



Delivery Hero

GHG Accounting – Delivery Hero

Accounting methodology 2020

Table of Contents

Acronyms and Abbreviations	3
Common terms and definitions	4
Introduction	4
Reporting Guidelines	5
Reporting Standard	5
Unit of measure	5
Emissions database used for calculations	5
Publicly available information	5
Licensed Database	5
2020 GHG Accounting at Delivery Hero	6
Operational boundaries - Introduction	6
Scope 1 (Direct Emissions)	6
Scope 2 (Indirect Emissions)	6
Scope 3 (Indirect Emissions)	6
Operational boundaries at Delivery Hero	6
Organisational boundaries at Delivery Hero	7
GHG Emission sources	8
Appendix	13
References	13

Prepared by:

- **South Pole Carbon Asset Management Ltd. (South Pole)**
Technoparkstrasse 1 · 8005 Zurich · Switzerland
www.southpole.com
- **Delivery Hero SE**
Oranienburger Straße 70 · 10117 · Berlin · Germany
www.deliveryhero.com

Acronyms and Abbreviations

AIB	Association of Issuing Bodies
BEIS	United Kingdom Department for Business, Energy and Industrial Strategy
CH ₄	methane
CN	carbon neutral
CO ₂	carbon dioxide
CO ₂ e	carbon dioxide equivalent
GHG	greenhouse gas
GWP	Global Warming Potential
IEA	International Energy Association
IPCC	Intergovernmental Panel on Climate Change
HFCs	hydrofluorocarbons
kg	kilogram
N ₂ O	nitrous oxide
PFCs	perfluorocarbons
SF ₆	sulphur hexafluoride
RF	radiative forcing
t	tonne
T&D	transmission and distribution
WRI	World Resources Institute
WTT	well-to-tank
UNFCCC	United Nations Framework Convention on Climate Change

Common terms and definitions

Vertical

A vertical is a business line of Delivery Hero that serves a specific client need. This can be either a **restaurant**, a **virtual kitchen**, a **virtual restaurant**, a **vendor** or a **DMART**.

Restaurant

A traditional (i.e. physical and public) restaurant offering the possibility of placing **orders** via Delivery Hero's platform in addition to its traditional business model. **Orders** are compiled by the restaurant's employees, handed over to a rider and delivered to the customers.

Virtual kitchen

A virtual kitchen is a restaurant without the possibility of seating or serving customers in the traditional way (see "Restaurant"). It merely consists of a physical kitchen and is offering the possibility of placing **orders** via Delivery Hero's platform, exclusively. **Orders** are compiled by the kitchen employees, handed over to a rider and delivered to the kitchen's customers.

Virtual restaurant

A virtual restaurant is a food brand developer with its own food preparation amenities, compiling meals (or parts of it) that are consecutively shock-frosted and sent off to traditional restaurants or virtual kitchens where they are defrosted and finalised on demand via **orders** from Delivery Hero's platform. **Orders** are compiled by the restaurant's or virtual kitchen's employees, handed over to a rider and delivered to the customers.

Vendors

Vendors are third-party stores that offer the possibility of placing **orders** via Delivery Hero's platform in addition to its traditional business model. **Orders** are compiled by the vendor's employees, handed over to a rider and delivered to the customers. Vendors include, amongst others, drugstores and supermarkets.

DMART

A DMART is a retail or distribution centre intended exclusively for online purchases of a range of products from categories including, but not limited to, snacks, beverages, grocery and household and personal care products. **Orders** are compiled by the DMART employees, handed over to a rider and delivered to the customers. Contrary to the third-party vendors, Delivery Hero is acting as a principal (and not only as an agent) in this instance.

Region

A region describes a part of the world in which Delivery Hero has business activities. Currently the regions include Europe, Latin America (LATAM), Asia-Pacific (APAC) and the Middle East and Northern Africa (MENA).

Entity

An entity describes the brand under which Delivery Hero operates in any given **market**.

Market

A market describes all **entities** of Delivery Hero operating in a specific country.

Delivery

A delivery includes one or more **orders** from any given **vertical**. Depending on the vertical it can be further specified into **marketplace delivery** or **own delivery**.

Order

An order consists of all the items ordered from any given **vertical** by an individual Delivery Hero customer.

Item

An item describes the smallest quantity of any good that can be ordered from any given **vertical** on Delivery Hero's platform.

