



Essa Group Communication on Progress

Environment, Social and Governance Reporting for 2022

Our team says Hello!



ESSA SALES & DISTRIBUTION S.A.

Bucharest, Siret 50, District 1

Romania

Contact:

CSR Department

Dana Saulea

sustainability@essagroup.ro

Legal:

CIF 27206038

J40/13522/2013

Social capital: 90.000 RON

www.essagroup.ro

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ESSA Group

Headquarter:

Romania, Bucharest, Siret 40 street, Building B, District 1

office@essagroup.ro

+40 21 224 05 20

www.essagroup.ro

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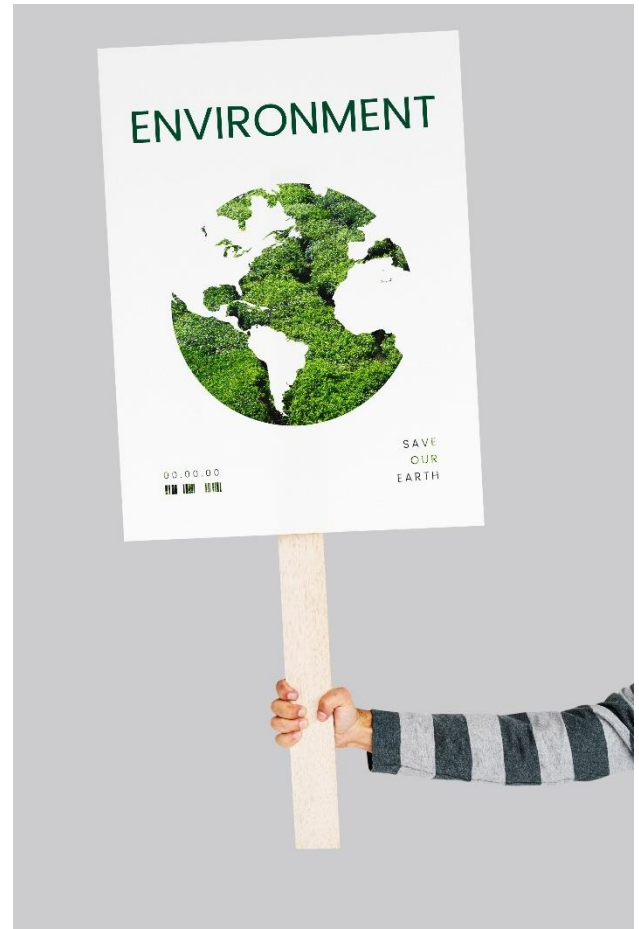
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Our strength lies in the people we work with

OUR MISSION

ABOUT ESSA SALES AND DISTRIBUTION

BIP Group, the parent company of what today represents ESSA Group, was established in 2004, being specialized in the field of merchandising services offered at national level.

In 2008, BIP Group continued its expansion and Pella Events appeared, specializing in BTL services and in-store activations.

Six years later, in 2014, ESSA Group was born, a company that currently consists of four divisions: merchandising (which represents 72% of the activity), personnel leasing (over 21% of the total activity), BTL services (6%) and POSM management.

Currently, ESSA Group works with 60 large clients, has a national coverage, and in its 19 years of presence on the Romanian market, it has been involved in over 12.000 projects. The company currently operates through 7 regional offices and 3 central recruitment, selection, and staffing offices.

Our mission is to provide our partners with the most efficient and easy integrated service platform they need in the sales process, in a sustainable manner.

Our vision is to build a strong relationship with our partners and support them in developing innovative services so that they can maximize their sales and visibility. Through our integrated services, we want to open and close the circle and form "total teams" on the Romanian market.

We strongly believe that only a reliable partnership with our customers can lead to the development of a healthy and dynamic business.



Our strength lies in the people we work with

Word from Eugen Saulea, CEO ESSA

We are fast approaching 20 years of activity in Romania! During all this time, the only constant in the ESSA business was the team. The business environment changes, the specifics of the activity can change from time to time, clients come and go... But the team is the same, for so many years!

Over time, I learned, along with my colleagues, the importance of work done with responsibility.

I learned that people are more important than profit, that any business, no matter how small, has an impact on the environment and society, that the business environment must be involved in social and environmental causes, because every action matters.



I look forward to ESSA's 20-year anniversary with optimism! If I have the team by my side, if the ESSA employees end the working day with a feeling of well-being, it means that the business is going well.

And for ensuring that ESSA business is conducted in a socially responsible manner, I am happy to reaffirm our commitment to the 10 Principles of the United Nations Global Compact (UNGC) in the areas of Anti-Corruption, Environment, Labor and Human Rights. In this year's edition of the social responsibility report we describe the actions we took in 2022 to continuously improve the integration of the largest CSR initiative at international level, the Global Compact, as well as the 10 Principles in our business strategy, in the culture and daily operations of the company. We also followed the Global Reporting Standards for this annual report, as described below.

We are committed to disseminating the information from this report to all our stakeholders, shareholders, and employees.

Our values

Trust.

We strongly believe that only a reliable partnership with our customers can lead to the development of a healthy and dynamic business.

Efficiency.

We are committed to providing the most effective services for our clients so that they can achieve maximum results in their work.

Agility.

We want to meet our customers as much as possible, through adapting our solutions to their specifics and by finding the most innovative approaches.

We value people.

We believe that the strength of a business lies in people.





Our strength lies in the people we work with

About this report

The information presented below represent the third sustainable reporting document ESSA has developed, presenting our initiatives concerning our economic, social, and environmental impact for the period January – December 2022.

The report is prepared having in mind the Global Reporting Initiative standards and respecting the Sustainable Development Goals established by the UNO.

It has been developed by the internal Communication and CSR team, coordinated by Dana Saulea:

Dana.barbuta@pella.ro

+40728 100 165

ESSA SALES & DISTRIBUTION S.A

SIRET 40, DISTRICT 1, BUCHAREST

ROMANIA

www.essagroup.ro

From the SDG, we worked harder on some of it – in accordance with our activity type:



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ESSA IN BRIEF





Our strength lies in the people we work with

What we have:



5 national divisions



2.059 permanent employees



over 1.500 collaborators



22 transit warehouses



1 central warehouse of over 7.000 sqm



7 regional offices



3 recruiting & training offices



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What we are proud of for 2022:



sponsorships for over 15 associations



over 54.000 training hours for our employees



certificated courses paid by the company for the management personnel



reducing our environmental impact with 20% versus previous year



continuing to sustain social causes, in collaboration with our partners



respecting our commitment and policies regarding human rights, labour, procurement, environment etc



