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ESSA GROUP ROMANIA

COMMUNICATION ON PROGRESS REPORT
2023/2024



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www.essagroup.ro

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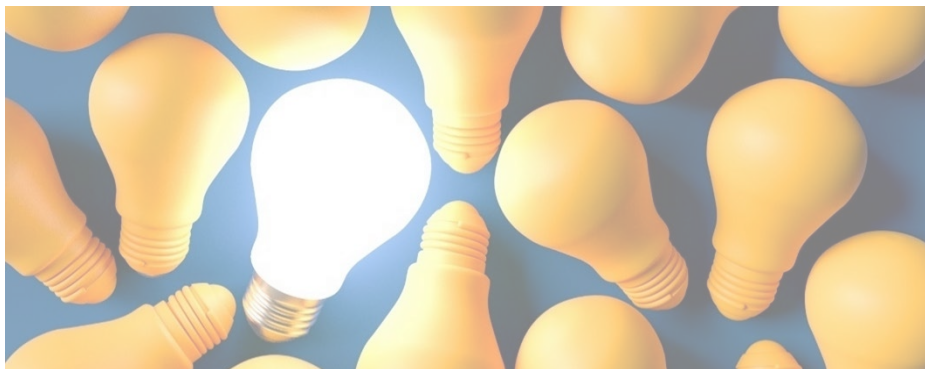
www.essagroup.ro

About our company

BIP Group, the parent company of what today represents ESSA Group, was established in 2004, specializing 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 70 large clients, has a national coverage, and in its 20 years of presence on the Romanian market, it has been involved in over 16.000 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 easily 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.

ABOUT THIS REPORT

The information presented bellow represent the fourth sustainable reporting document ESSA has developed, presenting our initiatives concerning our economic, social, and environmental impact for the period January 2023 – December 2024.

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

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SUSTAINABILITY IN ACTION

ESSA's business reporting to the 17 SDGs and the 10 Principles of the United Nations Global Compact (UNGC) is the main driver for the development and implementation of our social responsibility policy.

In addition, the inclusion of these goals and the UNGC principles has made us aware of the importance they have on the sustainable development of our company and the impact these goals have on our current operations.





“QUOTE FROM THE CEO”

In our fourth year of CSR reporting and our twentieth year in business, I turn my attention to all our stakeholders and tell them that ESSA is growing year after year, but not just anyhow.

We are growing with great care for the environment, for civil society, for our employees and for the partners who entrust us with their budgets and brands.

Despite all the challenges of the past years, we have managed to maintain an upward trajectory, and most importantly, we have not compromised on the commitments we made at the beginning of this journey.

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 2023 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 are committed to disseminating the information from this report to all our stakeholders, shareholders, and employees.

Sincerely,

Eugen Saulea
ESSA Group Romania

OUR VALUES

<p>WE VALUE PEOPLE</p>	<p>We believe that the strength of a business lies in the people, the teams formed along the way and in the capacity of the management team to motivate everybody.</p>
<p>TRUST</p>	<p>We strongly believe that only a reliable partnership with our customers can lead to the development of a healthy and dynamic business.</p>
<p>EFFICIENCY</p>	<p>We are committed to providing the most effective services for our clients so that they can achieve maximum results in their work.</p>
<p>AGILITY</p>	<p>We want to meet our customers as much as possible, through adapting our solutions to their specifics and by finding the most innovative approaches.</p>



BOARD OF DIRECTORS

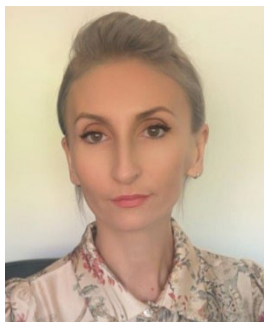


EUGEN SAULEA – FOUNDER AND GENERAL MANAGER

With an experience of over 26 years in the Romanian FMCG industry, Eugen Saulea is leading the company with professionalism and dedication, making sure to invest time and energy in the sustainable strategy of future ESSA.

ANDREEA ADAM – OPERATIONAL MANAGER

Andreea Adam is one of the first employees of ESSA GROUP, 20 years ago. She has gone through all the professional steps of the company and today she manages budgets of millions of euros and teams of thousands of people. Andreea's professionalism is highly appreciated by her colleagues, clients, and subordinates.



DANA SAULEA – MARKETING MANAGER

Dana has been working with ESSA for more than 18 years, going through all the professional steps, from Junior Project Manager to Client Service Manager and then to Marketing Department Manager. Her passion for nature and travel combines ideally with ESSA's long-term sustainable strategy.



DEDICATION TO STAKEHOLDERS

The integration of the Sustainable Development Goals (SDGs) into the social responsibility strategy of ESSA Sales and Distribution SA represented a significant step for our company. Addressing these goals helped us in implementing 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.

Our 4 key areas of responsibility

To develop and provide good services which have no negative impact on our planet.

To always operate in a sustainable manner by reducing waste and energy usage.

To support and contribute to the success of the local community and the country.

To improve the working lives of employees by offering training, support and rewards.

STAKEHOLDER ENGAGEMENT

ESSA STAKEHOLDERS



MATERIALITY ANALYZE

1. Financial Performance & Growth Trajectory

- **Turnover (Revenues):**
 - 2023: **123.23 million RON**, up ~23% from 2022's 100.25 million RON
 - 2024 - continued growth, with turnover around **160.7 million RON**, implying a further increase of ~30%
- **Profitability:**
 - 2023 profit was **2.88 million RON**, a ~14% decline compared to 2022
 - Despite revenue growth, profit margins are under pressure. The 2024 profit (around 4.1 million RON) suggests short-lived rebound but still modest margin performance
- **Ranking & Industry Position:**
 - ESSA is top-ranked:
 - **1st place** in profit among Romanian-capital enterprises, Sector 1, domain 7820 (temporary staffing) for 2024
 - **2nd in revenue** in the same category

Material Consideration: Sustaining growth while improving margins is critical for financial resilience and stakeholder confidence.

