

# NON-FINANCIAL REPORT FOR THE GROUP

## Letter from the CEO:

Fellow Shareholders and Heroes,

2020 has been an unprecedented year for everyone around the world. Driven by Delivery Heroes core values, we were able to continue creating an amazing experience for our customers who were relying on us throughout the Covid-19 pandemic. With our Heroes living our values every day at work, we strive to create a positive change in the communities where we work and take measure to understand and address our environmental footprint.

After creating our Corporate Social Responsibility (CSR) and Sustainability team in 2019, we used 2020 to roll out many projects across the company. I am pleased to say we made great progress on many of our teams ambitions and I am excited to see what 2021 has in store.

One initiative that I am very proud of is our partnership with the World Food Programme, who also won the Nobel Peace Prize in 2020. Our partnership integrated a “tech4-good” solution into our platforms across various countries, which enabled our customers to donate meals to those in

need. Through this partnership and other meal donation initiatives across our global brands, we provided over 2.3 million meals in 2020.

I am also committed to environmental stewardship and tackling climate change. I joined the Leaders for Climate Action in 2019, and announced that we will be carbon neutral globally by the end of 2021. We made significant progress towards this ambitious goal and I am pleased to say that at the start of 2021 we are carbon neutral across our European and Latin American operations.

We took on the responsibility of being deemed an essential service in many of the markets that we operate throughout the pandemic in 2020. As with many businesses around the world, COVID-19 forced us to change the ways we worked. We adapted quickly and enabled our deliveries to be contactless and keep everyone as safe as possible to help prevent the spread of COVID-19.

In the following sections, we have provided a summary of what we have achieved as a company in 2020 as well as insights into what we have planned going forward. Delivery Hero has great potential to address societal and environmental issues, and I am thrilled to see how our business positively impacts local and global challenges in the future.

Yours,



**Niklas Östberg**

## SUSTAINABILITY APPROACH AND MATERIAL ISSUES

### Our values

Sustainable thinking and action based on values and principles – these are essential foundations of Delivery Hero’s success. We seek to contribute to creating stable economic, social and ecological conditions for present and future generations. This means taking on the responsibility for any negative impacts of our business, working on these impacts by reducing our footprint, and contributing to solutions that follow the principles of sustainable development.

### Our strategic priorities

Sustainability is about responsibility: If we deal responsibly with our people and our environment, if we do business in a forward-looking and caring manner, we contribute to sustainable development. Ultimately, we want to do our

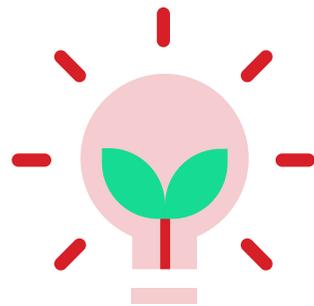
share to make the UN Sustainable Development Goals (SDGs) become a reality and we are looking to complete a fuller integration of the SDG’s into our sustainability strategy and company values in the future. We believe that this orientation will make our company more successful, not only today but also for many years to come.

Responsibility needs strategic thinking, clearly defined and realistic goals and an effective organizational structure. We spent much of 2019 developing our strategy, the necessary department structure and processes as well as creating foundations for the strategic projects that we envisage. In the reporting year of 2020, while some of the structural processes were still ongoing, we were excited to begin to deliver on strategic projects.

A highlight of 2020 came in Q3 when Delivery Hero entered the DAX (Deutscher Aktienindex), Germany’s leading stock market, signaling the market’s strong belief in our growth strategy and business model. While this confirms our strategic framework, we also realize the responsibility it entails when it comes to transparency expectations.

Delivery Hero continued to grow and scale very quickly during 2020. Our CSR & Sustainability team is adapting to this growth to ensure our approach and strategy applies to the evolving business. The CSR & Sustainability department comprises teams responsible for different topics, reporting to the Director of Sustainability, CSR & Safety, who reports to the Chief People Officer, and in turn to the CEO.

Clearly, 2020 was dominated by the COVID-19 pandemic. It became clear that our business can be an essential service as cities entered lockdowns. In many countries we were able to help people to obtain food, medications and other items. We aimed at keeping the transmission rate among our employees, riders, restaurant partners and customers as low as possible during the pandemic and established several measures, such as contactless delivery, contact tracing processes, and social distancing or work from home wherever possible.



**Our Values**



***We always aim higher***



***We deliver solutions***



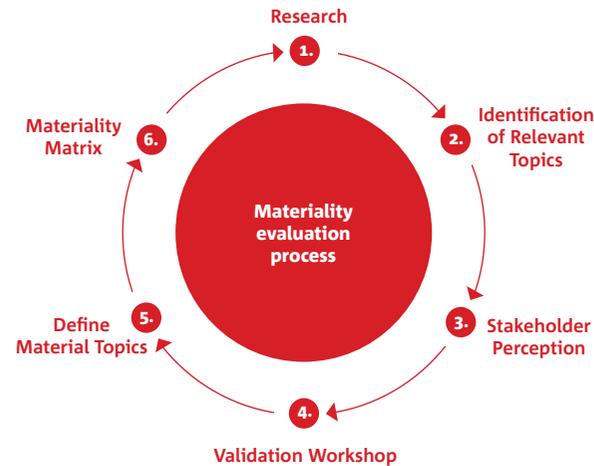
***We are heroes because we care***

### Our material topics

Delivery Hero’s four-pillar approach to sustainability management and reporting is the result of a revision of the materiality analysis of previous years. During October and November 2020, supported by an external consultancy, we revisited the process in the light of different definitions of materiality by reporting frameworks such as the Global Reporting Initiative’s (GRI) Standards, the EU’s non-financial reporting directive as well as related and upcoming frameworks by the Sustainability Accounting Standards Board (SASB) and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

The process involved internal stakeholders only, the primary aim being to present a materiality analysis in line with current reporting practice and legal requirements for immediate use for the present 2020 non-financial report. We envisage another major overhaul of the materiality analysis in 2021 with a view to embracing all relevant departments at Delivery Hero, which will then also involve external stakeholders.