continuing reporting for UN Global Compact, respecting SDG

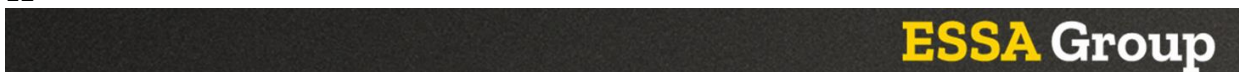
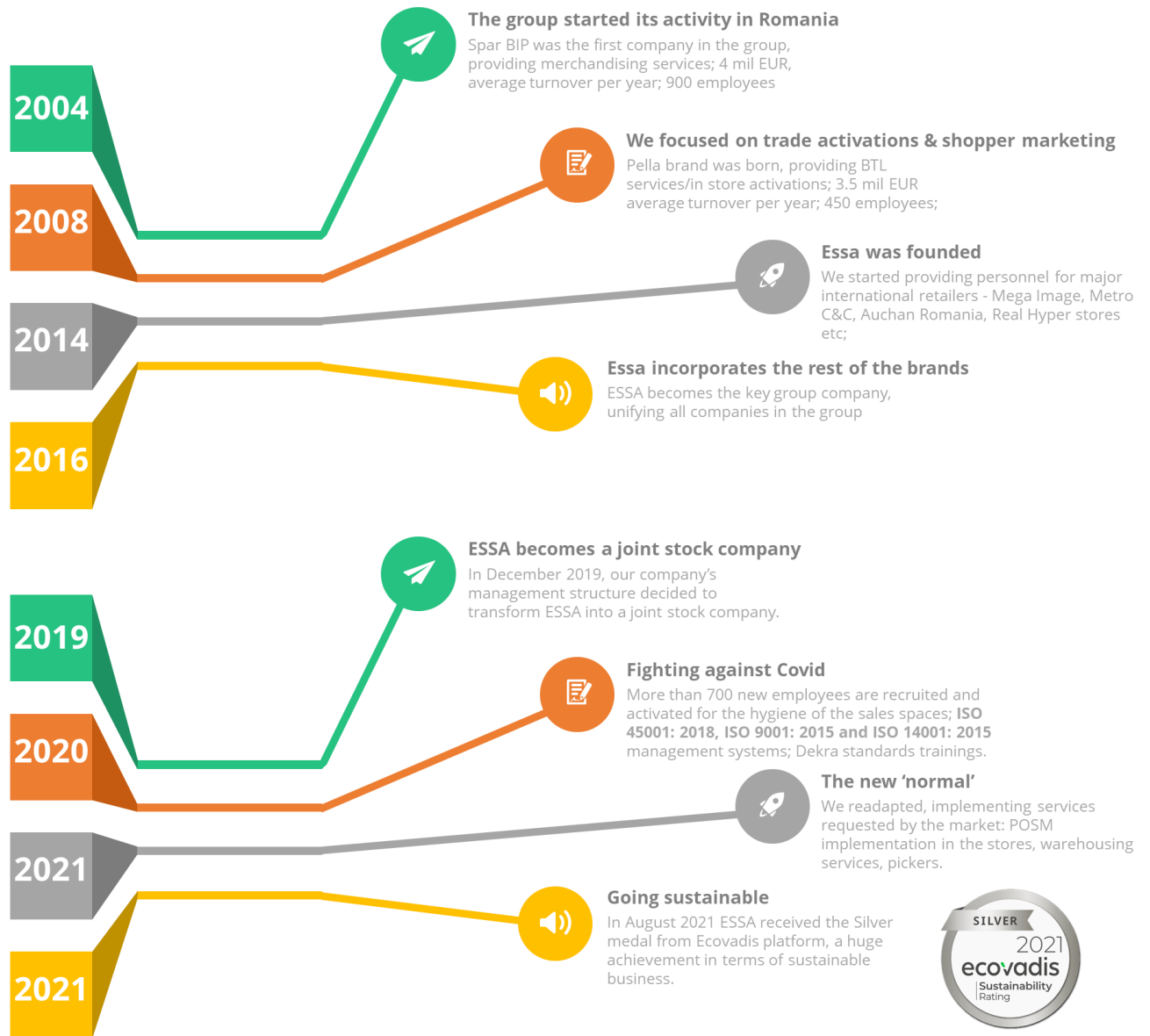




Our strength lies in the people we work with

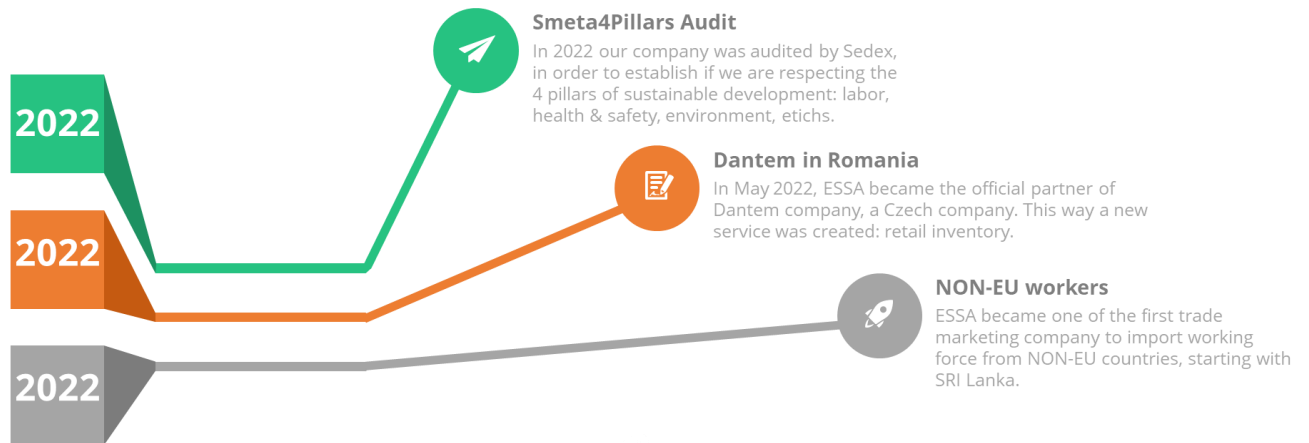
Governance and management

A brief history





Our strength lies in the people we work with



Main business directions



Merchandising services

ESSA is offering merchandising services in Romania for more than 19 years.

GOP services

We are facilitating the GOP campaigns, implementing the service in our own, our clients or the POS warehouses.

POSM implementation

We offer full-service activation for the POSM campaigns in store: design, production, delivery, implementation, reporting, uninstalling.

BTL

With an experience of over 16 years, we are managing the BTL campaign with a specialized separate structure.

Personnel leasing

Starting with 2014, we became one of the personnel supplier for the international retail chains in Romania.