2. Service Portfolio & Operational Reach

- **Core Services:**

- Trade marketing, merchandising, POSM (Point of Sale Materials) management, BTL events, packaging, warehousing, people management (recruitment and placement), and consumer engagement via platforms like STORELINK
- **Scale:**
 - Annual merchandising hours: **~2.6 million hours**, with 55% via dedicated teams and 45% through multi-client structures
 - POSM & theatricalization routes cover **over 54,000 km monthly**
 - Logistics assets: 18 transit warehouses, one central depot (>7,000 m²), national operations covering towns up to 40,000 in population
- **Client Base:**
 - Services outsourced for leading retailers (Carrefour, Auchan, Metro, Mega Image) and over 30 clients

Material Consideration: Operational scale and diversification of services and clients bolster market position but also require efficient logistics and scalability.

3. Sustainability & ESG Initiatives

- **Environmental:**
 - Car-sharing and optimization of transport routes reduce GHG emissions
 - Use of electrical vehicles for internal activities – from 2 to 12 electrical cars
 - Discussions with our clients to reduce/optimize the transportation routes for their products.
- **Certifications & Responsible Business:**
 - 2022: Achieved **Ecovadis certification** (bronze medal, following earlier recognition in 2021 with silver medal) and **SMETA 4-Pillars** from Sedex;
 - 2023 – Dekra audit, green result
 - 2024 – Dekra audit, green result
 - 2024 - continued commitment to data-driven environmental action by disclosing through CDP;
 - UN Global Compact disclosure;
 - GRI reporting system disclosure;
 - SBTI disclosure;
 - Local partnerships with important ONG and institutions for a better and responsible future of our business, of the community and of the

environment: <https://esgsummit.ro>,
<https://www.plantamfaptebune.ro/>, <https://remesh.ro/>.

Material Consideration: Environmental responsibility and transparency through certifications enhance reputation and it is increasingly demanded by clients and partners.

4. Strategic Developments & Leadership

- **Organizational Structure:**
 - Transitioned from SRL to S.A. in early 2020 to reflect growth and complexity
- **Leadership Updates:**
 - October 2020: Promoted Andreea Adam and Lucian Pavelescu to key leadership roles—Adam handling strategic negotiations, Pavelescu overseeing procurement and operations
 - Starting with 2023, Lucian Pavelescu was replaced by Dana Saulea, Marketing Manager;
 - These changes helped reduce staff turnover to under 9% in managed regions
- **Geographic Expansion:**
 - Cluj: second-largest logistics hub; a direct FMCG distribution point planned
 - National coverage;

Material Consideration: Strong leadership continuity and expansion of logistic infrastructure are vital for operational efficiency and scaling.

5. Challenges & External Pressures

- **Cost & Pricing Pressures:**
 - In 2022, rising utility, fuel, and interest costs, along with client resistance to price adjustments, squeezed margins

- Competitive market focuses excessively on low cost over performance; this threatens provider solvency and quality
- In 2023 and 2024 the trend was similar – increasing turnover but constant profit margin;
- **Staffing & Recruitment:**
 - Attracting and retaining skilled staff is challenging without competitive compensation

Material Consideration: Cost inflation, client pricing resistance, and workforce retention are significant risks impacting profitability and sustainability.

Summary Table: Materiality Overview

Material Issue	Relevance / Impact
Financial Performance & Profitability	Strong revenue growth, but profit under pressure; critical for sustainable operations
Service & Operational Scale	Extensive, diversified services and logistics are competitive advantages
Environmental & ESG Initiatives	Certifications and eco-efforts build trust and respond to sustainability trends
Leadership & Infrastructure Expansion	Governance evolution and logistic base (e.g., Cluj hub) support growth
External Pressures (Cost & Talent)	Margin risks from client pressure and recruitment challenges need strategic response

Next Steps

Deepen Data Collection:

- Collect stakeholder input twice a year (clients, employees, investors) to better prioritize these material topics

Monitor Financial Metrics:

- Track margins, cost pressures, and ROI of infrastructure investments

ESG Reporting:

- Continue to formalize sustainability reporting, highlighting emissions reductions and certifications.

