

Windchill Consulting

<u>Team Member Name</u>	<u>Year</u>	<u>Major</u>
Aabhishek Grover	2023	MBA
Serene Desmond	2023	MBA
Trent Vos	2024	MBA
Xiaojie Chen	2023	MBA

Advisor(s): Judy Jayasuriya, Arly Akerstream, Bhaumik Gandhi

Topic: Delivery Hero: From Carbon Offsets to Green Delivery

Audience: Delivery Hero Board of Directors

Sustainable Development Goal

SDG #13: Take Urgent action to combat climate change and its impacts.

Executive Summary

Consumers around the globe are showing an appetite for sustainable products and services. However, regulations are lacking around what sustainability means. At the same time, the rise of a gig economy has created an explosion in food delivery companies, which has contributed to a rise in both direct and indirect greenhouse gas (GHG) emissions that perpetuate climate change across the globe. Society has become dependent on food delivery companies with the 2021 global industry being worth over \$150 billion USD and its market size tripling since 2017.

Delivery Hero is a delivery platform for restaurants and shops that aims for instant deliveries and operates in over 70 countries. With 2021 revenue of €5.86 billion, it is the top ranked delivery company in 56 countries. In 2021, Delivery Hero reported total greenhouse gas emissions of 3,483,004 tCO₂e. It has claimed carbon neutrality in Europe in 2020 and in Latin America in 2021, by using carbon offsets. Recently, there have been numerous European lawsuits targeting companies with misleading advertising when self-reporting carbon neutrality based on carbon offsets. Deeper analysis of Delivery Hero's carbon offsets reveals not only similar vulnerabilities but ethical issues around the effectiveness, traceability, and location of its carbon offset projects.

A viable solution will need to effectively reduce carbon emissions, promote sustainability, and ensure reliable and accurate reporting. Our recommendation for Delivery Hero will investigate ethical issues around the effectiveness of carbon offset investments, whether carbon offsets should be applied in certain situations, and the impact to the company's financial viability. This will allow the company to be the hero they aspire to be.