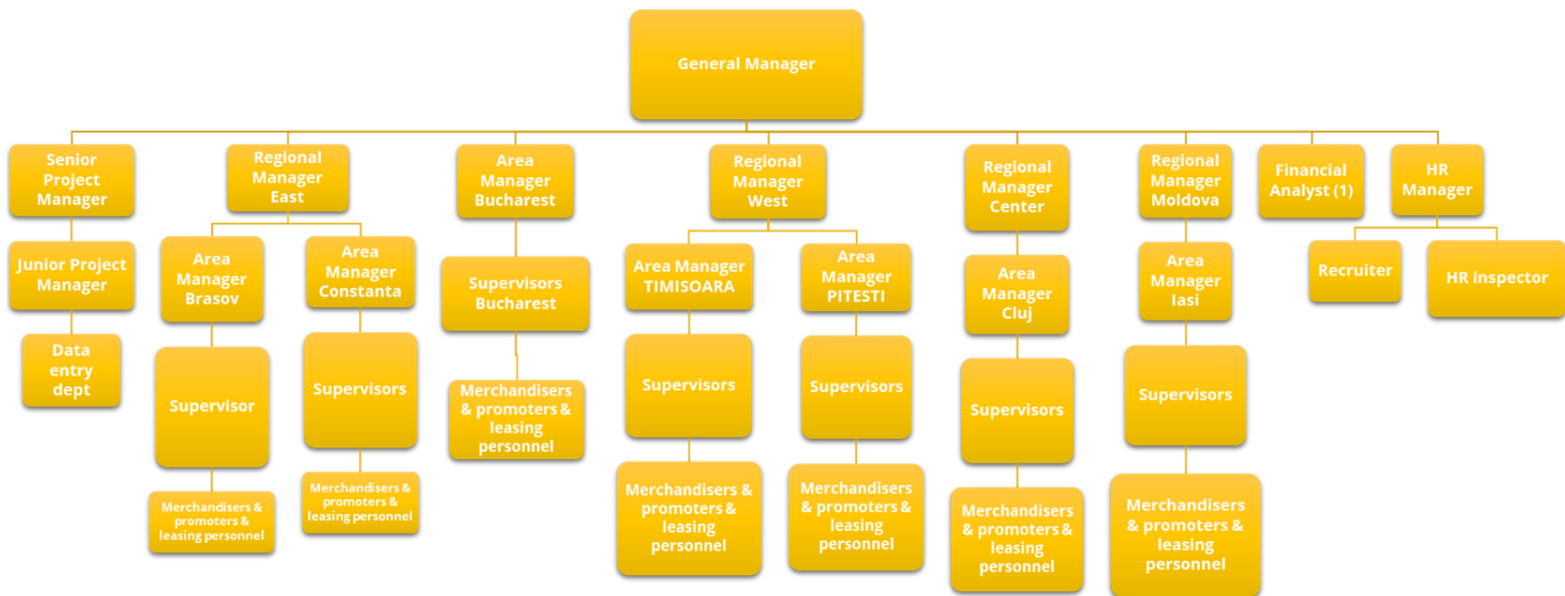


Our strength lies in the people we work with

Organisation

ESSA ORGANISATION CHART

2022





Our strength lies in the people we work with

Our partners for 2022:





Our strength lies in the people we work with

Governance

ESSA GROUP carries out its activities with integrity and respect for the society. Based on a transparent and structured framework, ESSA's policies and commitments ensure compliance with the principles and requirements of internal conduct and anti-corruption, including the evaluation of suppliers and ensuring transparency regarding complaints received.

ESSA attaches particular importance to the activities and processes carried out within the Group. The implementation of solid internal policies, aimed at preventing corruption and conflicts of interest, demonstrates the Group's commitment to comply with the highest ethical and professional standards. ESSA assumes compliance with the principles and requirements of internal conduct, which reflect the commitments and responsibilities regarding business management. These principles and requirements are applied at all levels of the organization, including relations with partners and suppliers, thus ensuring a rigorous and transparent assessment of all parties involved. Transparency is a key element in ESSA Group's corporate governance, which promotes open and honest communication with all parties involved. This involves constant monitoring and reporting of the company's performance.

The policies, procedures and codes of conduct that express the commitments and responsibilities regarding business management and the performance of activities within ESSA, including the assessment of suppliers and business partners, can be consulted on the Company's website: <https://essagroup.ro/csr/>.

These policies provide a clear and well-structured framework for conducting operational and reporting activities, including:

- ESSA Group's Code of Conduct;
- ESSA Policy on ESG Governance and Reporting;
- ESSA's Anti-Corruption Policy;
- Remuneration Policy;
- ESSA's Policy on the Provider's Code of Conduct;
- ESSA's Human Rights Policy
- ESSA Policy on Data Protection;



Our strength lies in the people we work with

- Data Security Policy;
- Procurement Policy.

ESSA Group's shareholder structure on 31.12.2022:

NAME	FUNCTION	%	CITY	COUNTRY	CITIZENSHIP	CONTRIBUTI ON TO SOCIAL PARTIES
EUGEN SAULEA	ADMINISTRATOR	95	BUCHAREST	ROMANIA	ROMANIAN	85500
INDIVIDUALS	ADMINISTRATORS	5	BUCHAREST	ROMANIA	ROMANIAN	500

INDICATORS IN RON	2022	2021	2020
Fixed assets	3.822.041	3.206.132	2.967.356
Current assets - Total	37.441.485	33.897.646	26.745.977
Capitals - Total	9.970.225	11.873.059	11.467.296
Total debts	31.369.955	25.298.037	18.280.653
Net turnover	100.249.560	81.848.728	67.236.763
Total income	101.114.568	82.400.154	67.394.151
Total expenses	97.135.555	79.272.502	63.280.342
Prepayments	110.59	108.155	82.355
Gross profit	3.979.013	3.127.652	4.113.809
Gross loss	-	-	-
Net income	3.330.849	2.665.763	3.469.408
Net loss	-	-	-
Informative data			
Average number of employees	2.059	1.749	1.593



Our strength lies in the people we work with

Certifications:

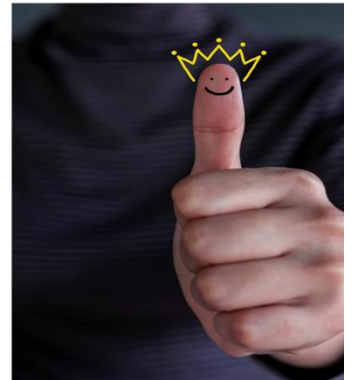


We have:

- EN ISO 14001 : 2015
- ISO 45001 : 2008
- EN ISO 9001 : 2015
- Ecovadis Silver Medal for sustainable business (2021 – 2022);
- Dekra trainings;
- Smetta 4 Pillars certification;

Additional resources -

Certifications



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Our strength lies in the people we work with

The TOP Management team:

ESSA Group
 Young and skilled

Meet our team

Eugen Saulea
General Manager

Andreea Adam
Operational Manager

Lucian Pavelescu
Commercial Manager





Our strength lies in the people we work with

Impact in the economy – contribution as business consultant

Along 2022, our CEO, Eugen Saulea, was invited multiple times by the local media to express his opinion related to diverse subjects concerning Romanian economy.

ESSA proved to be a valuable consultant, as our know how and business working method encouraged multiple media representatives to ask for our advice.



ZIARUL FINANCIAR
TOTUL PENTRU BUSINESS. TOTUL ESTE BUSINESS.

CEC Bank
Sistem financiar de peste 100 de ani împreună cu tine

ZF Investiți în România

VINERI, 23 IULIE

URMĂRIȚI EMISIUNEA DE LUNI PÂNĂ VINERI, DE LA ORA 14:00, PE ZILRO ȘI FACEBOOK ZIARUL FINANCIAR

14:00-14:30
Eugen Saulea
Fondator ESSA

14:30-15:00
Bogdan Alsea
Scriitor șef
Ziarul
Financiar

S S A

EUGEN SAULEA, fondator ESSA Group

TOP NEWS

- OTP Bank România și-a planificat investiții de aproximativ 50 de milioane de lei în IT și digitalizare
- Tesla amână proiectul unui automobil mai ieftin, Model 2, supranumit "Volks-Tesla"
- Bloomberg: China elimină restricțiile pentru importurile de grâu și orz din Rusia

PROFIT NEWS
11:38

TA DE 2020 • REUTERS: PRODUCĂTORUL DE AUTOMOBILE DE LUX F

IAM 5.7500 1.77 % • MILK 10.6000 -0.19 % • NRF 8.3700 -0.36 %
Corp. 5,280.0 -0.75% • Airbus Group SE 110.26 -1.24% • BNP Pa



ZF INVESTIȚII ÎN ROMÂNIA

CEC Bank

VINERI, 22 APRILIE 2022

14:00-14:30
Eugen Saulea
fondator
Grupul ESSA

Moderator:
Alex Ciutacu
jurnalist
Ziarul Financiar

URMĂRIȚI EMISIUNEA DE LUNI PÂNĂ VINERI, DE LA ORA 14:00,
PE ZF.RO ȘI FACEBOOK ZIARUL FINANCIAR



Inventarierea digitală – un domeniu prea puțin exploatat în România – este noul pariu al antreprenorului Eugen Saulea

Senica Micu 22/04/2022 | 12:18 Oameni



Biz

Good News Business MarComm Tech Proiecte Biz Evenimente

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Home / Povești cu Profit / Eugen Saulea, fondatorul ESSA Group, investește într-un nou domeniu, cu un antreprenor ceh

Eugen Saulea, fondatorul ESSA Group, investește într-un nou domeniu, cu un antreprenor ceh

POVEȘTI CU PROFIT

👍 Îmi place Distribuie Înscrie-te pentru a vedea ce le place prietenilor tăi.