### MATERIALITY EVALUATION PROCESS



Remote working in 2020 forced us into a virtual series of workshops. Initially involving our CSR & Sustainability team only, a shortlist of topics based on research of international sustainability frameworks (including the UN SDGs, SASB, and others), the competitive environment and Delivery Hero’s own ambitions were compiled and discussed. The agreed draft topics were then presented to a larger group of internal stakeholders, who completed an online questionnaire, evaluating the materiality topics for Delivery Hero and their predetermined stakeholder group.

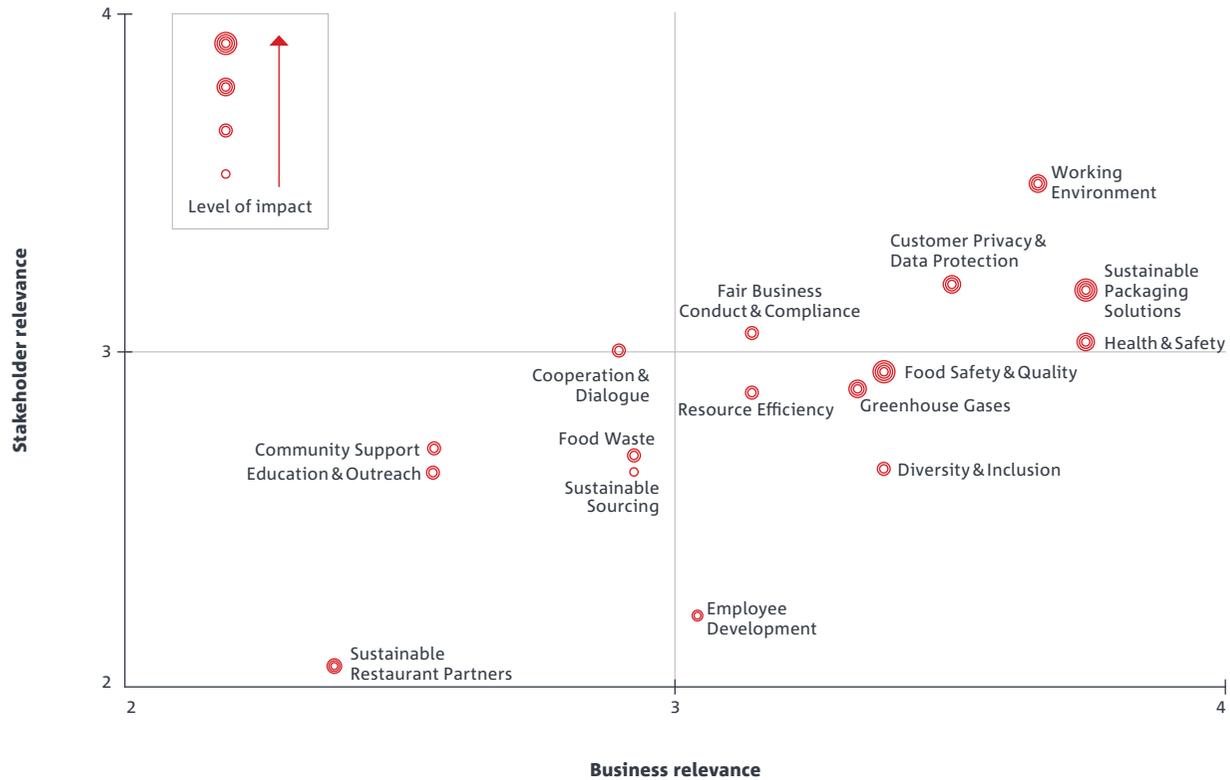
**DELIVERY HERO'S STAKEHOLDERS**

<p><b>Riders</b></p> <p>We want to keep the riders safe and engage them to continue to deliver an amazing experience.</p> <p>Engagement surveys (rider NPS), safety training and initiatives, communication, support programs.</p>	<p><b>Investors</b></p> <p>We are committed to increasing shareholder value.</p> <p>Providing transparent and timely information on Delivery Hero via financial statements, bilateral engagement with investors and analysts, presenting the company on investor conferences and roadshows.</p>	<p><b>Restaurants</b></p> <p>We seek to encourage social, ethical and environmental standards among our restaurant partners.</p> <p>Engagement surveys (restaurant NPS), account management operations.</p>
<p><b>Employees</b></p> <p>We want to motivate, engage and develop our people so they can achieve their maximum.</p> <p>Engagement survey, training, performance management process, all-hands/update meetings, Supervisory Board representation.</p>	<p><b>Community/NGO</b></p> <p>We are determined to contribute the communities where we operate and work in.</p> <p>Volunteering program, virtual talks/events, partnerships</p>	<p><b>Regulators</b></p> <p>We are interested in maintaining an open dialogue with regulators and being compliant with legislation and regulation.</p> <p>Dialogue with regulators in local markets.</p>
<p><b>Customers</b></p> <p>We are focused on improving our customers' everyday lives by providing amazing and innovative services.</p> <p>Satisfaction surveys, social media, brand studies (focus groups + surveys)</p>	<p><b>Suppliers</b></p> <p>We intend to implement high social, ethical and environmental standards in all relationships with our suppliers.</p> <p>Account management operations, supplier onboarding</p>	

■ Why is the stakeholder important?   ■ Examples of engagement activities/resources

The final shortlist of material topics was validated in coordination with various internal stakeholders during a materiality workshop. The discussion resulted in revising selected material topics, an updated materiality matrix, and defined reporting thresholds for the non-financial report as well as for our additional GRI reporting. The image below is the result of our materiality assessment for 2020.

**DELIVERY HERO'S MATERIALITY MATRIX**



The result of the materiality exercise, therefore, is the new clustering of topics into the four main pillars, with ten topics to be reported in the non-financial report and 16 in our GRI Content Index.