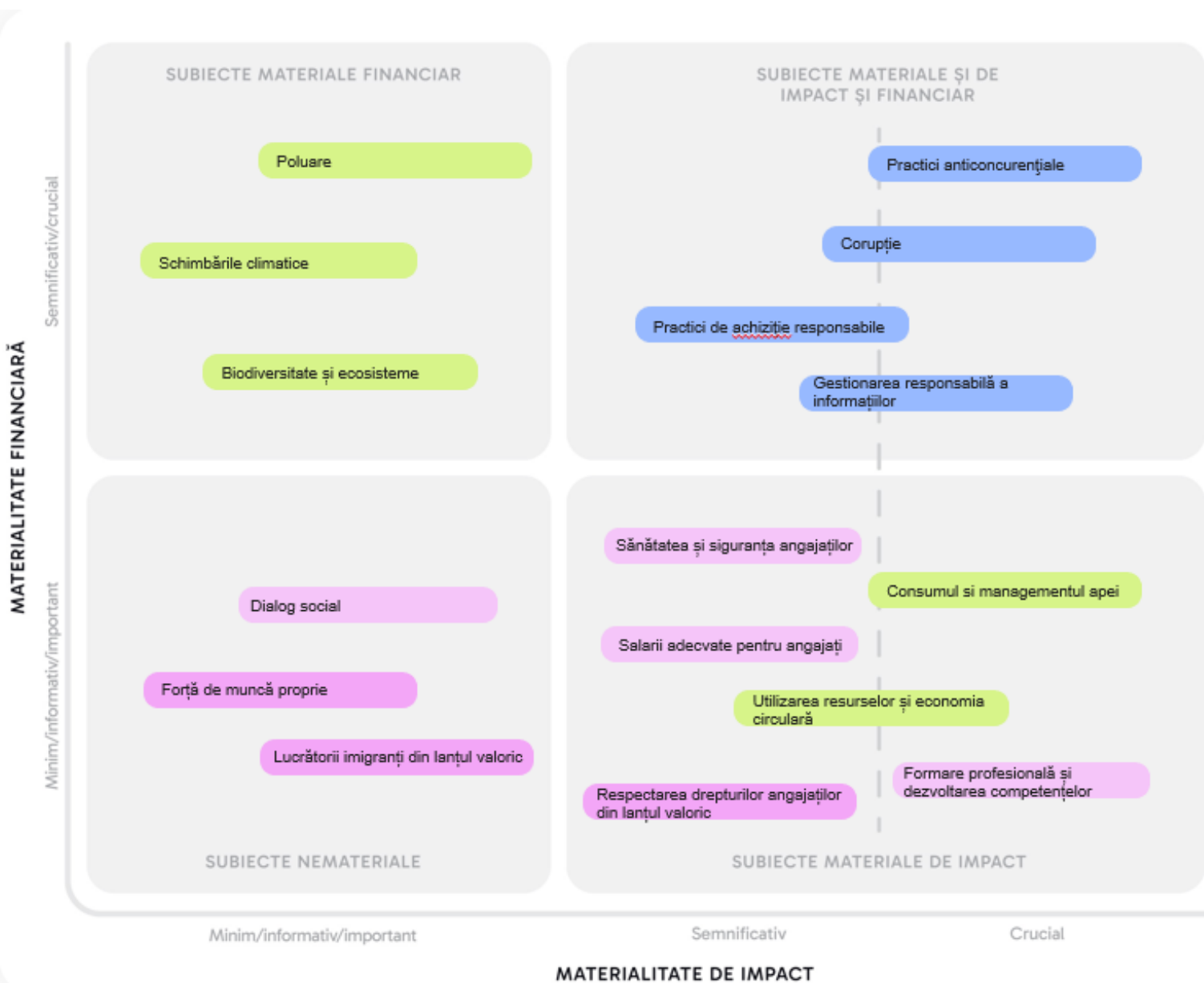
Competitive Strategy:

- Balance cost competitiveness with quality - include premium service tiers or performance-linked pricing.

Talent Strategy:

- Continue to use workforce retention programs and competitive salary benchmarks to stabilize staffing.

Materiality matrix:



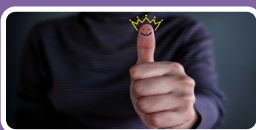
What we are proud of for 2023 - 2024:



**sponsorships for over 18
associations**



**over 120.000 training
hours for our employees**



**certificated courses paid by the company for
the management personel**



**reducing our environmental impact with
10% 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**

Governance and management **A**

A brief history

1
2004
 The group started its activity in Romania, with BIP Grup

2
2008
 We founded Pella, a company providing BTL services

3
2016
 Essa incorporates all the brands and services, registering a turnover of 6.6 mil. EUR

4
2019
 ESSA Group becomes a joint-stock company, with a turnover of 14 mil. EUR.

5
2022
 ESSA starts implementing inventory services, with DANTEM. It also starts bringing NON-EU personnel in Romania

6
2024
 In 2024 we celebrated 20 years on the Romanian market, with a turnover of over 32 mil. EUR and over 2800 permanent employees.

Trade marketing, with passion

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.

Organization

ESSA – permanent structure details



Trade marketing, with passion

Organization

We have a field structure of 179 field management & coordinators, nation wide.

Over 60% of them have more than 5 years in the company.

The client service & admin structure is the oldest in the company, with an average of **10 years in the team.**



Trade marketing, with passion

Our partners

Some of our partners for 2023 – 2024, all divisions



Trade marketing, with passion

Governance

- ESSA GROUP carries out its activities with integrity and respect for 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;
 - Data Security Policy;
 - Procurement Policy.

ESSA Group's shareholder structure on 31.12.2024:

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	2022	2023	2024
FIXED ASSETS	3,822,041	3,759,274	3,463,718
CURRENT ASSETS - TOTAL	37,441,485	47,860,488	49,570,612
CAPITALS	9,970,225	6,514,962	8,349,287
TOTAL DEBTS	31,369,955	45,207,429	48,840,477
NET TURNOVER	100,249,560	123,225,269	160,749,454
TOTAL INCOME	101,114,568	124,086,930	161,993,833
TOTAL EXPENSES	97,135,555	120,606,075	157,886,108
PREPAYMENTS	111	129,662	107,829
GROSS PROFIT	3,979,013	3,480,855	4,107,725
GROSS LOSS	0	0	0
NET INCOME	3,330,849	2,876,259	3,448,455
NET LOSS			
AVERAGE NUMBER OF EMPLOYEES	2,059	1,838	1,895

Impact in the economy – contribution as business consultant

In 2023 and 2024, our CEO, Eugen Saulea, continued to influence the local business environment, being invited multiple times to opine on diverse subjects.