4 APRILIE 2022

Forward events

România
Forbes
LIVE

*Criza de personal în retail.
Perspective în 2022.*



EUGEN SAULEA
FONDATOR ȘI CEO ESSA GROUP

ZIARUL FINANCIAR **ZF Investiți în România** CEC Bank
TOTUL PENTRU BUSINESS. TOTUL ESTE BUSINESS. Scriem istorie de peste 135 de ani împreună cu țara!



Invitat: Eugen Saulea, fondator ESSA

CARE SUNT CATEGORIILE DE ANGAJAȚI PE CARE LE CAUTĂ COMPANIILE (RETAILERII) CEL MAI DES?
Cât de mult sunt dispuse companiile să plătească pentru „angajatul ideal“?





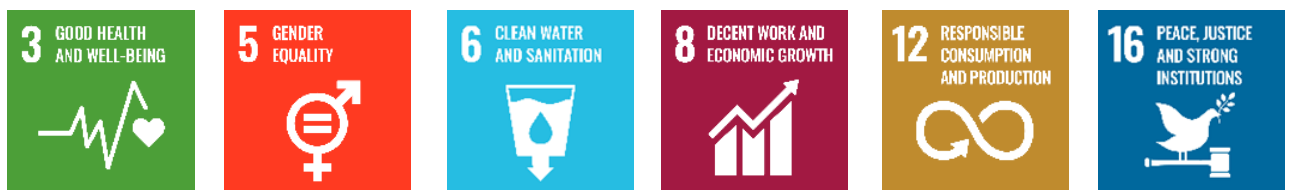
OUR SUSTAINABLE STRATEGY

The integration of sustainable development objectives (SDG) into the social responsibility strategy of ESSA Sales and Distribution SA represented a significant step for our company. Addressing these objectives helped us implement a much clearer strategic planning of our business, but also in the decision-making process, which became much more transparent and oriented towards all categories of stakeholders of ESSA Sales and Distribution.

Reporting the ESSA Sales and Distribution business to the 17 sustainable development goals of the SDGs and the 10 Principles of the United Nations Global Compact (UNGC) is the main driver of the development and implementation of our social responsibility policy. In addition, the inclusion of these goals and the sustainable development principles of the UNGC made us aware of the importance they have on the sustainable development of our company but also the impact these goals have on our current operations.

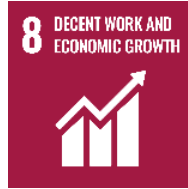
Here are the top directions our business is emphasizing on:

- **People**
- **Environment**
- **Ethics and good practices in business**
- **Relationship with suppliers**





PEOPLE



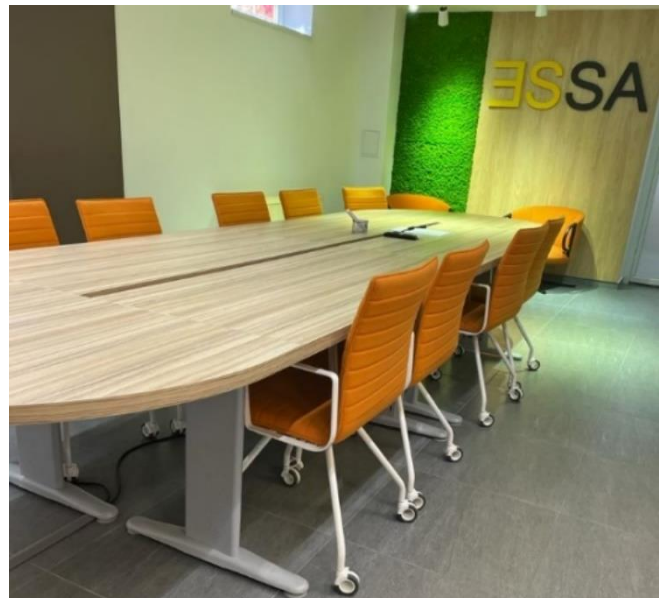
Sustainability Objective 3 addresses the issue of ensuring optimal health and well-being. In addition, this goal also brings into focus the fact that less than half of the world's population has access to basic health services.

Throughout 2022, we continued to take care of our employees, as we have done until now. Our HR policies have been updated to address the need for ESSA employees to have a suitable work environment. We offered our employees support to benefit from the best medical services in Romania and we trained them, in regular training sessions, on the importance of prevention to have good health.

The manual on health and safety at work is made available to employees both physically and online, so they can get information whenever needed.

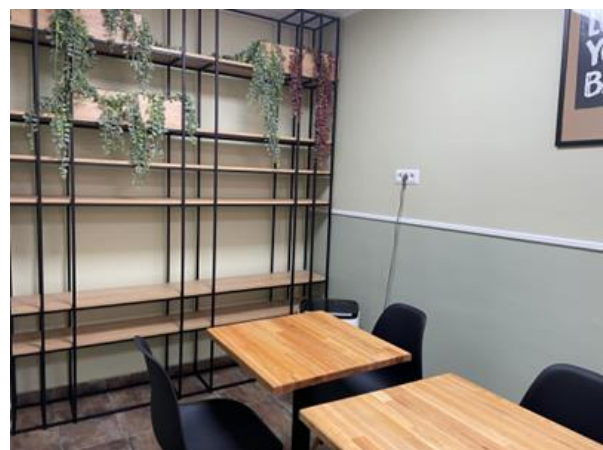
Also in this manner, along 2022 ESSA invested considerable amounts in the renovation and refurbishing of office spaces, so that ESSA employees can enjoy a calm and friendly atmosphere.

A pleasant work environment has a great impact on well-being, in general.





Our strength lies in the people we work with





Working from home

ESSA implemented, after the Covid pandemic period, a hybrid system of **working from office – working from home**.

This way, the entire staff working from the office before the pandemic can **work from home 50% of the working hours** per month.

This is a factor that generates a well-being feeling among our administrative and management employees.



Volunteering

ESSA continued the volunteering activities we implemented before, participating in different actions organized by local non-governmental organizations and associations:



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Metropolis foundation

Together with our friends from Metropolis we implemented, as volunteers, different campaigns in different locations, for fundraising.

We also organized a birthday party for a former patient sustained by the foundation, as volunteers, also.





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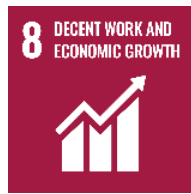
The Empowerment and Rehabilitation Center for Adults with Disabilities Tătărei

We have been volunteering at this center for many years; we made a tradition that every Easter, ESSA is offering the center an Easter meal, for free, served with volunteers from ESSA team.

We also support the center with periodic donations and sponsorships, for the patients inside the center.

The center has a capacity of 66 places and mainly offers accommodation, medical assistance and care, recovery and rehabilitation, socialization, for an indefinite period for adults with neuropsychic, mental, associated, somatic disabilities.





Gender equality

In 2020, ESSA went through a significant change, becoming a corporation. The majority shareholder, Eugen Saulea, decided to name as members in the Administration Board a male and a female manager, both with equal shares and responsibilities.