**MATERIALITY TOPICS CHART**

	Topic	Reported in Non-Financial Report (Material Topic)	Reported in GRI Content Index
<b>Climate &amp; Environment</b>	Greenhouse Gases	✓	✓
	Resource Efficiency	✓	✓
	Sustainable Packaging Solutions	✓	✓
<b>Workforce, Safety &amp; Human Rights</b>	Food Waste	X	✓
	Working Environment	✓	✓
	Diversity & Inclusion	✓	✓
	Employee Development	✓	✓
	Health & Safety	✓	✓
<b>Good Governance &amp; Ethics</b>	Customer Privacy & Data Protection	✓	✓
	Fair Business Conduct & Compliance	✓	✓
	Sustainable Sourcing	X	✓
	Sustainable Restaurant Partners	X	✓
<b>Social Engagement &amp; Partnerships</b>	Food Safety & Quality	✓	✓
	Education & Outreach	X	✓
	Community Support	X	✓
	Cooperation & Dialogue	X	✓

**CLIMATE AND ENVIRONMENT**

Delivery Hero aspires to make its business more environmentally friendly and is implementing global projects to reduce negative effects on the planet. Our sector impacts the natural environment primarily through the greenhouse gas emissions we and our partners emit, the plastic in food packaging, food waste, and the resources used in our office operations. To manage these impacts, our environmental program in 2020 addressed these three material topics: greenhouse gases, resource efficiency and sustainable packaging.

**Greenhouse gases**

As global warming is a major issue impacting the world, we believe that we have a responsibility to address the impact of our greenhouse gas emissions as a result of our operations.

If the world does not act quickly to reduce carbon emissions, our own business may be threatened by shortages of food supply, resulting in higher prices and possible customer dissatisfaction. Extreme weather events may impact our ability to deliver our goods as well as our supply chain. Further, reputational risks exist, as NGOs or customers might boycott a company with a negative environmental impact.

Nevertheless, we see investment possibilities in companies related to our core business. Before 2020, we invested in companies producing environmentally friendly alternatives such as sustainable packaging and plant-based meats. In the future, we see potential to engage with restaurants and retail suppliers to source sustainable ingredients and products, and to reduce their food waste. We also want to raise awareness of climate change by engaging with customers to inform them about sustainable options on our platforms.

Within Delivery Hero, greenhouse gases are a result of our activities, supply chain functions and partners' operations. We set an ambition to become carbon neutral by the end of 2021 across our global operations. Our approach to achieving carbon neutrality is to measure our footprint and offset the impact of our emissions footprint. In order to achieve carbon neutrality in a very short time frame, we use offsetting as an initial approach. Once we know where our largest emissions occur in our business, we aim to identify where we can reduce or avoid them. This commitment addresses all of Delivery Hero's direct and indirect emissions according to the Greenhouse Gas (GHG) Protocol. In January 2020, we achieved carbon neutrality for our European operations<sup>1</sup>. Additionally to Europe, we began offsetting Latin America in 2020 and this will be finalized in early 2021, both based on 2020 carbon emissions<sup>2</sup>.

Our carbon footprint comprises two sets of emissions: delivery and corporate emissions. Delivery emissions result from the vehicles used to deliver food and the packaging used by the restaurants for the deliveries. Corporate emissions comprise our internal operations, our Dmart (retail) operations, and the emissions caused by our partners, including amongst others restaurant hardware and IT equipment. In 2020, we refined our methodology for measuring GHG emissions, working with an external partner. As prescribed by the GHG Protocol, we consider emissions within different scopes: Scope 1 (direct emissions from heating, air-conditioning installations and the company's vehicle fleet), Scope 2 (indirect emissions from the generation of electricity, steam, heat or cooling purchased from external energy providers) and Scope 3 (includes the remainder of indirect emissions not covered within Scope 2; for example purchased goods and services, waste from operations, business travel, downstream transportation and distribution). Where accurate data is not available, we use

<sup>1</sup> To achieve this, we have purchased 82,525.6 tCO<sub>2</sub> worth of carbon credits. The underlying carbon footprint is based on delivery emissions for 2019 and corporate emissions for 2018 and was calculated for Delivery Hero by an external service provider. This emissions volume is not subject to the external assurance on this report provided by KPMG.

<sup>2</sup> Offsetting of Latin American markets excludes Glovo's operations as this entity was acquired during the 2020 reporting year.

estimations in line with common and accepted approaches. For instance, if only fuel expenses are available to calculate the direct emissions from company cars (Scope 1), a common and accepted approach is to estimate the fuel quantity based on the average cost of one liter of fuel in the respective country. For a detailed review of our GHG methodology, please see our website at [www.delivery-hero.com/sustainability](http://www.delivery-hero.com/sustainability).

In 2020, the CO<sub>2</sub> emissions of our European and Latin American operations amount to 282,737 tCO<sub>2</sub>e<sup>3</sup>. This figure is broken down into Scope 1, 2 and 3, as outlined in table "Greenhouse Gas Emissions". Delivery Hero supports several internationally certified climate action projects. The emissions produced are being offset through projects that generate renewable energy (i.e. solar, wind, hydroelectric, biomass) in Bulgaria, India and China. Besides reducing reliance on fossil fuel-based power, these projects promote environmental and socio-economic wellbeing as well as energy security for the local communities.

**GREENHOUSE GAS EMISSIONS<sup>3</sup>**

	Scope 1 Emissions	Scope 2 Emissions	Scope 3 Emissions	Total Carbon Footprint
<b>Total</b>	1,274 tCO <sub>2</sub> e	3,103 tCO <sub>2</sub> e	278,361 tCO <sub>2</sub> e	282,737 tCO <sub>2</sub> e

Our management approach to this topic is centralized, as calculating an accurate greenhouse gas footprint requires special expertise and we want to ensure that a consistent methodology is used. Delivery Hero SE collects the data from our local entities within the operating markets. In 2020, we worked with teams in the European and Latin American operations to provide internal training on the matter and to collect greenhouse gas emissions, as well as take into account regional specifics in the greenhouse gas methodology. The training and data collection are one of the tasks of our CSR & Sustainability team, led by the

<sup>3</sup> Data comprises actual figures for Q1-3 2020 and estimates of Q4 data for our European and Latin American operations.

Director of Sustainability, CSR & Safety and supported by a senior environmental specialist. The team will grow in early 2021 as we prepare to expand the program to Asia and Middle East and North Africa (MENA).