The image shows a screenshot of a news article from Forbes Romania. At the top, the Forbes logo is visible. Below it, there is a blue button that says 'Află mai multe'. The article title is 'Lecții pentru 2025 – Eugen Saulea (ESSA Group): "Pentru 2024 am investit resurse în două noi concepte și creșterea a fost una substanțială"'. The author is Adelina Boboc, a News Editor at Forbes Romania. Below the text is a portrait of Eugen Saulea, CEO of ESSA Group. To the left of the portrait are social media sharing icons for Facebook, Twitter, and LinkedIn. Below the portrait, there is a short paragraph in Romanian: 'Forbes România i-a invitat pe unii dintre cei mai importanți manageri și antreprenori să răspundă unui scurt chestionar într-un moment complicat din toate punctele de vedere: economic, social, și geopolitic.'

→ <https://www.youtube.com/watch?v=7oMef9vuOvc>

Premium^{RO}

Caută



HR Talks: Interviu cu Eugen Saulea, fondator ESSA Group

WS Wall-Street
1,27 K de abonați

Abonează-te

👍 Apreciez

💬

➦ Trimite

↓ Descarcă

🔖 Salvează

⋮

116 vizionări 13 oct. 2024

Deși „cocheta” încă din 2019 cu ideea de recrutare de candidați de pe piețe din afara Europei, Eugen Saulea, fondatorul ESSA Group, companie românească activă pe piața serviciilor de trade marketing și recrutare de personal, a apelat deja la această soluție încă din 2022. Practic, ce face compania este să recruteze personal și să îl plaseze în marile lanțuri de retail precum Carrefour, Kaufland, Auchan, Metro Cash & Carry, Mega Image.

25

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ZF INVESTIȚII ÎN ROMÂNIA 07.05.2024

ZF Ziarul Financiar Oficial
11,6 K de abonați

Abonează-te

0

Trimite

Descarcă

Decupaj

ianuarie 29, 2024, 12:34PM GMT+0200

Lecții pentru 2024 – Eugen Saulea, fondator ESSA Group: ”În 2023, ESSA a avut o creștere de 24% a cifrei de afaceri, atingând nivelul estimat inițial”

**Adelina Boboc**

Actualitate

I'm a News Editor at Forbes Romania, mainly covering the daily news feed. You can contact me at adelina.boboc@forbes.ro.

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in



Forbes România i-a invitat pe cei mai importanți lideri din mediul de afaceri local să vorbească despre lecțiile învățate/trăite în anul 2023 și despre provocările anului 2024 în proiectul editorial #lecții pentru 2024.

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Antreprenorul Eugen Saulea intră pe o nouă linie de business. Investiția a depășit 1,5 milioane de euro

OAMENI | ȘTIRI 4 noiembrie 2024 NewMoney



PROFIL DE ANTREPRENOR

Business la raft. Eugen Saulea, antreprenorul care e tot timpul cu ochii pe rafturile magazinelor



By Ovidiu Anton

Posted on 11 Iulie 2023



Eugen Saulea, fondatorul ESSA Group, a reușit să impună pe piața românească servicii unice de care beneficiază atât marii retaileri, cât și producătorii. Povestea lui antreprenorială pare simplă: a observat o oportunitate și a transformat-o, în decurs de două decenii, într-un business cu o cifră de afaceri de aproape 20 de milioane de euro. Viziunea a jucat un rol important, dar, în esență, avem de a face cu o poveste despre muncă și, mai ales, despre sacrificii.

Părinții visau să-l vadă că urmează o carieră militară, dar el voia să devină electronist. Nimeni nu se gândea însă că viitorul avea să-i rezerve un parcurs profesional și antreprenorial construit în jurul... comerțului. Pentru că atunci când tânărul Eugen Saulea termina liceul cel mai căutați erau economiștii și avocații, iar meseria pe care și-o dorea nu părea a avea multe perspective, s-a înscris la Finanțe Bănci, la ASE. Acolo s-a „reprofilat” și a obținut o diplomă în management. Școala era importantă, dar simțea că trebuie să și muncească. Astfel, încă din al doilea an de facultate, Eugen Saulea s-a angajat ca agent de vânzări la Efes România. A trecut rapid de la multinațională la Murfatlar, cel mai mare producător de vin din România la acea perioadă, unde a devenit director național pe conturi speciale și director regional pe București. Apoi a plecat pe poziția de director național de vânzări pe Republica Moldova la Brau Union România. În fiecare din aceste joburi a învățat enorm. Pe lângă „secretele” comerțului, a deprins și arta negocierii, dar și știința de a conduce echipe și de a îndeplini obiective ferme. Mai mult, tot aici i-a venit și ideea care l-a impus în lumea antreprenoriatului românesc.

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business » Saulea, ESSA Group: Leasingul, POSM-urile și logistica au ajuns la 30% din cifra de afaceri

Saulea, ESSA Group: Leasingul, POSM-urile și logistica au ajuns la 30% din cifra de afaceri

by Redactia September 30, 2023

Print PDF Email

Într-un material primit recent din partea reprezentanților ESSA Group, fondatorul Eugen Saulea încă explică cum a reușit compania să treacă peste provocările pandemiei, la mai mult de trei ani de la debutul restricțiilor impuse de Guvern. Acesta punctează o lecție învățată în urma pandemiei și a crizei din 2008-2010 – *“ar fi bine să nu ne punem ouăle într-un singur coș, ci să*



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:

- **People**
- **Environment**
- **Ethics and good practice 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.

At ESSA we have in mind all instruments for making our employees feel at ease with their professional life.

Physical and Mental Health

- We provide medical subscriptions (private clinics, psychologists, nutritionists) – we have a recent collaboration with Regina Maria Health Network, providing all employees older than two years annual medical subscriptions
- We support wellbeing programs (yoga, fitness, stress-reduction workshops) – we held in 2023 8 workshops of Zentangle art, with Casa cu Rost organization
- We ensure regular breaks and a sustainable work schedule – we continued to implement the hybrid program we adopted during Covid lockdown – 3 days at the office at two days work from home program for all office employees.