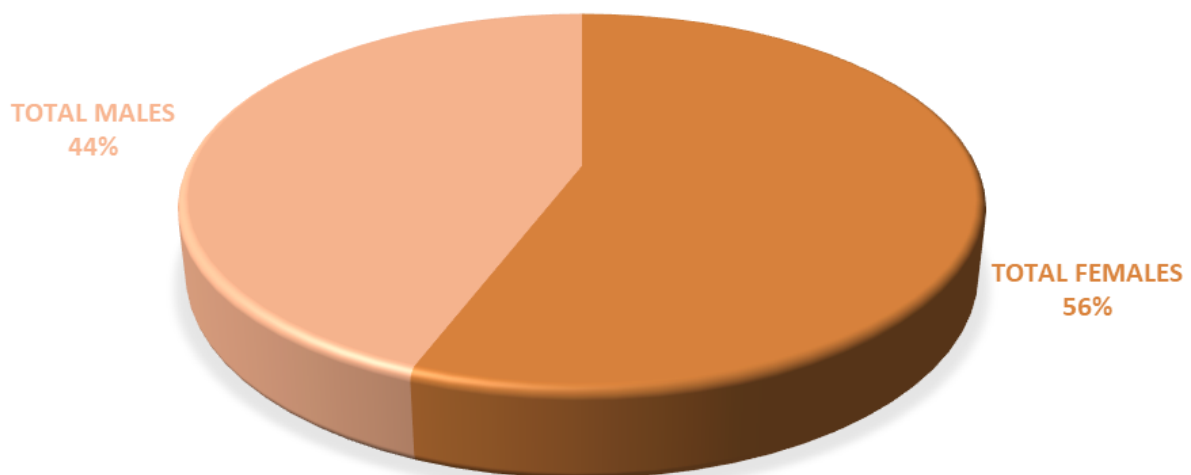
Authorized personel

Last update: 29.09.2023

NAME	FUNCTION	COUNTY	CITY	COUNTRY	CITIZENSHIP	DATE OF APPOINTMENT
ADAM ANDREEA CRISTINA	ADMINISTRATOR	Braşov	BRASOV	România	Română	12.12.2019
PAVELESCU DUMITRU LUCIAN	ADMINISTRATOR	Valcea	RAMNICU VALCEA	România	Română	12.12.2019
SAULEA EUGEN	ADMINISTRATOR	Bucureşti	BUCURESTI SECTORUL 1	România	Română	12.12.2019

We also increased the percentage of total female employees from 52% in 2021 to **56%** in 2022.

ESSA TOTAL EMPLOYEES IN 2022



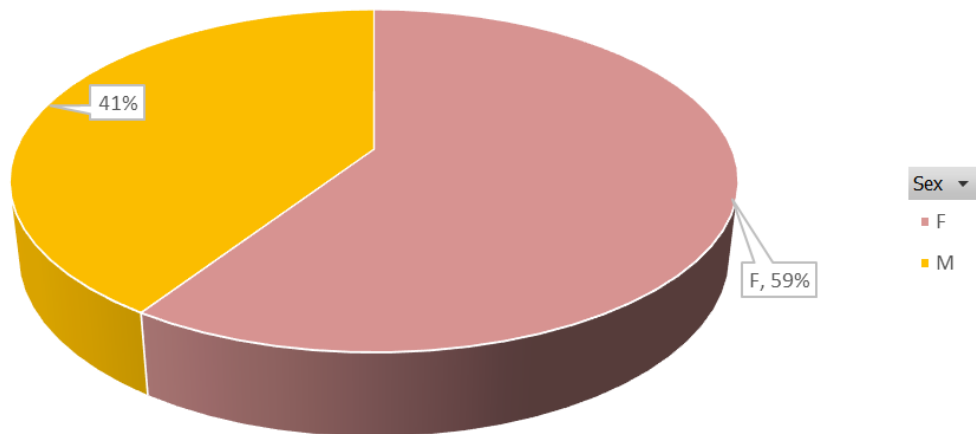


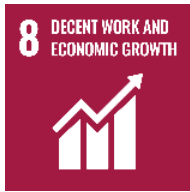
Our strength lies in the people we work with

As for females in management positions, from 54 management positions we had in ESSA, 32 were occupied by women and 22 by men.

Contor de Sex

TOTAL MANAGEMENT POSITIONS IN ESSA





Decent work in ESSA

ESSA SALES & DISTRIBUTION S.A. undertakes to comply with the provisions of the ILO Convention no. 100 regarding equal remuneration for men and women performing equal work, respectively the provisions of ILO Convention no. 111 regarding discrimination at work.

Our company treats all employees based only on their abilities and qualifications in hiring, advancement, compensation, benefits, training, layoffs, and terminations.

Any kind of discriminatory treatment based on descent, color, religion, nationality, sex, sexual preferences, age, political preferences, or trade union membership is discouraged and not tolerated.

At the same time, in accordance with the European Union Directives and the Romanian legislation in force, ESSA Sales and Distribution SA. undertakes to respect the number of working hours, the fact that additional working hours are voluntary and to be paid additionally if not otherwise established in the flexible work commitments; employees are provided with stipulated annual leave and sick leave without any repercussion; to ensure an income corresponding to Romanian standards; prior to employment, all employees receive explicit information about salary conditions and accurate details about the pay period; to support capable employees and to the extent possible to be considered for future management positions; all employees should be provided with working conditions so that they are appropriate, compliant with the general working conditions created under the protection of national standards and rules.

Finally, ESSA Sales and Distribution offers all its employees career development programs designed to provide lifelong learning opportunities. Also, within ESSA Sales and Distribution there are clear procedures regarding the protection of our employees from aspects such as



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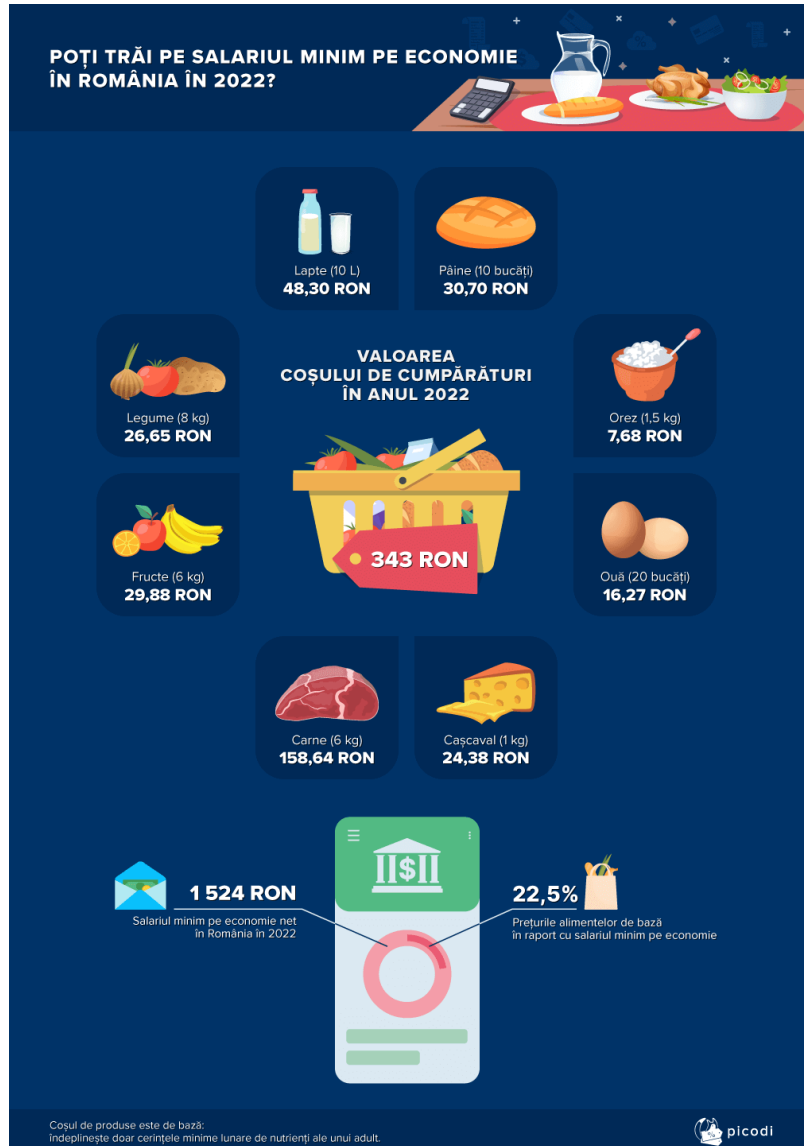
workplace harassment of any kind: verbal, moral, sexual, physical, and psychological as well as any form of forced labor, as well as employment prohibition minors.