**Resource efficiency**

Delivery Hero relies on natural resources such as fuel and raw materials and we acknowledge that resources are finite. Our business is also a driver of resource consumption and we take responsibility for greater natural resource efficiency. To do so, we are identifying ways to use fewer resources, reduce our impact on the environment, and aim to apply and develop intelligent, innovative solutions.

Delivery Hero applies a shared responsibility for the topic. Various teams are responsible for managing resource efficiency, including CSR & Sustainability, Workplace (building), Procurement (utilities), Logistics (mobility) and Data Infrastructure (server storage). The reporting line starts with the teams reporting to their functional lead, who in turn reports to a C-level executive and further to the CEO.

The workplace team at Delivery Hero SE (DHSE), who own the management of the buildings, started developing a reduction plan for our Berlin offices early in 2020. The views of the Workplace team were important for the development of the reduction approach, and they are continuously working towards reducing waste and building emissions. In November 2020, our Berlin headquarters switched to a renewable energy supplier. Throughout 2020, the electricity consumption of our European and Latin American operations resulted in approx. 4.5 GWh. This data comprises the actual figures for Q1-3 and an estimate of Q4 data. The Q4 actuals data will become available after the finalization of this report.

While work began in 2020, we are continuing to develop the strategy for where we can be most effective to further reduce energy consumption and waste in the upcoming years.

## Sustainable Packaging Solutions

Plastic has become one of the world's biggest environmental problems. The rapidly increasing production of single-use plastic products exceeds the world's ability to handle it. We recognize the impact that plastic has on the environment, whether it stems from the emissions made during its manufacturing or the lasting presence of plastic after the packaging is discarded.

Food ordered through our platforms is packaged by the restaurant partners for delivery. Historically, the packaging has been made from plastic due to cost and availability of the raw material. Packaging is a necessary by-product of Delivery Hero's business, and therefore we have an impact on the environment through our core business operations. We want to find solutions that can reduce this impact.

Our restaurant partners mainly source their packaging materials independent of Delivery Hero. Since we have a connection to restaurants, we want to provide access to alternative and more sustainable forms of packaging. The main way we are doing this is by developing a globally scalable Sustainable Packaging Program to supply compostable packaging to restaurants.

Not all of the countries we operate in have robust recycling waste streams and some recyclable items are often discarded as waste due to contamination. For these reasons we have selected to build our SPP program around compostable and biodegradable packaging solutions. Additionally, by having a common approach globally, we can scale more quickly enabling us to address larger amounts of plastic packaging than we would be able to achieve through reusable schemes, for example.

To this end, we have developed a Sustainable Packaging Standard, which serves as an internal guideline and definition of what constitutes sustainable packaging for our businesses. We require any packaging supplier that will provide

sustainable packaging to us to meet our standard, and in doing so, be compliant with the Biodegradable Products Institute (BPI) standards/the "kompostierbar" standard based on DIN EN 13432, the Global Food Safety Initiative (GFSI) standard as well as SMETA and BSCI ethical audit standards. By requiring this we seek to ensure that the supply chain that provides our sustainable solutions is operating at a high level of quality and compliance.

In 2019 we designed the strategy and rollout plan for the SPP and in 2020, we faced challenges with a previous supplier and therefore conducted a new request for proposals. We have selected a new partner and conducted field-tests again to ensure the packaging meets the quality we expect and the rigors of food delivery. In the second quarter of 2021, eight markets will pilot the rollout of the compostable packaging units to restaurants. We have an aspirational goal to replace 3.5 million items of traditional packaging in 2021 through the program. The pilot is serving our food ordering services and will replace a small portion of the packaging that our restaurants use but it will provide valuable information on how we can further scale our program to more markets and reduce the amount of plastic in future years.

The sustainable packaging program is a cross-functional project involving teams across our headquarters and the pilot markets. The departments involved are CSR & Sustainability, Procurement, Food Safety, Central Sales, Central Finance, Central Legal and Central Brand. Our external partners are packaging providers, restaurant vendors and our customers.

So far, the management team has been updated and reviewed the strategy and financial model of the program. Plans will continue to be shared with the management team as appropriate.

## WORKFORCE, SAFETY AND HUMAN RIGHTS

Delivery Hero is growing fast, creating job opportunities for many people around the world – directly at our headquarters and subsidiaries, as well as through our restaurant and other retail partners, and for riders. We need to hire talented people quickly enough to fuel our growth. At the same time, we must ensure we develop the talent we already have so they choose to stay and achieve their full potential. We also want to grow a business that is as diverse as the societies it represents while creating a culture that is inclusive and encourages openness and respect. By providing job opportunities, we contribute to sustainable development by raising local purchasing power and tax generation.

Delivery Hero operates with multiple workforce engagement models to cater to its business needs, the needs of the logistic operations, and the interests of workers. Given the complex and decentralized nature of our operations, as well as the large number of markets we operate in, giving a conclusive overview of our workforce engagement model is difficult. Most of our office-based people are directly employed with a small number of contractors and employee leases. For our logistic operations, we have a variety of different contractual arrangements, which vary across markets, with three primary approaches: direct employment, freelancer self-employment and the outsourcing of the activity with third party providers through logistics contracts for our delivery service.

At Delivery Hero, People Operations is tasked with leading the work on recruitment, development and Diversity and Inclusion (D&I). People Operations continues to be both centralized and decentralized. We have deepened the level of expertise within our central human resources (HR) teams so that we deliver expert support globally, while building regional HR centers of excellence to expand the support aligned to local market requirements and regulation.

At the headquarters, the People Operations department comprises Talent Acquisition, People Systems and Analytics, People Experience, Total Rewards, Talent Development, Communications, D&I and CSR & Sustainability. Many People Operations functions act as a service organization for other business departments. The main responsibility for the people team lies with the Chief People Officer who reports directly to the CEO. Regional and local People Leaders report to their respective CEOs, so that responsibility is delegated to global and local People Leaders.

### Working environment

In a job market that is characterized by strong competition for the most talented people, having committed employees at Delivery Hero is essential for us to achieve our ambitions. Employee satisfaction contributes towards engagement and retention, future recruitment, corporate culture, and ultimately, company growth. At the same time, we strive to be a responsible employer in terms of local labor laws, including remuneration, and related topics.