- We promote an ergonomic work environment (chairs, adjustable desks, proper lighting) - we created and continued to use a stress reduction environment at work.

Work–Life Balance

- We have flexible schedules - flexible hours, and the possibility of remote or hybrid work
- Extra days off for important personal events: weddings, births, funerals etc
- Family-friendly policies – we provide parental leave.

Professional Development

- We provide training and workshops for career growth
- We have a clear career development plan, and we offer constant feedback
- We provide mentorship and access to online courses
- We encourage volunteering opportunities, as a way of relaxing and life-work balance; our employees volunteered in these reporting years for:



- Plantam Fapte Bune;
- The Empowerment and Rehabilitation Center for Adults with Disabilities Tătărai
- Remesh

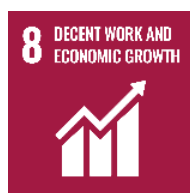
Psychological Safety and Organizational Culture

- We foster a climate of respect and inclusion.
- We open communication channels and anonymous feedback
- We have zero tolerance for harassment or discrimination
- We organize team-building activities and recognition of achievements.

Benefits and Recognition

- ESSA is offering a fair and transparent salary package
- We offer performance bonuses and extra benefits such as meal vouchers, transportation, and holiday gifts (on top of the base salaries, our employees receive in average 18% in plus, as meal tickets, transportation and salary bonus):

INDICATORS	2022	2023	2024
BASE SALARIES	70,174,692.00	86,196,075.67	109,309,628.72
BONUS	9,022,460.40	12,322,526.90	19,289,934.48
TRANSPORTATION	1,263,144.46	1,723,921.51	2,404,811.83
MEAL TICKETS	2,806,987.68	3,620,235.18	4,809,623.66
TOTAL INCOME	83,267,284.54	103,862,759.26	135,813,998.70
BONUS	10.84%	11.86%	14.20%
TRANSPORTATION	1.52%	1.66%	1.77%
MEAL TICKETS	3.37%	3.49%	3.54%



Gender equality

ESSA Group Romania demonstrates a strong commitment to gender equality by ensuring women are well represented across its workforce,

including most management positions, and by aligning with international labor standards such as ILO Conventions 100 and 111 on equal pay and non-discrimination.

The company promotes merit-based recruitment, promotion, and remuneration, while embedding gender equality principles within its human rights and CSR policies. Through transparent reporting on gender representation and a workplace culture that upholds fairness and inclusivity, ESSA positions itself as a responsible employer actively contributing to greater gender balance in Romania's labor market.

Starting with 2023, 2/3 of the management council are females.

NAME	FUNCTION	COUNTRY	CITY	COUNTRY	CITIZENSHIP	DATE OF APPOINTMENT	MANDATE END DA
ADAM ANDREEA CRISTINA	ADMINISTRATOR	Braşov	BRASOV	România	Română	12.12.2019	13.10.2026
SAULEA DANIELA NARCISA	ADMINISTRATOR	Bucuresti	Bucuresti	România	Română	12.12.2023	13.10.2026
SAULEA EUGEN	ADMINISTRATOR	Bucureşti	Bucuresti	România	Română	12.12.2019	13.10.2026

We also increased the percentage of total female employees from 52% in 2021, to 56% in 2022 and to 58% in 2023/2024.

As for females in management positions, from 58 management positions we had in ESSA in 2023/2024, 34 were occupied by women and 24 by men.



Working conditions in ESSA

In 2023, ESSA Group Romania maintained a strong commitment to employee wellbeing and total rewards. With a workforce of approximately 2.800 employees across Romania, the company achieved a 2.3% turnover rate and an average employee tenure of 4.8 years. Participation in benefits programs increased overall by 7% compared to 2022, driven by enhanced communication and the introduction of a flexible benefits platform. Employee satisfaction with benefits reached 86%, up from 81% the previous year.

ESSA Group Romania continues to sustain a diverse and balanced workforce, with a moderate turnover rate aligned with industry benchmarks.

Benefit Type	Participation Rate (2023)	Participation Rate (2024)	Change
Health Insurance	92%	95%	+3 pts
Life Insurance	84%	87%	+3 pts
Pension Contributions	78%	82%	+4 pts
Wellness Program	65%	74%	+9 pts
Flexible Benefits Platform	—	68%	New

Overall benefits engagement increased significantly, particularly within the wellness and flexible benefits categories, reflecting growing employee interest in holistic wellbeing and choice-based benefits.

Employee Feedback & Engagement

The 2023 Employee Benefits Survey achieved an 82% response rate. Results show a notable increase in satisfaction, particularly for flexibility, communication, and wellness-related initiatives.

Dimension	2023 Score	2024 Score
Overall Satisfaction	81%	86%
Health Benefits	85%	88%
Retirement & Financial Benefits	76%	80%
Wellness & Work-Life Balance	68%	78%

Employee comments highlighted appreciation for the new flexible benefits platform and improved digital access to benefit information.

Benchmarking vs. Market

Compared to the Romanian market averages (Mercer 2024 survey data benchmarks), ESSA Group’s benefits participation and satisfaction scores exceed the median in most categories. The company’s spend as a percentage of payroll (13%) is slightly above the market average (11.5%), reflecting its emphasis on wellbeing and retention.





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.

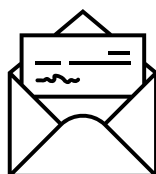
Any kind of discriminatory treatment based on descent, color, religion, nationality, sex, sexual preferences, age, political preferences, or trade union membership is discouraged and not tolerated.