Marketplace delivery

A Marketplace delivery is a delivery not conducted by a Delivery Hero rider.

Own delivery

An own delivery is a delivery conducted by a Delivery Hero rider.

Stacking value

The stacking value represents the number of **orders** 'stacked', into a single **delivery**.

Introduction

Delivery Hero committed to become a carbon neutral company worldwide by the end of 2021.

Delivery Hero's carbon neutrality program is being rolled out gradually (see table 1). In 2020, Delivery Hero achieved carbon neutrality for its European entities. Since January 1st, 2021, Delivery Hero is carbon neutral in its European and LATAM operations. As of January 1st, 2022 Delivery Hero is planning to become carbon neutral globally, measuring and offsetting its emissions in Europe, Latin America (LATAM), Asia-Pacific (APAC), the Middle East and Northern Africa (MENA).

Table 1: Carbon neutrality program rollout plan

Project calendar year	Climate neutral claim for year	Data year	Regions
2020	2021	2020	Europe, LATAM ¹
2021	2022	2021	Global: Europe, LATAM, APAC, MENA
2022	2023	2022	Global: Europe, LATAM, APAC, MENA

Once Delivery Hero obtains the entire carbon footprint results of its global operations, the company will set reduction targets and invest in reduction measures while continuing to measure and offset its emissions.

This document describes the methodology used to measure the 2020 carbon footprint of the European and LATAM entities in order to offset their emissions and communicate their carbon neutrality for 2021 (i.e. "2021 offsetting").

Delivery Hero works with South Pole, a leading climate protection solution provider, to create an industry-leading climate change program. South Pole's support includes defining Delivery Hero's GHG methodology, accounting the GHG emissions and offsetting.

Reporting Guidelines

Reporting Standard

Delivery Hero's GHG accounting and reporting procedure is based on the '[The Greenhouse Gas Protocol: GHG Protocol: A Corporate Accounting and Reporting Standard – Revised Edition](#)' (GHG Protocol) and the complementary '[Corporate Value Chain \(Scope 3\) Accounting and Reporting Standard](#)' – the most widely used international accounting tools for government and business leaders to understand, quantify, and manage GHG emissions. The standards were developed in a partnership between the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

Unit of measure

For Delivery Hero's GHG accounting, the standardized unit type, tCO₂e (tonnes of carbon dioxide equivalent), is used as defined in the GHG Protocol. tCO₂e is a unit describing the global warming potential of different greenhouse gases as if they were all CO₂. The overall carbon dioxide emissions (i.e. the carbon footprint) is calculated and expressed by multiplying the absolute emissions of each of the six greenhouse gases by their 100 year global warming potential (GWP) value (see Appendix).

Emissions database used for calculations

Databases include well-renowned and publicly available sources from governmental bodies or institutions as well as licensed databases from private sector companies or agencies.

Publicly available information

- Department for Business, Energy & Industrial Strategy, United Kingdom ([BEIS 2020](#)):
 - Liquid, gaseous and solid fuels
 - Cargo and passenger transport
- Department for Environment, Food and Rural Affairs, United Kingdom (DEFRA)
 - Aviation fuel information

Licensed Database

- The [ecoinvent database 3.7](#) (provides well documented process data for thousands of products)
- [International Energy Agency](#) (IEA)

¹ "Glovo" operations in LATAM were not included in 2020 data because the acquisition occurred within the data year.

2020 GHG Accounting at Delivery Hero

Operational boundaries - Introduction

Under the GHG Protocol, emissions are divided into direct and indirect emissions:

1. **Direct emissions** are those originating from sources owned or controlled by the reporting entity.
2. **Indirect emissions** are generated as a consequence of the reporting entity’s activities, but occur at sources owned or controlled by another entity.

Direct and indirect emissions are divided into three scopes:

Scope 1 (Direct Emissions)

Scope 1 includes all carbon emissions that can be directly managed by the organisation (direct GHG emissions). This includes the emissions from the combustion of fossil fuels in stationary and mobile sources (heating facilities on office premises, cars and others), carbon emissions generated by chemical and physical processes, as well as fugitive emissions.

Scope 2 (Indirect Emissions)

Scope 2 includes indirect GHG emissions from the generation of electricity, steam, heat or cooling purchased from external energy providers by the reporting entity.

Scope 3 (Indirect Emissions)

Scope 3 includes the remainder of indirect emissions that are a consequence of the reporting entity’s business activities.