Since 2019, Delivery Hero has been using and implementing an HR management software across its entities, which provides technical tools to streamline our people processes. During 2020, we continued to roll out the management software internationally and we plan to move more countries into the system during 2021. The rollout in all local entities will enable us to have deeper insight into global people data.

By the end of 2020, Delivery Hero employed more than 29,000 people worldwide and over 1,700 are at our Berlin headquarters. An indicator of our success and growth in 2020 in People Operations is the number of new hires. In 2020, this stood at more than 1,100 hires at our headquarters in Berlin.

Delivery Hero's growth strategy relies on hiring the talent we need to execute the business plans. As such, recruitment is a critical part of our people agenda. Employer branding is an important component of our talent acquisition strategy as we seek to differentiate ourselves among our peers and attract candidates to the business. As part of our employer branding strategy, we are hosting and participating in various meet-ups, conferences and events online and in person. This helps us to showcase our work, create more awareness about us as an employer and to network with external communities and potential candidates. In 2020, we hosted and/or participated in 26 events, of which 20 were online.

We also offer various benefits that make our working environment attractive. For DHSE office-employees, this includes individual corporate pension schemes to contribute to the long-term provision of our employees, but also benefits during office time such as free drinks, snacks and a nap room. With the sudden shift to remote working due to COVID-19, we also introduced various virtual benefits such as internal and external speaker series, virtual events and resources on many topics to inform and foster the wellbeing of our employees. Additionally, we provided our employees at DHSE with parental support, assistance with home office equipment and care packages.

To understand how we are performing as an employer and where we need to improve, we conduct quarterly employee engagement surveys with our office workforce and participate in external ratings. In late 2020, we were awarded with the 2021 "Best Places to Work" certificate at our DHSE headquarter. For our global employee engagement surveys among our office-based employees, we use the "employee Net Promoter Score" (eNPS), an indicator that measures the engagement and commitment of our employees. The score is computed by subtracting the percentage of detractors (scoring 0–6) from the percentage of promoters (scoring 9 and 10), resulting in a score between –100 and 100. We use the results to create action

plans to address areas of improvement. Our last survey of 2020 had a global participation rate of 74% and we achieved an eNPS of 39 points, which is eight points above the tech industry benchmark.

By the end of 2020, Delivery Hero has over 700,000 active riders across the world. We have been developing a Global Rider Program (GRP) throughout 2020 to ensure continuous collaboration among DHSE and our local entities and their riders. Topics that the GRP addresses include working environments, safety, engagement and rider technology. An outcome of the GRP was creating a financial support program for riders around the world during the COVID-19 pandemic. This program had an overall sum of € 3 million and is available for all of Delivery Hero's local entities. The funds offer a one-time financial assistance for a maximum of 15 days of lost remuneration due to contracting COVID-19 or being quarantined by local authorities. We will continue to develop the GRP throughout 2021.

In order to understand the satisfaction of our overall performance and areas for improvement, we decided to use the Net Promoter Score (NPS). This overarching key performance indicator for loyalty assesses the likelihood of recommendation and enables us to understand areas of satisfaction and improvements.

We use the NPS for customers as a management tool assessing the likelihood of customers to recommend a product or service. In 2020, we achieved a customer NPS of 34 and gained additional understanding on areas of satisfaction as well as areas of improvement<sup>4</sup>. We started collecting feedback from the riders throughout 2020 and seek to refine the corresponding process in 2021 as well as to report the rider NPS in the future.

<sup>4</sup> Our After Order NPS survey (AO/customer NPS) was live in all countries besides Peru, Ecuador, Costa Rica, Honduras, Guatemala, Canada, Lebanon and Cyprus in 2020. It includes the restaurant food orders only and is conducted via the third-party tool with a participation rate of approx. 1–2% with significant regional differences. The result is an average of all responses and no regional weighting has been applied. The global AO NPS 2020 included customer responses from successful orders and failed orders (only foodpanda). The AO survey goes to all customers with a frequency cap of 30 days regardless of the number of orders placed within that time frame.

Another important part of our value chain includes the procurement of goods and services from suppliers. Depending on the market in question, this may have implications for human rights when it comes to remuneration, and other labor- or environment-specific questions. We emphasize, therefore, that the protection of human rights along the entire value chain is very important to Delivery Hero as this touches upon essential principles that guide us as a company.

In our management of this topic, we are guided by the principles established by the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. Managerial responsibility lies with the Central Procurement department together with Central Governance, Risk and Compliance (GRC), CSR & Sustainability and Legal Employment. The ultimate responsibility lies with the CFO.

In April 2020, we completed and published our **Supplier Code of Conduct** (SCoC)<sup>5</sup>. It aims to promote responsible business practices along the value chain and to minimize financial, reputational and supply chain risks resulting from potential violations of human rights in areas beyond our immediate organizational responsibility. It clarifies that Delivery Hero, as part of its corporate responsibility, evaluates and selects suppliers not only on the basis of economic criteria but also considers environmental protection, compliance with human rights, labor, and social standards as well as anti-corruption practices when selecting suppliers or extending contracts. The SCoC also includes topics such as remuneration and forced labour or illicit forms of labour. We started to introduce the SCoC to our entities in 2020 and will continue to roll it out globally in 2021.

Through Delivery Hero's Code of Conduct and **Supplier Code of Conduct** we respect the right to collective bargaining agreements and strive to comply with all local regulations. In 2020, we sought to work with our markets to build employment models with our employees and riders that fulfilled the needs of the business and our stakeholders. We also created dedicated legal teams to address issues pertaining to office employees and logistics operations. Throughout 2021, we will continue to address this topic within our business operations.

While the SCoC is a global guideline, its usage needs to be rolled out step by step across the markets in order to accommodate different national laws. In 2020, the focus was on suppliers procured by DHSE. In the fourth quarter of 2020 we started the qualification of new suppliers, including their acceptance of the SCoC in Latin America and Asia, and this will continue in 2021. The requalification of major suppliers with existing contracts is planned to start in 2021. To assist in this process, we are currently selecting a global third-party provider for due diligence and assessing potential supplier risks.