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

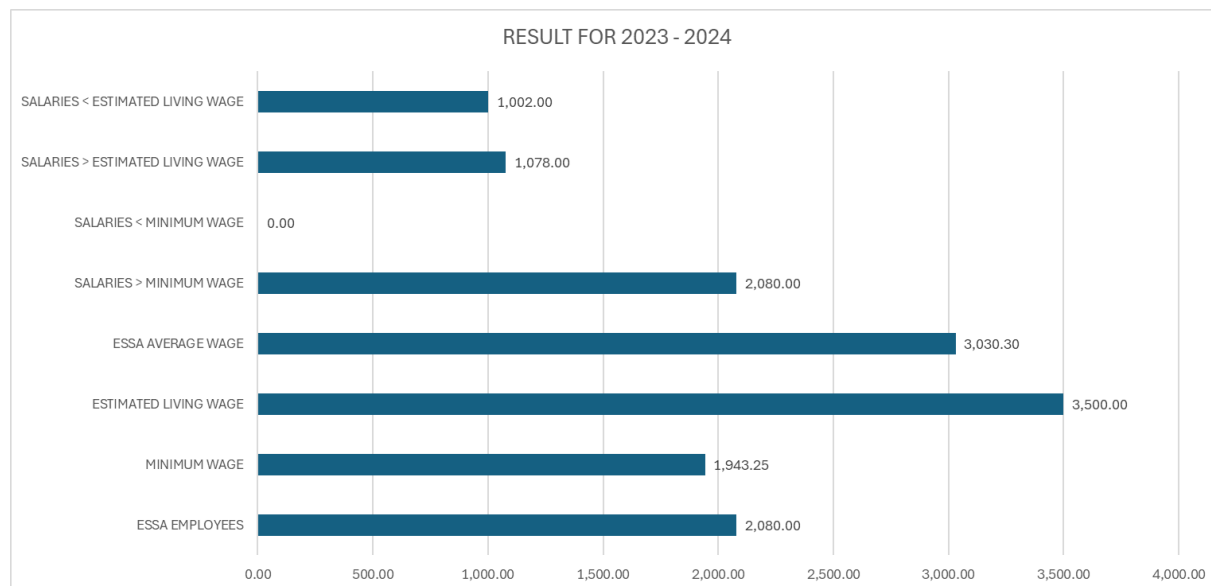
considered for future management positions; all employees should be provided with working conditions so that they are appropriate, compliant with the general working conditions created under the protection of national standards and rules.

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 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.



AVERAGE SALARY AT ESSA

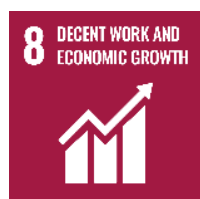


In 2023 - 2024, ESSA offered an average salary 56% higher than the national minimum salary imposed by the government – 3030 lei/employee/month.

ESSA is offering trade marketing services – so our activity would be here: other service activities. The gross salary for other services is 6352 in 2023, meaning a net salary of 3490.10 ron.

Having this as calculation basis, we can say that ESSA is paying 52% of its employees with more than the living wage.

For 2024, our target is to increase this percentage to at least 55%.



Human rights

Sustainable Development Goal 8 refers to promoting sustainable and inclusive economic growth, a high degree of employability and ensuring decent work for all.

ESSA SALES & DISTRIBUTION S.A. is committed to complying with the provisions of ILO Convention No. 100 on equal remuneration for men and women doing equal work, and the provisions of ILO Convention No. 111 on discrimination in the workplace.

Our company treats all employees only according to their abilities and qualifications in terms of hiring, promotion, compensation, benefits, training, layoffs and termination of employment contracts.

Any kind of discriminatory treatment based on descent, color, religion, nationality, sex, sexual orientation, age, political opinions or 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 unless otherwise established in the flexible work commitments; employees are provided with the stipulated annual leave and sick leave without any repercussions; to ensure an income corresponding to Romanian standards; before employment, all employees receive explicit information about the salary conditions and exact details about the payment period; to support capable employees and, to the extent possible, to be considered for future management positions; to provide all employees with working conditions that are appropriate, in accordance with the general working conditions created under the protection of national standards and rules.

Last but not least, ESSA Sales and Distribution offers all its employees career development programs, designed to provide them with the opportunity for lifelong learning. Also, within ESSA Sales and Distribution there are clear procedures regarding the protection of our employees from issues such as workplace harassment of any kind: verbal, moral, sexual, physical and psychological, as well as any form of forced labor, as well as the prohibition of employing minors.



ENVIRONMENT



GHG Emissions Reduction Commitment

In 2023, our total greenhouse gas (GHG) emissions amounted to 1,674.88 tCO₂e. We are committed to reducing our GHG emissions by 30% over the next 10 years, targeting a reduction of approximately 502.46 tCO₂e, bringing our total emissions to 1,172.42 tCO₂e or lower by 2033.

GHG Emissions Reduction Commitment by Scope

In 2023, our total greenhouse gas (GHG) emissions were distributed as follows: Scope 1: 64.34 tCO₂e, Scope 2: 0.93 tCO₂e, and Scope 3: 1,609.61 tCO₂e.

We commit to reducing emissions across each scope by 30% over the next 10 years, resulting in the following targets by 2033:

Scope 1: from 64.34 tCO₂e to 45.04 tCO₂e

Scope 2: from 0.93 tCO₂e to 0.65 tCO₂e

Scope 3: from 1,609.61 tCO₂e to 1,126.73 tCO₂e

This represents a total targeted reduction of 512.46 tCO₂e, bringing our overall emissions down to 1,172.42 tCO₂e or lower by 2033.