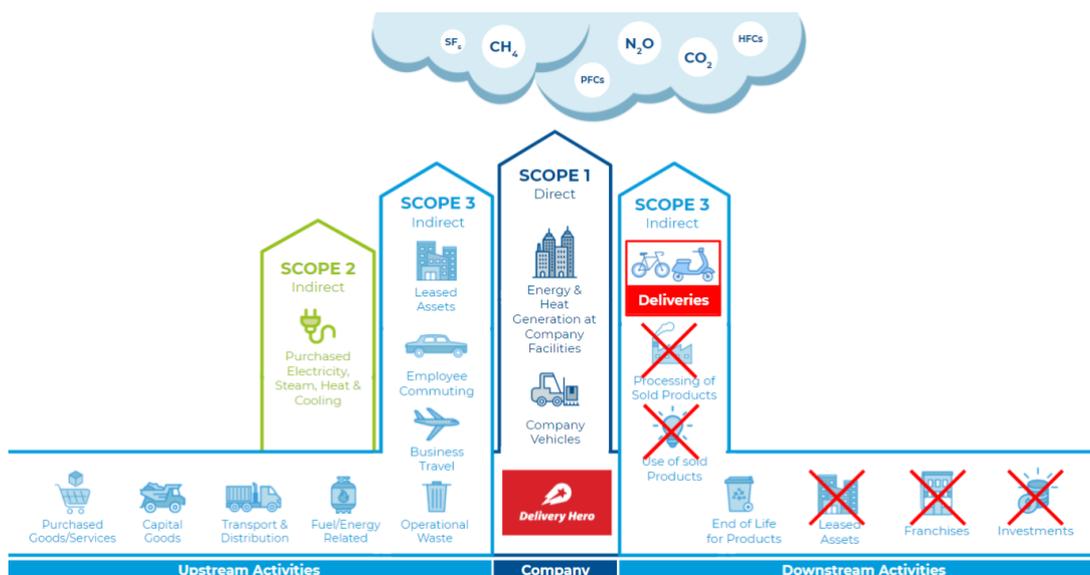
Operational boundaries at Delivery Hero

The following is Delivery Hero’s internal differentiation between two types of emissions, based on their data source:

1. **Deliveries emissions** (related to category 9, under scope 3: “Downstream transportation and distribution”) - These are the emissions created from the deliveries of the food, groceries and other goods ordered via Delivery Hero’s platforms and delivered to the customers. These emissions also include restaurants’ packaging.
2. **Corporate emissions** - All other emissions sources, including Delivery Hero’s operational emissions from: (a) offices, (b) DMARTs (including groceries), and (c) virtual kitchens².

In Fig. 1 the relevant scopes and emission sources for Delivery Hero are listed. Following a materiality assessment of the emission sources, a range of categories has been identified as either not applicable or irrelevant in the context of Delivery Hero’s reporting framework for 2020. All remaining activities and scopes are deemed relevant for the constitution of a comprehensive picture of Delivery Hero’s total direct and indirect 2020 GHG emissions. The materiality assessment is being conducted every year in light of the previous year’s results and the changes in the business activities between the years.

Fig. 1: The GHG Protocol - Scopes and subcategories for 2020 GHG accounting



² The virtual kitchen vertical is not relevant for Europe.

Organisational boundaries at Delivery Hero

The list of Delivery Hero's European and LATAM markets (and their brands names), which their emissions were included in the 2020 carbon footprint measurement (including any existing DMARTs and virtual kitchens operating in these markets) is presented in Table 2.

Table 2: 2020 Organizational boundaries

Europe		LATAM	
Austria (mjam)	Germany (Honest Food offices) ³	Argentina (PedidosYa)	Paraguay (PedidosYa)
Bosnia-Herzegovina (Donesi)	Greece (efood)	Bolivia (PedidosYa)	Uruguay (PedidosYa)
Bulgaria (foodpanda)	Hungary (NetPincér)	Canada (foodora) ⁴	Venezuela (PedidosYa)
Croatia (Pauza)	Montenegro (Donesi)	Chile (PedidosYa)	
Cyprus (Foody)	Norway (foodora)	Colombia (Domicilios)	
Czech Republic (Dáme jídlo)	Romania (foodpanda)	Dominican Republic (PedidosYa)	
Finland (foodora)	Serbia (Donesi)	Panama (PedidosYa)	
Germany (DHSE offices and Austria office)	Sweden (foodora)		

³ In February 2020, Delivery Hero acquired 100% of the share capital of Honest Food Company GmbH, Germany, which produces food in centralized kitchens, which is then sold to end customers via virtual restaurants through online platforms in Europe.