Today, suppliers are expected to provide a self-declaration form and agree to the SCoC or to show a comparable document of their own. Suppliers not adhering to the values expressed in the SCoC within a defined time frame can be excluded from future business relationships with our company.

### Diversity and inclusion

At Delivery Hero, we welcome and encourage diversity in terms of ethnic or national origin, age, gender, religion, sexual orientation and dis/abilities. We believe that different approaches to problem-solving come with a range of personal backgrounds and give us a competitive edge. We aspire to foster diversity and inclusion of underrepresented groups which we believe will make us as a company more successful. At the same time, we believe that fostering diversity positively impacts sustainability, as we contribute to a larger societal goal of increasing fairness and equal opportunity amongst all identities.

It is for these reasons that Delivery Hero strives to be a diverse and inclusive company that reflects the communities we serve. We believe diversity facilitates the development of the products, platforms and services that benefit our broad customer base most effectively, as well as motivates and engages our people.

Delivery Hero intends to adhere to all global and local regulations regarding this topic. DHSE also supports the UN Standards of Conduct for Business Tackling Discrimination against LGBTI (including its audit) and completed the PRIDE 500 LGBT+ Diversity audit in 2020. DHSE also signed a declaration with Aidshilfe e.V. that we do not discriminate against HIV positive people in the workplace.

To define our approach towards building an equitable and unbiased working environment, Delivery Hero implements a D&I strategy and program. The foundation of our D&I program for DHSE was created in 2019 and was further refined in 2020. In 2021 we will continue to roll out key strategic initiatives. The focus areas include three parts: Increase the number of women in leadership, tech and overall at Delivery Hero; enhance equitable structures and systems; and promote inclusive behavior.

At DHSE, management responsibility for the strategy lies with the D&I team that reports to the Chief People Officer, who reports to the CEO. While operating primarily within People Operations, the D&I team works with several divisions, including CSR & Sustainability, corporate communications, people experience, legal, talent acquisition, and people systems. Additionally, D&I has touch points with all departments and consult on D&I programs and objectives.

<sup>5</sup> Suppliers include agents, trading companies, service providers, their subcontractors and every member of the supply chain.

In 2020, our management team continued to refine strategic goals for the company on diversity and inclusion. Our main goal is to have 50% of employees in the leadership succession pipeline from diverse backgrounds by 2022. To promote an inclusive culture, D&I is part of our talent development program, ensuring that training is available to help our people manage their potential unconscious biases and become more inclusive leaders. In 2020, we trained 32% of managers on unconscious bias at DHSE and Delivery Hero Austria. The COVID-19 pandemic affected the number of sessions and participants able to complete the training. In response, we transferred the sessions online and were pleased to continue to offer this important training.

We believe an essential way to enable our employees to build an inclusive culture is to empower them through employee resource groups. At Delivery Hero, these are called HeroCommunities. Three HeroCommunities were active during 2020: a Proud Heroes group, a Muslim Heroes group and a Female Heroes group.

Among our D&I goals for the near future, is our ambition to become a leader for women in the tech sector, for which we need to further improve the representation of women and conduct targeted succession planning. We invest in solutions to increase diversity in the sector, in particular with the Delivery Hero Tech Academy, which we started planning in the third quarter. The aim of the Delivery Hero Tech Academy is two-fold: to provide tech training externally and to offer opportunities for external people who tend to be excluded from opportunities in the tech sector, with a view to creating potential opportunities with Delivery Hero.

For further information on gender diversity at Delivery Hero and its subsequent goals regarding gender diversity of our Supervisory Board, Management Board, and the two executive levels directly below, please see the Corporate Governance Statement on [page 14](#).

## Employee development

As one of the world's leading online food ordering and delivery marketplaces, Delivery Hero is looking for the best talent. We find the people we need on the job market but we also like to grow talent from within. For this purpose, we pursue the personal and professional development of our office-based employees through active talent management, further education and training as well as regular staff appraisals. We want to provide opportunities for professional and personal development for the benefit of our people and their long-term satisfaction within the company.

At DHSE, employee development and training is facilitated by the Talent Development team within People Operations. In addition to internal trainings offered by the Talent Development team, external learning and development opportunities can be booked with an annual budget of € 1,000 per full-time equivalent employee at DHSE. Additionally, all employees at DHSE are offered opportunities to create individual development and growth plans throughout the year. 327 individuals created either an individual development plan or growth plan in 2020.

At our DHSE headquarters, we conducted 129 training sessions with a total of 720 participants in 2020. These trainings were hosted by our internal trainer community, consisting of approximately 40 individuals from various parts of our business. The internal trainer community is a group of volunteer managers and employees, who host manager and employee trainings on the behalf of the Talent Development team.

In 2020, we introduced People Leader Principles (PLPs), which provide our senior managers with best practices and enhanced skills to lead a team. The PLPs, eight defined leadership behaviors, outline our idea of what it means to be a leader at Delivery Hero. Targeted at employees at management level and founded upon our values, the PLPs aim to enable our people in leadership positions to be

more successful in their roles by defining principles unique to Delivery Hero. They are used for performance reviews and training but also for identifying leadership potential and recruiting.

To discuss development prospects with employees and outline future training needs, a Performance Management Process is conducted twice a year in DHSE and Delivery Hero Austria, with a full review during June and July and a check-in in January. In 2021 we aim to roll out the Performance Management Process to more locations. The purpose is to discuss past performance and development prospects as well as salary and compensation. In addition, managers have regular one-on-one meetings with their team members.

Monthly global talent development calls are used to share successful projects with global talent development counterparts, for coordination, and to inspire each other.

## Health and safety

Being safe at work is essential, whether our people work at or for Delivery Hero or its affiliates in the markets in a capacity as employees or riders. The need to feel safe is paramount, whether on the road, in the office, or while travelling.

Safety is decentralized, with local entities and offices having responsibility for defining their procedures to align with the respective national or regional legal requirements. This enables local management to craft responses to the specific health and safety risks that exist in their area. We started to create a global Operational Safety Program with the aim to gain greater oversight of the safety risks within our operations and to identify potential areas of action. The Safety Team at our headquarters is leading this effort and will continue focusing on finalizing the strategy in 2021.