ESSA provides services that can be classified as low-carbon. These include:

- Optimized logistics and transportation, through route planning, transport consolidation, and the use of hybrid/electric vehicles for field activities.
- Digitalized merchandising and reporting solutions, replacing printed materials with tablets, mobile apps, and electronic workflows, thus reducing paper consumption.
- Energy-efficient retail support, by promoting and implementing eco-friendly equipment (LED lighting, energy-efficient refrigeration) in collaboration with clients.
- Sustainable office and administrative practices, such as digital documentation, remote training, and energy management in workspaces.
- CSR and environmental initiatives, including tree planting campaigns, waste reduction and recycling projects, and awareness programs to reduce food waste in retail.

Through these activities, ESSA contributes to lowering greenhouse gas emissions and supports clients in their sustainability goals.

ENGAGING EMPLOYEES FOR A BETTER FUTURE

Phase 1: Foundation & Engagement (Months 1–2)

Objectives: Build awareness, structure, and channels for employee-driven initiatives.

Actions:

1. Launch an internal **Sustainability Task Force** (volunteer employees from different departments).
2. Conduct **carbon literacy training** for all employees (focus on emissions sources, cost-saving opportunities, and investment impact).
3. Set up a **Digital Platform for Ideas & Reporting** where employees can submit emission-reduction proposals and track progress.

KPIs:

- 80% of employees complete training.

- Task Force formed with representation from all divisions.
- Platform live with at least 50 initial ideas submitted.

Investment Link: Awareness + idea collection identifies low-cost, high-impact projects ready for internal funding.

Phase 2: Idea Generation & Pilot Projects (Months 3–5)

Objectives: Tap employee creativity to identify projects for measurable emission reductions.

Actions:

1. Run a “**Green Innovation Challenge**” with teams proposing energy-efficiency, renewable energy, or process-improvement projects.
2. Select 5–10 **pilot projects** based on feasibility, cost savings, and emission reduction potential.
3. Assign **employee project champions** to each pilot.

KPIs:

- 200+ employees participating in challenge.
- Pilot projects selected with estimated CO₂ reduction and cost savings quantified.
- Baseline emissions measured for all pilot areas.

Investment Link: Funding pilot projects converts ideas into actual emission reductions, demonstrating ROI and attracting further investment.

Phase 3: Behavior Change Programs (Months 6–8)

Objectives: Reduce emissions through operational behavior change and quantify savings for reinvestment.

Actions:

1. Launch **energy-saving competitions** between departments (lighting, HVAC, office equipment).
2. Incentivize **sustainable commuting** (bike-to-work, carpooling, public transport).
3. Track all energy and emission reductions using the platform, linking cost savings to a “**Green Investment Fund.**”

KPIs:

- 10–15% reduction in office energy use in pilot departments.
- 30–40% of employees participate in sustainable commuting initiatives.
- Savings from reduced consumption quantified in € and reinvested.

Investment Link: Cost savings are directly allocated to fund larger emission-reduction projects or infrastructure upgrades.

Phase 4: Scaling & External Impact (Months 9–12)

Objectives: Expand initiatives across the company and leverage employee action to attract co-investment.

Actions:

1. Scale successful pilots company-wide.
2. Encourage employees to **lead community or supplier-related sustainability initiatives** (tree planting, energy audits, low-carbon supplier selection).
3. Establish **employee-led Green Investment Committee** to approve and oversee new projects.
4. Report measurable outcomes externally to attract grants, subsidies, or co-investors.

KPIs:

- Company-wide adoption of top 3 pilot programs.
- External funding raised for at least 1 large-scale project via employee-led initiatives.
- Measurable annual CO₂ reduction quantified.

Investment Link: Employees act as multipliers, expanding the reach and impact of investment, while creating a pipeline of bankable, measurable emission-reduction projects.

Optional: Ongoing Sustainability Culture

- Launch quarterly **“Green Awards”** for employees contributing to emissions reductions.
 - Include **emission reduction metrics in performance reviews** for project champions.
-



Business Travel

Over the years 2023 and 2024 ESSA eliminated 80% of business travel, both internationally and domestically.

These were replaced by the widespread use of technology, which allowed for professional meetings to be held on online communication platforms.



ESSA – RETURO COLLABORATION

Starting with 2024, ESSA is collaborating with Returo Romania for a better implementation of the SGR program.

The collaboration between ESSA and Returo Romania represents an important step towards a more sustainable future, based on responsibility and respect for the environment. By jointly engaging in the implementation and optimization of the Guarantee-Return System (SGR), the partnership actively contributes to reducing waste, increasing recycling and promoting responsible behavior among consumers.

ESSA supports Returo's efforts through logistical expertise, efficient implementation at points of sale and active involvement in educating the public about the importance of selective collection. Thus, the collaboration not only brings direct benefits to the environment – by reducing pollution and conserving natural resources – but also strengthens a sustainable partnership model between the private sector and national environmental protection initiatives.





RELATIONSHIP WITH SUPPLIERS



RESPONSIBLE SUPPLIERS

The ESSA Sales and Distribution supply chain is made up of companies and organizations in areas such as accounting services, consulting, promotional material production, hardware and software production, media content, construction and maintenance, marketing services, human resources services, printing, and messaging services.

We are committed to helping strategic suppliers implement business practices that are environmentally friendly, 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, through which all our suppliers are obliged 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:

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

In addition, 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.

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

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



ETICHS

Sustainable Development Goal 16 is about promoting an inclusive society that creates sustainable development, providing access to justice for all members of society and building effective, trustworthy and inclusive institutions at all levels.

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

Our anti-bribery policy refers 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 personnel employed within the Company, in associated companies and members of the Board of Directors of the Company (collectively referred to as "Employees").

ESSA Sales and Distribution take 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 / anti-corruption clauses.

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

The Business Integrity section of the Code of Business Conduct sets out ESSA Sales and Distribution’s policies regarding combating corruption; the Gifts, Entertainment and Hospitality Policy and provides guidance for the exchange of business courtesies. The Third-Party Working Policy provides additional guidance on how ESSA Sales and Distribution manage the risks associated with its business relationships with third parties.