⁴ Canada operation was closed in May 2020.

GHG Emission sources

Table 3 displays all relevant emission sources for Delivery Hero's 2020 GHG accounting from direct and indirect sources. For more details about each emission's source and the methodology used to calculate its carbon footprint, please refer to column "Calculation Methodology (brief)".

Table 3: 2020 Emission sources from Delivery Hero's activities according to GHG Protocol

Scope	Activity/Category	Organizational/Operational Scope	Description	Calculation methodology (brief)
Scope 1 GHG emissions from sources owned or controlled by the company	Stationary combustion	<ul style="list-style-type: none"> Offices Virtual kitchens Virtual restaurants DMARTs 	Fuels consumption for owned heating systems	Calculations based on primary input data (if available) or extrapolated data (if primary data was unavailable).
	Mobile combustion	<ul style="list-style-type: none"> Offices Virtual kitchens Virtual restaurants DMARTs 	Emission from the usage of vehicles (leased cars, owned cars, employees' cars (i.e. reimbursed costs)).	Calculations based on primary input data (if available) or extrapolated data (if primary data was unavailable). Emission factors are based on distance, fuel type or spend information.
	Fugitive emissions	<ul style="list-style-type: none"> Offices Virtual kitchens Virtual restaurants DMARTs 	Cooling agents used by air-conditioning installations	Calculations based on primary input data (if available) or extrapolated data (if primary data was unavailable). Emission factors are based on the cooling agent's GWP values from the IPCC.
Scope 2 Electricity indirect GHG emissions	Electricity consumption	<ul style="list-style-type: none"> Offices Virtual kitchens Virtual restaurants DMARTs 	Electricity consumption	Calculations based on primary input data (if available) or extrapolated data (if primary data was unavailable). Emission factors are based on supplier-specific information or secondary sources (e.g. EIA, AIB).
	District heating/cooling	<ul style="list-style-type: none"> Offices Virtual kitchens Virtual restaurants DMARTs 	Energy consumption from external heating/cooling system	Calculations based on primary input data. Emission factors are based on supplier-specific information.

Scope	Activity/Category	Organizational/Operational Scope	Description	Calculation methodology (brief)
Scope 3 Indirect GHG emissions caused by Delivery Hero's activities but owned / controlled by another	Category 1: Purchased Goods and Services: IT hardware	<ul style="list-style-type: none"> Offices Virtual kitchens Virtual restaurants DMARTs 	IT hardware items owned by the company and paid for in 2020	Calculations based on primary input data. Emission factors are based on South Pole internal databases.
	Category 1: Purchased Goods and Services: <i>Dedicated hardware</i>	<ul style="list-style-type: none"> Restaurants Virtual kitchens DMARTs 	Dedicated hardware items that were paid for in 2020 and are used to process the orders from the platforms	Calculations based on primary input data. Emission factors are based on South Pole internal databases and ecoinvent 3.7.
	Category 1: Purchased Goods and Services: <i>Rider equipment</i>	<ul style="list-style-type: none"> Own deliveries (OD) (i.e. Restaurants, Virtual kitchens, DMARTs) 	Any equipment for the use of Delivery Hero's riders, that was paid for in 2020	Calculations based on primary input data. Emission factors are based on South Pole internal databases and ecoinvent 3.7.
	Category 1: Purchased Goods and Services: <i>Marketing materials</i>	<ul style="list-style-type: none"> Restaurants Virtual kitchens Virtual restaurants DMARTs 	Marketing material items for the use of the entities mentioned to the left, that were paid for in 2020	Calculations based on primary input data. Emission factors are based on South Pole internal databases and ecoinvent 3.7.
	Category 1: Purchased Goods and Services: <i>DMARTs equipment</i>	<ul style="list-style-type: none"> DMARTs 	DMARTs' equipment that was paid for in 2020	Calculations based on primary input data. Emission factors are based on South Pole internal databases and ecoinvent 3.7.
	Category 1: Purchased Goods and Services: <i>Groceries for DMARTs</i>	<ul style="list-style-type: none"> DMARTs 	Groceries, i.e. retail's products paid for in 2020	Calculations based on primary input data. Cost-based Emission factors are based on South Pole internal databases.
	Category 1: Purchased Goods and Services: <i>Ingredients</i>	<ul style="list-style-type: none"> Virtual restaurants 	Food ingredients used by Virtual restaurants and paid for in 2020	Calculations based on primary input data. Cost-based Emission factors are based on South Pole internal databases.