LIVING WAGE AT ESSA

Our HR department made an analysis of the salary level offered in ESSA for 2022.

The value of basic food products at the beginning of 2022 is 343 lei: <https://www.picodi.com/ro/se-poate-mai-ieftin/salariul-minim-2022>



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At ESSA, we offered an average monthly salary of 2,331 ron.

ESSA average salary is 53% higher than the minimum salary guaranteed by the state.

Total employees in 2022	2,059.00
Total net salaries in ESSA	57,584,679.63
Average salary/employee/year	27,967.30
Average salary/employee/month	2,331
Minimum net salary in 2022	1,524.00
ESSA salary vs. minimum	53%
Basic food basket in 2022	343.00
Basic food basket versus minimum net salary	23%
Basic food basket versus ESSA average salary	15%

Also, the ratio between ESSA average salary in 2022 and the cost of basic food basket in 2022 is 15%, versus 23%, the ratio of the minimum wage in Romania and the basic food basket – meaning we insure a living wage like countries like Poland, Lithuania, Estonia, Slovenia, and Montenegro.



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COSTUL ALIMENTELOR DE BAZĂ în raport cu salariul minim din alte țări



AT ESSA, THE COST OF BASIC FOOD BASKET IS 15% FROM THE AVERAGE SALARY OFFERED IN 2022

Regatul Unit	6,6%
Australia	7,1%
Irlanda	7,3%
Noua Zeelandă	7,6%
Germania	8,9%
Luxemburg	9,4%
Canada	9,8%
Țările de Jos	10,0%
Belgia	10,9%
Arabia Saudită	11,4%
Spania	11,8%
Puerto Rico	12,1%
SUA	12,2%
Franța	12,5%
Israel	12,6%
Portugalia	13,6%

Polonia	14,6%
Lituania	14,7%
Estonia	14,9%
Slovenia	15,1%
Muntenegru	15,2%
Cehia	16,2%
Slovacia	16,7%
Coreea de Sud	16,8%
Grecia	17,6%
Turcia	19,1%
Letonia	19,4%
Ungaria	20,2%
Paraguay	21,3%
Serbia	21,6%
Columbia	22,1%
România	22,5%

Ecuador	22,5%
Croația	22,6%
Hong Kong	23,3%
Taiwan	24,4%
Macedonia de Nord	25,8%
Chile	27,2%
Argentina	27,2%
Bulgaria	27,6%
Albania	29,6%
Guatemala	31,0%
Uruguay	32,8%
Bosnia și Herțegovina	33,3%
Malaezia	35,3%
Mexic	35,8%
Ucraina	36,0%
Africa de Sud	36,0%

Brazilia	36,6%
Peru	37,0%
Pakistan	39,4%
Azerbaidjan	40,7%
Republica Moldova	41,7%
Belarus	42,6%
Rusia	45,9%
Kazahstan	50,2%
Thailanda	52,7%
Indonezia	52,9%
India	59,5%
Vietnam	63,5%
Filipine	68,0%
Armenia	71,0%
Uzbekistan	98,3%
Nigeria	136,6%

Prețurile produselor și salariul minim pe ianuarie 2022





Our strength lies in the people we work with



Working with/for disadvantaged people

Together with our long-term partner, Kaufland, we are implementing a call-center program for 65+ Kaufland customers – we have a team of operators, taking calls from elderly people and placing orders for them directly in the system.

We are talking around 96.000 calls per year; in 2022 the number of calls was 5% higher than in 2021.





Our strength lies in the people we work with

Working with/for disadvantaged people

Starting with 2022, we started hiring people from disadvantaged countries, such as Sri Lanka, Pakistan or Nepal. ESSA is working with specialized companies in this area (Nestlers, International Work Finder) to recruit, bring to Romania, accommodate, train, and activate personal. We invest a lot for making them feel welcomed and insuring a comfortable standard of living.

For 2022 we had a team of 75 NON-EU employees, delegated as commercial workers for our local partners.





ENVIRONMENT



Greenhouse gas (GHG) emissions

At Essa Sales and Distribution, one of the directions of intervention in the direction of reducing greenhouse gas emissions is the use on a smaller scale of motor vehicles based on fuels (gasoline, diesel) and the adoption of alternative means of transport. In this sense, since 2019 we have encouraged, through human resources policies, the adoption, by our employees, of a responsible behavior towards the environment. We did this by adopting the concept of car-sharing or by encouraging people to use public transportation.

Compared to 2019 when the carbon footprint of ESSA Sales and Distribution was 7 metric tons of CO₂ emissions, in 2020 it reached 5.8 metric tons of CO₂ emissions, and for 2021 we reached a total of 5.7 metric tons of CO₂.

In 2022 we decreased our footprint up to 5.6 metric tons and we aim for 2023 to decrease it furthermore up to at least 4.5 metric tons of CO₂ emissions:

<https://app.greenfeet.com/>.