Finally, the rationale for our anti-corruption policy is not just about compliance: corruption is a major obstacle to poverty eradication and, by approving the anti-corruption policy, the Executive Committee of the Board of Directors of ESSA Sales and Distribution reiterates its commitment to adhering 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.

COMMUNITY





ESSA Group Romania × Remesh Collaboration


Initiative Overview

In line with our commitment to sustainability and social responsibility, **ESSA Group Romania** partners with **Remesh** (<https://remesh.ro/povestea-noastra/>), a protected unit that provides employment opportunities for people with disabilities and recycles used advertising materials. **Remesh** transforms banners, mesh fabrics, and other plastic materials from promotional campaigns into practical, durable products such as bags, folders, accessories, and office items. Through this process, materials that would otherwise become waste are reintegrated into a sustainable economic cycle.






Environmental Impact

-  **Recycled materials:** over 12.000 kilograms of banners and mesh fabrics recovered annually.
-  **CO₂ emissions reduction:** equivalent to 24.000 kg of CO₂ avoided through material reuse instead of producing new raw resources.

-  **Upcycled products created:** more than 3.000 unique items produced in partnership with ESSA Group.

Through this collaboration, ESSA Group supports the circular economy, reduces resource consumption, and promotes sustainable production and procurement practices.

Social Impact

-  **Protected jobs:** 20 people with disabilities directly involved in the production process.
-  **Social inclusion:** support for the professional integration of individuals from vulnerable groups.
-  **Development of the social economy:** active contribution to a local social enterprise with positive community impact.

Through its partnership with Remesh, **ESSA Group Romania** demonstrates that sustainability is not just a strategic direction but an integral part of our business model – achieving a balance between economic performance, environmental protection, and responsibility toward people.



ESSA Group Romania × CSR Media Collaboration

The collaboration between **ESSA Group Romania** and **CSR Media** represents a strategic partnership dedicated to sustainable development and social responsibility in Romania. As a sponsor of the **ESG Summit**, ESSA Group supports initiatives that promote environmental, social, and governance (ESG) practices, actively contributing to a positive impact on local communities.

Through this collaboration, ESSA Group reaffirms its commitment to protecting the environment and supporting projects with social value. Participation in the



ESG Summit provides an opportunity to facilitate the exchange of best practices among companies, organizations, and sustainability experts, inspiring concrete actions for sustainable development.

The ESSA Group – CSR Media partnership not only raises awareness of the importance



of social responsibility and sustainability but also directly contributes to implementing innovative solutions that support both the community and the environment. In this way, both organizations demonstrate that economic success can go hand in hand with care for society and nature.



ESSA Group Romania – Community Impact through Junior Motorsport Sponsorship

ESSA Group Romania sponsors **Junior Motorsport** with approximately **€20,000 annually**, supporting young talent and promoting excellence in motorsport.

Key Community Impacts:

- **Youth Development:** Provides access to training and resources, helping young enthusiasts build skills in a competitive, educational environment.

Headquarter:

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

office@essagroup.ro

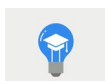
+40 21 224 05 20

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- **Education & Innovation:** Encourages technical skills, teamwork, and discipline, fostering future professionals in STEM and engineering fields.
- **Community Engagement:** Supports events and initiatives that involve youth and local communities, strengthening social ties and promoting positive values.



Through this sponsorship, ESSA contributes to **social sustainability** by investing in local human capital, promoting responsibility, perseverance, and collaboration, and empowering the next generation of talent.



EDUCATION



Development of the Collaboration between ESSA Group Romania and Avenor College

ESSA Group Romania and Avenor College have established a strategic collaboration, through which ESSA supports the college's educational activities via an annual financial partnership. Under this partnership, ESSA Group provides Avenor College with a sponsorship of approximately €55,000 per year.

The collaboration between the two entities focuses on the following objectives:

- 💡 Financial support for educational projects – The funds provided by ESSA are used to develop educational infrastructure, extracurricular programs, STEM projects, and other initiatives that enhance the quality of education offered to students.
- 💡 Mentorship and professional development programs – Through this partnership, ESSA offers practical expertise to both students and teachers through mentoring sessions, workshops, and seminars led by professionals from the business and management sectors.
- 💡 Promotion of excellence and shared values – The partnership aims to reinforce shared values such as social responsibility, innovation, and performance, creating an environment that fosters the development of future professionals’ skills.

This strategic collaboration reflects ESSA Group Romania’s commitment to community and education, contributing to the formation of a generation of students prepared to meet the challenges of today’s professional environment.

PLANS FOR THE FUTURE

Timeline & Focus Areas:

Year	Focus	Key Initiatives	Expected Impact
2024–2026	Optimize & Innovate	Energy audits, circular packaging, employee innovation labs, SBTi reporting	Reduce emissions, increase engagement, enhance transparency
2026–2027	Lead & Influence	Carbon-neutral products, supplier ESG alignment, circular business models, community & industry leadership	Scope 3 reduction, market leadership, consumer trust
2027–2028	Innovate & Transform	Regenerative initiatives, next-gen sustainable products, traceability, ESG awards	Brand recognition, measurable social & environmental impact, benchmark status



Annex: GRI indicators

Statement of Use: ESSA reported in accordance with GRI standards for the period 01 January 2023 - 31 December 2024.

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	3 – 9, 15, 16, 17, 18, 19 - 22
	2-2 Entities included in reporting of sustainability of the organization	
	2-3 Reporting period, frequency and contact point	
	2-4 Information corrections	
	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	
302-4 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	
GRI 305: Emissions	305-1 Direct GHG emissions (Scope 1)	43, 44
	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 202: Attendance on market	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	