Scope	Activity/Category	Organizational/Operational Scope	Description	Calculation methodology (brief)
Scope 3 Indirect GHG emissions caused by Delivery Hero's activities but owned / controlled by another	Category 1: Purchased Goods and Services: <i>Cloud services</i>	<ul style="list-style-type: none"> Global operations 	Emissions from the use of cloud services due to energy consumption	Emissions based on primary sources.
	Category 1: Purchased Goods and Services: <i>Other</i>	N/A Identified as not significant to the overall carbon footprint and as not relevant to stakeholders decision making	All other purchased goods and services, e.g. office supplies, catering, cleaning services, maintenance services, etc.	N/A
	Category 2: Capital goods <i>Kitchens' equipment</i>	<ul style="list-style-type: none"> Virtual restaurants 	Virtual restaurants' equipment is used to produce the products they are selling to the restaurants, therefore, they are considered as capital goods	Calculations based on primary input data. Emission factors are based on South Pole internal databases.
	Category 3: Energy-related Activities	Calculated based on the energy consumption in Scope 1	Well-to-tank (WTT) emissions of fuels used in combustion engines or other energy-generating machinery	Calculations based on primary input data. Emission factors are based on BEIS 2020 databases.
		Calculated based on the energy consumption in Scope 2	Well-to-tank (WTT) emissions of fuels used in combustion engines or other energy-generating machinery (upstream) Transmission and Distribution losses (T&D) from power lines (downstream)	Calculations based on primary input data. Emission factors are based on BEIS 2020 databases.
	Category 4: Upstream Transportation and Distribution	<ul style="list-style-type: none"> Rider equipment Dedicated hardware Marketing materials Virtual restaurants 	Sea, air, rails and road transportation from Tier-1 suppliers, including inbound and outbound shipments	Calculations based on primary input data (if available), extrapolated data or conservative assumptions (if primary data was unavailable). Emission factors are based on BEIS 2020, shipping routes are calculated via seamatrix, road and rail distances are calculated via Google Maps.

Scope	Activity/Category	Organizational/Operational Scope	Description	Calculation methodology (brief)
Scope 3 Indirect GHG emissions caused by Delivery Hero's activities but owned / controlled by another	Category 4: Upstream Transportation and Distribution	<ul style="list-style-type: none"> Virtual restaurants 	Transportation of ingredients coming into the kitchens and transportation of frozen products from kitchens to restaurants	Calculations based on primary input data (if available), extrapolated data or conservative assumptions (if primary data was unavailable). Emission factors are based on BEIS 2020.
	Category 5: Waste	<ul style="list-style-type: none"> Offices Virtual kitchens Virtual restaurants DMARTs 	Daily waste from offices, virtual kitchens and DMARTs & emissions from the disposal of riders equipment, marketing materials (excluding DH packaging) and dedicated hardware items	Calculations based on primary input data (if available), extrapolated data or conservative assumptions (if primary data was unavailable). Emission factors are based on BEIS 2020.
	Category 6: Business travel: <i>Air travel</i>	<ul style="list-style-type: none"> Offices Virtual kitchens Virtual restaurants DMARTs 	Business flights	Calculations based on primary input data. Emissions based on DEFRA 2020 (RFI = 1.9).
	Category 6: Business travel: <i>Ground transportation</i>	<ul style="list-style-type: none"> Offices Virtual kitchens Virtual restaurants DMARTs 	Rental cars, taxi, bus, train, etc.	Calculations based on primary input data. Emission factors are based on BEIS 2020 databases.
	Category 6: Business travel: <i>Hotel overnight stays</i>	<ul style="list-style-type: none"> Offices Virtual kitchens Virtual restaurants DMARTs 	Hotel overnight stays	Calculations based on primary input data. Emission factors are based on South Pole internal databases.
	Category 7: Employees commuting	<ul style="list-style-type: none"> Offices Virtual kitchens Virtual restaurants DMARTs 	Employee ground transportation to and from work. The data was obtained via an employees online-survey	Calculations based on primary input data collected via qualtrics. Emission factors are based on BEIS 2020 databases and mobitool.ch .
	Category 8: Upstream leased assets	<ul style="list-style-type: none"> Offices 	Emissions from the use of shared office spaces (managed externally, no operational control)	Calculations based on primary input data (if available), extrapolated data or conservative assumptions (if primary data was unavailable). Emissions factors are extrapolated.