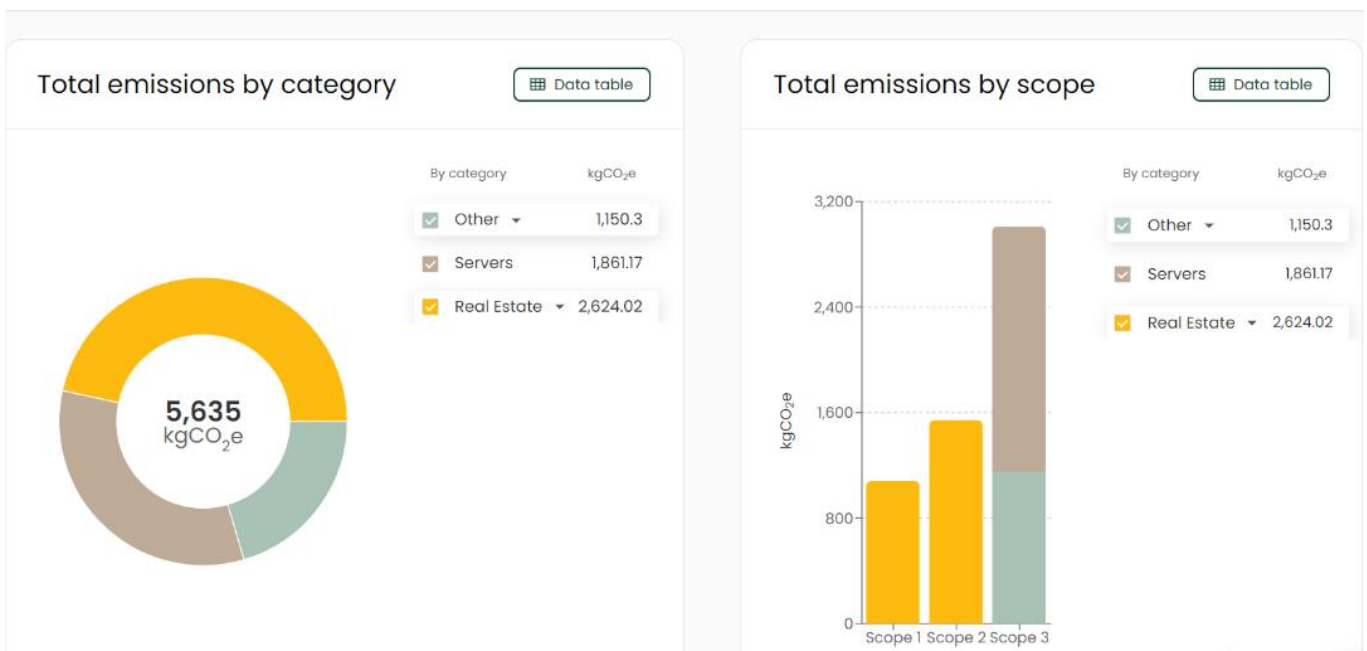


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Total: 5.635 mtCO₂e

Create Report Save FAQ

scope	category	year	amount	unit	type	specific type	emission
Scope 3	Waste	2022	600	EUR €			1.15 mtCO ₂ e
Scope 3	Servers	2022	10282	EUR €			1.861 mtCO ₂ e
Scope 2	Buildings Electricity	2022	770	EUR €	Romania		1.543 mtCO ₂ e
Scope 1	Buildings Heat	2022	1400	EUR €			1.081 mtCO ₂ e



Business trips & working from home

Starting with the coronavirus pandemic, from 2019, the volume of business trips in ESSA decreased dramatically, so they were replaced by the large-scale use of technology, which allowed the organization of professional meetings on online communication platforms. We also implemented a hybrid working system – office presence & working from home for all our office employees; in 2022, for example, almost half of the time spent in our company by our office employees

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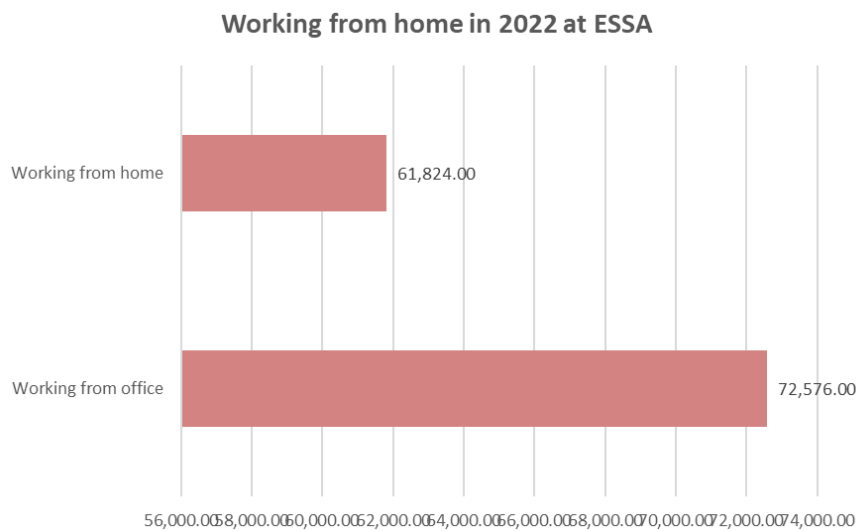


Headquarter:
 Romania, Bucharest, Siret 40 street, Building B, District 1
office@essagroup.ro
 +40 21 224 05 20
www.essagroup.ro



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was in working from home system: working from office = 54% of the working time; working from home = 46% of the working time.



Tătărași town hall reforestation campaigns

In association with Tătărași town hall, we implemented, throughout 2022, a vast reforestation campaign. ESSA contributed with volunteers, to plant trees in the areas indicated by the authorities as needing trees.

We involved a team of 30 to 40 volunteers per sessions, planting in total about 9.000 trees, during 7 reforestation actions we implemented last year.



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Healthy food campaign – implemented for The Empowerment and Rehabilitation Center for Adults with Disabilities Tătărăi

In 2022 we helped, with volunteers and sponsorship, to grow healthy food for the patients in the **Empowerment and Rehabilitation Center for Adults with Disabilities Tătărăi** – inside their own vegetable's greenhouses and orchard.

Along 2022 we cumulated around 320 hours of volunteering, with a team of 40 ESSA employees.

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COMMUNITY



COMMUNITY ENGAGEMENT STRATEGY AT ESSA

We believe it is important to get involved in the communities we operate in and support those in need. Through non-governmental organizations, foundations and partner associations, we financially and through volunteer employees support social causes that can have a long-term impact and transform the lives of the beneficiaries.



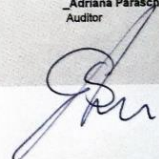


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The fight against pandemics

Although the pandemic ended, we continued in 2022 our mission to ensure health education for our employees, for fighting possible future health disasters. Beside the health & safety training sessions we are holding daily for all new employees (in 2022, we offered about 49.000 hours of training on this subject), we are also being audited, yearly, by Dekra organization for respecting the social & health conditions agreed by them.

CORRECTIVE ACTION PLAN					
NAME OF SERVICE PROVIDER	ESSA SALES & DISTRIBUTION S.A	TYPE OF AUDIT	DATE	NAME OF THE AUDITOR	
ADDRESS	Str. Siret No. 50 , Bucharest Sector No.1	AUDIT	27-Jul-23	Paraschiv Adriana	
CONTACT PERSON	Adriana Iordache	CAP Check			
NO.	ELEMENT	CURRENT SITUATION	CORRECTIVE ACTION	AUDIT: DUE DATE	CAP Check: DUE DATE
AUDIT: GREEN		yes	AUDIT passed		
AUDIT: YELLOW WITH CORRECTIVE ACTION					
AUDIT: RED WITH CORRECTIVE ACTION					
AUDIT: RED KO					

<p>Date & Signature: Company stamp</p> 	<p><u>ESSA SALES & DISTRIBUTION SA</u> Company Adriana Iordache - Project Manager Position</p> 	<p>_____ Adriana Paraschiv Auditor</p> 
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Supporting vulnerable people




ESSA Sales and Distribution has been actively involved in the communities in which it operates and is part of since its inception. We do this in partnership with local NGOs with whom we meet real needs of the local communities where we are present.

For 2022 we had implemented multiple projects and sustained a lot of causes together with our NGO partners. Here are some of it:




CENTER FOR INTEGRATION THROUGH OCCUPATIONAL THERAPY FROM TATARI

ESSA made sponsorships in 2022 for the aquisition of basic food basket for the inhabitants.




"CREATIVE ADOLESCENT" ASSOCIATION

Our company helped this association to buy digital resources needed for online preparation of young people with no financial possibility - suport for homeworks.



"SANS TA" ASSOCIATION

The Sansa Ta Association is a non-profit NGO that wants to promote, through social, educational, sports projects, the right to a better life for families with children in risk situations in order to prevent family abandonment, school abandonment, marginalization, integration. ESSA donated a considerable amount last year to this associaton.



HELP AUTISM ASSOCIATION

The Help Autism Association is today the largest organization dedicated to the cause in Romania. From specific therapy to school integration programs, from parent support to awareness campaigns, advocacy, Help Autism constantly seeks to provide a spectrum of solutions for children with autism and their families.



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ETHICS



RESPONSIBLE SUPPLIERS

ESSA Sales and Distribution's supply chain consists of companies and organizations in areas such as accounting services, consulting, production of promotional materials, production of hardware and software products, media content, construction and maintenance, marketing services, human resources services, printing, courier services.