At DHSE, operational health and safety management includes ergonomic office design, well being programs and health initiatives. In 2020, we also provided an employee assistance program globally so any of our employees can reach the help they need regardless of where they work for us. Training is available to employees on how to maintain a safe working environment, including first aid training for some office-based employees. We also make training available for our riders on road safety and the use of safety equipment. In 2021, we aim to further expand our safety program for riders, including creating a more systematic process to report accidents and fatalities.

With the outbreak of the pandemic, particular emphasis was put on helping to prevent the spread of COVID-19. We formed a COVID-19 Taskforce in January 2020, which developed a range of safety procedures that provided a basis for safety protocols for our offices and operations globally. We also established protocols for managing situations involving a positive case of COVID-19 infection within offices or in our operations. We based our protocols on information from health authorities and scientific sources, particularly the Robert Koch Institute (RKI) in Germany, the Centers for Disease Control and Prevention (CDC) in the USA and the European Center for Disease Prevention and Control (ECDC). Following the guidance provided by these procedures, regional offices strived to establish requirements aligned to the regulations within their countries.

At our headquarters in Berlin, our goal was to minimize COVID-19 transmission inside our offices by providing information to employees about how to prevent infections, social distancing measures, hygiene standards, and contact tracing. We believe we fulfilled this goal based on the detailed contact tracing we conducted for each COVID case among our DHSE employees, with none being clearly linked to transmission within the office. Information was provided to employees about how to prevent infections and how to

be as safe as possible during social gatherings or sport classes. The COVID-19 Taskforce coordinates these activities as well as issuing updates to the Management Team on a regular basis via presentations or email communications.

As a further response to COVID-19, in March 2020, we launched a series of health and safety instructions for customers, riders, restaurants and office employees, which were still in place by the end of the reporting year. Many of our local entities have created protocols for the handling of COVID-19, which cover restaurants, riders and any related operations. By the end of the year we conducted a survey among our entities to find out about best practices and possible improvement areas. In addition to heightened hygiene requirements for restaurants and riders and disinfection procedures for orders, we wanted to reduce contact as much as possible. We conducted online onboarding sessions and riders have implemented no-contact delivery with drop-off zones that do not require any personal interaction between customer and courier. We further provided safety material to riders and tried to keep them as informed as possible about best practices and new local regulations.

### GOOD GOVERNANCE AND ETHICS

Fair business conduct, data protection and quality of service are fundamental requirements for the long-term success of Delivery Hero as a delivery platform. In any market we operate in, we believe that compliance with applicable laws and regulations is the basis of our operations. We foster awareness that compliance is always in the interest of the company, our employees and stakeholders. Since Delivery Hero handles customer data and assumes a duty for the safety and quality of food as long as it is in our care, a general awareness of our legal duties must always reign high among all individuals in our network.

### Fair business conduct and compliance

Delivery Hero aims to act within a framework of ethics, integrity and applicable laws in every jurisdiction we operate in. Delivery Hero wants to be a company that can demonstrate that technology platforms can provide benefits to society and relevant stakeholders, including consumers, restaurants and riders.

Our understanding of ethical corporate behavior is reflected in our commitment to respect human rights, equal opportunities and provision of a workplace free of discrimination, harassment, intimidation and abuse. In our business relationships we do not tolerate any form of fraud, bribery, corruption, financial crimes or other forms of non-compliant behavior by our employees or other stakeholders under our responsibility. We expect 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 when needed. The local entities are responsible for communicating the Code of Conduct within their organization.

To strengthen our ethical principles and compliant behavior, Delivery Hero has implemented an organizational structure for Governance, Risk and Compliance (GRC). The responsibility for recommendation and final reviews lies. The Legal and GRC teams work under the direction of the General Counsel, who reports to the CFO. The mechanisms for advice and concerns about ethics are assessed on a regular basis. The GRC team continuously monitors and updates Delivery Hero's policies by integrating relevant concerns into future business decisions. This may take the form of a structured internal stakeholder consultation or, if necessary, the involvement of external lawyers or other experts.

For matters of antitrust and competition, responsibility is delegated to the Legal Commercial Regulatory team and further down to the Legal Antitrust and Disputes team. These teams advise on Merger & Acquisition (M&A) projects, commercial set-ups and investments in order to ensure that these are carried out in a way that is compliant to relevant competition laws.

Every employee at Delivery Hero is responsible for addressing potential violations of laws, of the Code of Conduct or of internal policies. Every new office-based employee at DHSE is requested to complete training on our Code of Conduct within their first two months. To report serious compliance breaches and illegal business practices, a third party online whistleblower platform is available in multiple languages around the clock and managed by the Compliance team in Delivery Hero's HQ. Our whistleblower system guarantees anonymous submission and a high level of security for whistleblowers. All reported issues are carefully assessed by Delivery Hero. When appropriate, the case is managed as per the regulations and procedures for handling reported compliance concerns. Information and procedures about potential violations are treated with confidentiality to the maximum extent possible. Of all the cases that were reported in 2020, an internal investigation by the compliance functions was conducted for 20 of them. 14 of these incidents were resolved in 2020 and the remainder will continue to be investigated into 2021.

To conclude, Delivery Hero's compliance efforts aim to:

- raise awareness of compliance and legal issues, including but not limited to competition law issues and ultimately, to operate in a compliant way in our day-to-day operations and in the context of M&A transactions,
- provide employees with guidance on the relevant compliance and legal issues,
- mitigate risks of complaints by competitors, partners or consumers,
- reduce the risk of investigations or fines,

- contribute to policy developments around new regulations, and
- promote a culture of integrity within our organization.

In 2020, we also implemented our [Supplier Code of Conduct](#). For more information on this, please refer to the working environment section.

### Customer privacy and data protection

In an ever more connected business world where transactions increasingly go online, customer privacy and data protection are of growing importance. Media reports about illegal takeovers of personal accounts and breaches of privacy contribute to uncertainty among many customers. At the same time, they challenge corporations to demonstrate their responsibility towards customers and employees alike by abiding to laws and installing safe technologies.