Scope	Activity/Category	Organizational/Operational Scope	Description	Calculation methodology (brief)
Scope 3 Indirect GHG emissions caused by Delivery Hero's activities but owned / controlled by another	Category 9: Downstream transportation and distribution	<ul style="list-style-type: none"> Own deliveries (OD) (i.e. Restaurants, Virtual kitchens, DMARTs) Marketplace deliveries (MD) (i.e. Restaurants) 	Deliveries emissions from (1) Delivery Hero's own deliveries, i.e. deliveries by the company's riders and (2) Marketplace deliveries, i.e. deliveries by the restaurants themselves	Calculations based on primary input data from Delivery Hero's databases (distances) and a survey (stacking value). Emission factors are based on BEIS 2020 (distances) and a number of samples (packaging). Stacking value has been estimated based on a survey. The more orders stacked in one delivery, the lower the carbon emissions related to each individual order.
	Category 10: Processing of sold products	N/A - Not unique to our service - will occur anyway when cooking at home or eating at a restaurant	I.e. emissions from food production and from cooking the food	N/A
	Category 11: Use of sold products	N/A - Not unique to our service - will occur anyway when cooking at home or eating at a restaurant	I.e. emissions from food waste	N/A
	Category 12: End-of-life treatment of sold products	<ul style="list-style-type: none"> Delivery Hero's food packaging materials Restaurants/virtual kitchens packaging materials 	Emissions from the waste disposal and treatment of sold products, i.e. food packaging	Calculations based on extrapolated input data. Emission factors based on secondary sources (World Bank Report).
	Category 13: Downstream leased assets	N/A - Identified as not relevant to Delivery Hero's operations - will be re-evaluated next year	Assets that are owned by the reporting company and leased to other entities	N/A
	Category 14: Franchises	N/A - Identified as not relevant to Delivery Hero's operations - will be re-evaluated next year	Applicable to franchisors (i.e., companies that grant licenses to other entities to sell or distribute its goods or services in return for payments)	N/A
	Category 15: Investments	N/A - Identified as not relevant to Delivery Hero's operations	Applicable to investors (i.e., companies that make an investment with the objective of making a profit) and companies that provide financial services	N/A

Appendix

Supplementary Information

Global Warming Potential (GWP)

Global Warming Potential (GWP) is a measure of the climate impact of a GHG compared to carbon dioxide over a specified time horizon. GHG emissions have different GWP values depending on their efficiency in absorbing longwave radiation, and the atmospheric lifetime of the gas. The GWP values used in GHG accounting include the six GHGs covered by the United Nations Framework Convention on Climate Change (UNFCCC) and Kyoto Protocol and combinations of these, as presented in Table 2. These are the GWPs used by the UK Department for Business, Energy and Industrial Strategy (BEIS) and are based on the 'Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report (AR4)'. Although the 'AR5' is more recent, it has not been accepted internationally by all stakeholders.

Appendix: Applied global warming potentials (GWP)

GHG	GWP (100 years)	Unit
Carbon dioxide (CO ₂)	1	kgCO ₂ e/kg
Methane (CH ₄)	25	kgCO ₂ e/kg
Nitrous oxide (N ₂ O)	298	kgCO ₂ e/kg
Hydrofluorocarbons (HFCs)	See IPCC AR4 – Table 2.14	kgCO ₂ e/kg
Perfluorocarbons (PFCs)	See IPCC AR4 – Table 2.14	kgCO ₂ e/kg
Sulphur hexafluoride (SF ₆)	22,800	kgCO ₂ e/kg

(Source: IPCC AR4, 2007)

References

IPCC (2007), *Fourth Assessment Report of the Intergovernmental Panel on Climate Change*, Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA.

WRI & WBCSD (2004), *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard*, Revised edition, World Resources Institute and World Business Council for Sustainable Development, Washington, DC.

WRI & WBCSD (2013), *Technical Guidance for Calculating Scope 3 Emissions*, World Resources Institute and World Business Council for Sustainable Development, Washington, DC.



Delivery Hero