhouse gas footprint. As Delivery Hero operates a marketplace business, we differentiate between emissions (Scope 1, 2 and 3) that are directly caused by Delivery Hero, i.e. our own delivery fleets, materials we sell to restaurants, our internal operations and the emissions caused by our partners, e.g. packaging sourced by restaurants from third parties, our restaurant partners delivery activities etc. We thus want to ensure that we have an accurate understanding of which emissions we can operationally reduce as we directly control them and which emissions are created in relation to our activities but without our direct control.

Our management approach to this topic is centralised as calculating an accurate greenhouse gas footprint requires special expertise and we want to ensure a consistent methodology used. Therefore, we have a project team in our central team at Delivery Hero SE level which is collecting data from our local businesses and works with the consultancy to calculate the greenhouse gas footprint (in t CO<sub>2</sub> equivalent). Where accurate data is not available, we use estimations in line with common and accepted approaches. We are currently finalising the calculation of the footprint for some of our legal entities in 2017 and are working on gathering data for the year 2018.

### Social responsibility

initiative and the Berliner Tafel food pantry in 2017 and 2018 with donations in kind and in cash. Furthermore, we participated in the "Give & Help Day" of Woloho and youngcaritas. Delivery Hero has provided food for this purpose.

In 2018, Delivery Hero presented the "Hero Award for Social Entrepreneurship" for the second time, which is endowed with € 15,000. The winner was share, a social brand that focuses on the 1+1 principle. For every share protein bar, bottle of water or hand soap that's sold, the company provides one meal, one day's water supply, or one piece of soap to a person in need. In addition, we support share with a mentoring program. Within this program, Delivery Hero experts and managers pass on their expertise in relevant specialist areas to the company. The Hero Award will be continued and presented in 2019.

In addition to our existing activities, we introduced a corporate volunteering program in 2018. Within this program, our employees can support an initiative of their choice in accordance with our guidelines and offer their support without having to take a day off. Such employee engagement is also supported and encouraged on an ongoing basis.

As an operator of food delivery services, the topic of food and nutrition is of particular importance to us. This is why some of our subsidiaries, in cooperation with local organisations and in part with the involvement of our customers, have been committed to donating meals. In 2018, a six-figure number of meals was donated. For the coming year, we plan to continue and even expand this program.