For Delivery Hero, the protection of both customer and employee data is of utmost importance. The consumer privacy policies of the operating companies in the Delivery Hero network strive to comply with the requirements of Articles 13 and 14 of the European General Data Protection Regulation (EU GDPR). Our policies are accessible on the websites of almost all our entities.

Our goal in customer privacy and data protection is to have the best-in-class data protection in our industry. Best-in-class defines a privacy framework implemented that complies with international standard privacy frameworks (AICPA, NIST, NYMITY) and is regularly reviewed and updated. Our vision statement has been aligned with and communicated to the General Counsel. We measure our success with 80 defined KPIs, which are now applicable worldwide with the launch of the Global Privacy Management strategy in 2021. These include the number of breaches per fiscal year, the number of signed Data Protection Agreements, the number of completed due diligence processes for new vendors, the number of trained and certified 'Privacy Hero's', the amount of relevant trainings, the number of data subject requests, etc.

The manager responsible for customer privacy and data protection is the Data Protection Officer (DPO). Delivery Hero applies a shared responsibility for the topic, with the central team providing a global strategy, tools, guidelines, policies and trainings, and the local entities being accountable for privacy at the local or regional level through Data Protection Coordinators. In 2020, the central team started to introduce these measures to the local entities in Europe and this will be further rolled out on a global scale. The central team audits the local entities and in 2020 we focused our audits on our European operations and in 2021 we plan to roll it out globally. The DPO operates a Data Protection Management System (DPMS) that is based on well-known international frameworks as well as requirements of the GDPR and other applicable laws. Until the end of 2020, the DPO reported to the Head of Governance, Risk and Compliance (GRC) but this will change in 2021 to a reporting line involving the General Counsel and also providing input for the Audit Committee and Supervisory Board Meetings. The DPO is independent in its work and reports regularly to the highest level of management.

Our DPMS is based on a Plan-Do-Check-Act approach. We review existing policies, measures and controls on a regular basis. If any have been assessed as a potential risk based on internal risk analyses, they are subjected to an impact assessment and reviewed as part of a monitoring process.

While customer data must be protected against any illegal abuse, a limited amount of data collection on the part of Delivery Hero is needed to run our business smoothly and to satisfy our customers' expectation in terms of a fully functioning and dedicated service. Based on the GDPR standard and local requirements, we inform our customers and other stakeholders about the data collected on the majority of our websites and explain how this data is used. We are continuously working on updating our privacy policies in all countries. Our Customer Care Teams based in Europe have been trained to deal with customer requests regarding personal data, and necessary processes have been provided. We will start to roll out this training globally in 2021.

On many platforms, a data protection function was integrated into the accounts of the customers, which simplifies and guarantees the exercise of the data subject rights. Through 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. We expect to have an overruling global approach for data privacy with all functions available by the end of 2021.

Furthermore, the acknowledgement of our Code of Conduct, which also contains passages addressing data protection and information security, is mandatory for all employees. In order to ensure employees' awareness on the matter, every employee in the European Union 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 relevant special requirements.

### Food safety and quality

We strive to be a leader in the on-demand food delivery market, for which we consider the safety and quality of food delivered to our customers to be an important prerequisite. It is the prime responsibility of our restaurant partners to prepare safe food. Delivery Hero entities also operate as a food principal under new vertical business models and must ensure that neither food safety nor quality is diminished through our handling during reception, preparation, storage, transport and delivery.

By offering speed and convenience of service, we aim to always deliver safe and clean food to our customers. The Food Safety and Quality Management Department (FSQM) was formed throughout 2020 and takes care of this, with competencies and responsibilities in management, hazard assessment, and good industry practices. Prior to the formation of the FSQM our compliance team was responsible for this topic. The department reports to the Head of Governance, Risk and Compliance (GRC), who reports to

the General Counsel (GC), and the GC to the CFO. The GRC department has a GRC Roadmap, which acts as the key forum for raising any issues of food safety risk with local entities and the team is working on the introduction of a Food Safety program in 2021.

Our [Supplier Code of Conduct](#), which was introduced in 2020, stipulates that food and food contact packaging materials must be manufactured, sourced, stored and distributed by a certified supplier according to the standards benchmarked by the Global Food Safety Initiative (GFSI). In addition, all equipment and machinery for food that is used by our restaurant partners within our new verticals (see Combined Management Report, [page 52](#)) must meet the legal requirements for hygiene and safety by design, with the appropriate conformity marking (i.e. CE in the EU) affixed.

As we aim to keep our food safety standards up to date and to communicate any ad hoc changes, we involve a wide range of internal stakeholders. Among others, we run a food safety survey, provide management updates, practice country GRC calls, review legal requirements with relevant departments, have calls with regional teams and interact with the enterprise risk management team as well as the internal control team.

### REPORTING PROFILE

The report constitutes the separate, combined non-financial report – as defined in Sections 315b, 315c and 289b through 289e of the German Commercial Code (HGB) – for both Delivery Hero SE and the Delivery Hero Group for fiscal 2020. In compliance with the revised International Standard on Assurance Engagements (ISAE) 3000 (Revised): “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information”, it was reviewed by KPMG AG Wirtschaftsprüfungsgesellschaft, to obtain limited assurance relating to the disclosures

legally required in accordance with Sections 315b, 315c and 289b through 289e HGB.

Delivery Hero provides online food ordering and other delivery services in around 50 countries in four geographical regions, comprising Europe, Middle East and North Africa (“MENA”), Asia and South America. Further information on Delivery Hero's business model can be found in the Group management report 2020 on [page 52](#).

This NFR has been prepared in orientation towards the GRI Standard ‘Core’ issued by the Global Reporting Initiative. This applies in particular to the description of our basic management approaches. Within the individual sections, 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 non-financial information in the combined management report on individual aspects. In addition, the NFR reports significant non-financial risks in accordance with Section 289c (3) Nos. 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 non-financial matters.

We assessed our non-financial risks acc. to § 289c (3) sentence 3–4 HGB and no non-financial risks were identified. Further information on risk management at Delivery Hero can be found in the risk and opportunity report 2020 on [page 67](#).