We are committed to helping strategic suppliers implement business practices that are environmentally sound, economically efficient and have a positive social impact.

One of the most important elements in our sustainable procurement policy is the use of the corporate responsibility clause, whereby all our suppliers have an obligation to improve their environmental performance and reduce energy consumption.

Thus, global supplier assessments consider the establishment and implementation of an environmental policy, including procedures, clear objectives and improvement programs regarding:

- prevention of pollution;
- reducing the consumption of resources and using them responsibly;
- separate collection of waste for recycling.

Also, contracts with all suppliers include specific clauses or annexes regarding health and safety at work, environmental protection, anti-corruption, confidentiality, and compliance with the ESSA Group Supplier Code of Conduct.

Headquarter:

Romania, Bucharest, Siret 40 street, Building B, District 1

office@essagroup.ro

+40 21 224 05 20

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The active suppliers of the companies that are part of the ESSA Group are evaluated annually, and this process is coordinated by the Management and Process Improvement Division.

100% of new suppliers are evaluated based on our criteria regarding the environment, labor practices, human rights, and social impact.

RESPONSIBLE BUSINESS

Sustainability Goal 16 refers to the promotion of an inclusive society aimed at creating sustainable development, providing access to justice for all members of society and building efficient, reliable, and inclusive institutions at all levels.



ESSA Sales and Distribution is committed to conducting business honestly and fairly, adhering to the principles of business integrity. And for this to happen, each of us, the company's employees, needs to act ethically.

Our anti-corruption policy relates to ESSA GROUP and its subsidiaries and applies to all employees of our company, without exception: the President and Chief Executive Officer, officers, vice-presidents, directors and other managers, all staff employed within the Company, in associated companies and the members of the Company's Board of Directors (collectively referred to as "Employees").

ESSA Sales and Distribution takes corruption issues very seriously, and the company's management is committed to maintaining the highest standards of professional and ethical conduct.

This commitment is reflected in the Company's culture and policies, which include a zero-tolerance approach to all forms of corruption committed by Employees or third parties acting on behalf of ESSA Sales and Distribution. As such, all contracts concluded by our company with all business partners include ethical business conduct clauses / anti-corruption clauses.

Zero tolerance including the code of business conduct are very well established and communicated in our CSR strategy and statement.

The Business Integrity section of the Code of Business Conduct sets out ESSA Sales and Distribution's anti-corruption policies; Gifts, Entertainment and Hospitality Policy and provides guidance for the exchange of business courtesies. The Working with Third Parties

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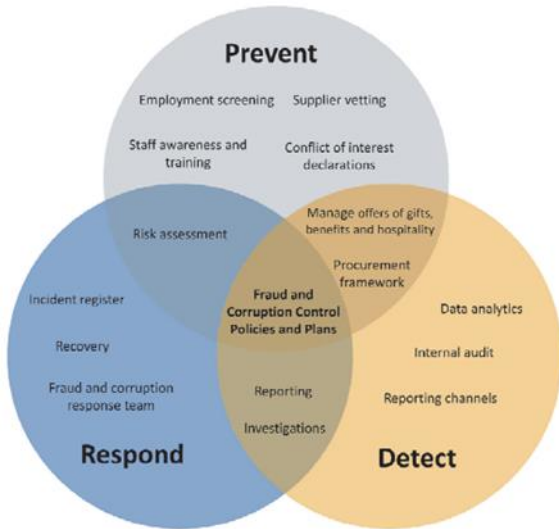
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Policy provides further guidance on how ESSA Sales and Distribution manages the risks associated with its business relationships with third parties.

Finally, the rationale behind our anti-corruption policy is not just about compliance policy: corruption is a major obstacle to eradicating poverty, and by approving the anti-corruption policy, the Executive Committee of the Board of Directors of ESSA Sales and Distribution reiterates its commitment to membership to the relevant standards set by

the United Nations Convention Against Corruption.

As such, ESSA Sales and Distribution must not authorize or tolerate any business practice that does not comply with our anti-corruption policy.

PLANS FOR THE FUTURE



Our objective is to reduce the amount of waste produced by our employees in the medium and long term. Thus, from a separate collection rate of 15% in 2019, 27% at the end of 2021, and 35% in 2022, by 2025 to reach a separate collection rate of 70% in all our warehouses and offices.



We aim to reduce our carbon footprint to 4.5 metric tons of carbon emissions by the end of 2023, and starting in 2024, we aim to reach the level of 3.5 metric tons of carbon emissions. Romania's average is currently 3.52 metric tons of carbon emissions. In this idea, we already had a discussion with SIGAD, one of the companies in Romania involved in this type of actions.





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We intend to start discussions to find suppliers with the support of which the electricity purchased comes from green sources.



We aim to reduce business travel by 50% compared to 2022 and continue use digital communication platforms (Zoom, Microsoft Teams, etc.) and homeworking system.



We intend to participate in afforestation actions in some of the communities where we operate, with the aim of contributing to combating the negative effects of climate change (landslides, the phenomenon of desertification, etc.). We already established a future partnership with Plantam Fapte Bune association.

Annex: GRI indicators

Statement of Use: ESSA reported in accordance with GRI standards for the period 01 January 2022 - 31 December 2022.

GRI 1 used: GRI 1: Foundation 2021

GRI sectorial standards: N/A

GRI STANDARD	REFERENCE NUMBER AND NAME	PAGE
Disclosure 2-1 Organizational details	2-1 Organization Details	8, 9, 10,
	2-2 Entities included in reporting of sustainability of the organization	12,
	2-3 Reporting period, frequency and contact point	13 - 19,
	2-4 Information corrections	28
	2-6 Activities, value chain and other business relationships	
	2-7 Number of employees by type of employment contract	
	2-22 Sustainability Strategy Statement 2-23 Policy Commitments 2-24 Integration of commitments relating to POLICIES	
GRI 302: Energy	302-1 Energy consumption within the organization	43, 44
	302-4 Reducing energy consumption	44
GRI 306: Waste	306-1 Waste generation and impacts significant issues related to waste	43, 44
	306-2 Management of significant impacts related to waste	
	306-3 Waste generated	
	306-4 Waste removed from disposal	
	306-5 Waste directed to disposal	
	305-1 Direct GHG emissions (Scope 1)	43, 44

GRI Emissions	305:	305-2 Indirect GHG emissions generated by energy (Scope 2)	
		305-3 Other indirect GHG emissions (Scope 3)	
		305-4 Intensity of GHG emissions	
		305-5 Reduction of GHG emissions	
GRI Attendance on market	202:	202-1 Ratio of entry level salary to minimum salary	37 - 40
		202-2 Percentage of managers in locations significant operating that were employed from the local community	
GRI 405: Diversity and equal chances	GRI 405: Diversity and equal opportunities		34 - 36
		405-1 Diversity of governing bodies and employees	
		405-2 Ratio of base salary to women's and men's remuneration	
GRI 406 - Nondiscrimination		GRI 406: nondiscrimination	
GRI 403: Health and safety at work		403-1 Occupational health and safety management system	29 - 33, 47 - 48
		403-2 Hazard identification, risk assessment and incident investigation	
		403-3 Occupational health services	
		403-4 Participation, consultation and communication of workers regarding occupational health and safety	
		403-5 Training of workers in occupational health and safety	
		403-6 Employee health promotion	
		403-7 Prevention and mitigation of occupational health and safety effects directly related to business relations	
GRI 404: Training and Education		404-1 - Average training hours per employee per year	10
		404-2 Employee skill enhancement programs and transition assistance programs	
		404-3 Percentage of employees receiving regular performance and career development reviews	