

Letter of Intent

Together, let's make growth sustainable



● INTRODUCTION

Sustainability is one of the biggest challenges of the coming decades.

Consumers have become more critical towards companies, the European Union wants to monitor how companies integrate sustainability into their business operations through the CSRD (reporting obligation), and banks are no longer only interested in financial figures for granting their loans.

Problem

Defining sustainability and understanding its implications for our business isn't always straightforward.

- What regulations do we have to comply with?
- What immediate challenges do we face, and where should our priorities lie?
- How can we use sustainability to set ourselves apart in the market?

Solution

Recognizing the need for sustainable practices, Overseas Distribution Company partnered with Encon in 2023.

Encon's Lean Sustainability© framework provides a unique roadmap for credible integration, ensuring consistency and mitigating greenwashing risks.



Our commitment to sustainability isn't just altruistic; we firmly believe it's integral to business success and growth.

● LEAN SUSTAINABILITY

Lean Sustainability© is the result of Encon's 21 years of experience, combining insights from various levels and departments throughout different projects.

Methodology	The Lean Sustainability© methodology consists of 2 cycles that companies go through systematically: left and right hands .	<ul style="list-style-type: none">• The left-hand transforms financial-focused operations into sustainable practices, balancing people, planet, and profit.• The right-hand demonstrates how a materiality strategy drives tangible projects and enhances social and environmental outcomes within the company.
Impact	Sustainability becomes business-as-usual in the organisation and projects are addressed on a day-to-day basis.	<ul style="list-style-type: none">• The methodology of Lean Sustainability© manages to easily link #change and #action by cleverly linking governance to concrete materiality strategies.

- PROJECT OBJECTIVE

Integrating Sustainability into Business Operations

For instance The Lean Sustainability method's left cycle transforms business operations, aligning them with sustainability goals. Through workshops and analysis, environmental and social materialities are integrated into the organization's strategy.

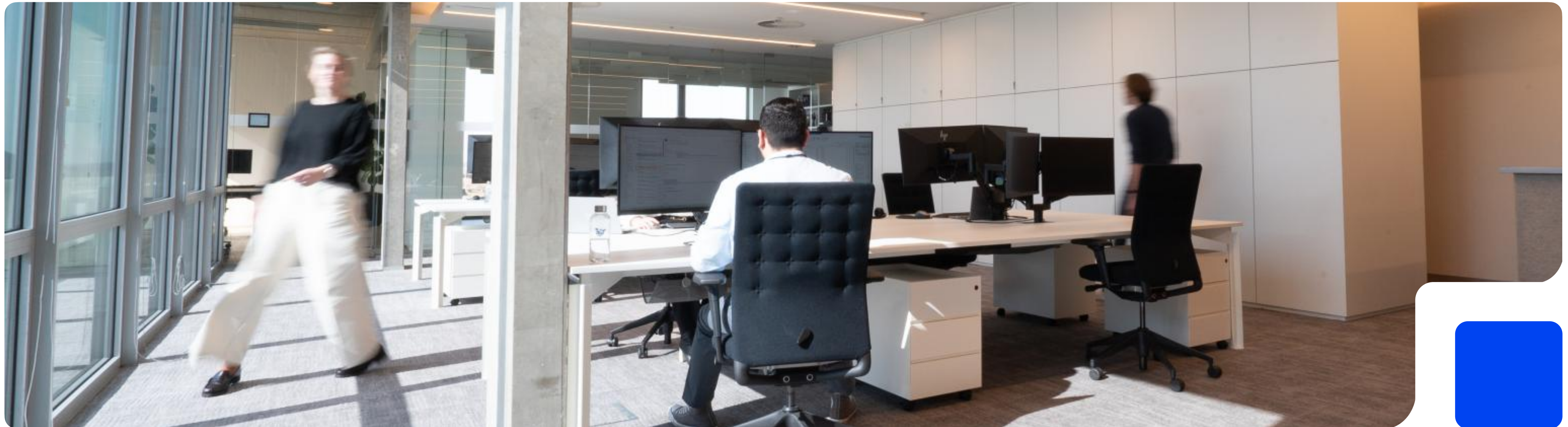


- PROJECT OBJECTIVE

The Lean Sustainability Trajectory: Preparing for Sustainable Success:

Overseas Distribution Company will utilize the Lean Sustainability trajectory to prepare for upcoming CSRD legislation, which mandates reporting on integrated value creation models. This model includes various forms of capital and includes stakeholder management, (double) materiality analysis, and identification of impacts, risks, and opportunities.

Following the implementation of the integrated value creation model, sustainability projects will be executed structurally to enhance ecological and social materialities. This initial phase of executing the sustainability strategy is scheduled from 2023 to Q4 2024.



- PHASES

Streamlining Overseas Distribution Company's strategy through workshops

Value creation

01

During a workshop with the management team, we will methodically – using the community brand method© – focus on the company's current value creation. We then build on this strategy and explore what sustainability would mean for this value creation.

Stakeholders

02

The value creation model defines current and future stakeholders impacted by the company. In the workshop, we assess current stakeholder engagement and devise systematic methods for their involvement.

● PHASES

Material stress test

03

In the workshop, we'll present the longlist of materialities identified from stakeholder engagement data. We'll assess how these impact current value creation and vice versa, stress-testing the model against future stakeholder needs.

Sustainable capitals:

04

The stress test assesses the resilience of the value creation model to future realities. Through systematic analysis, the workshop evaluates potential adjustments for sustainability. The result is a summarized sustainable value creation model translated into capitals.

ESG integration plan

05

Finally, we compare the current and sustainable value creation models, identifying necessary projects for the transition. We assess ongoing ESG (Environmental, Social and Governance) initiatives and determine additional projects required.

● ENGAGEMENT

Encon confirms through this document that a sustainable strategy has been initiated with Overseas Distribution Company.

This strategy, based on the Lean Sustainability© methodology, aims to integrate sustainability into business operations rather than treating it as a separate entity within the organization.



CO2 STRATEGY

Short term strategy

In addition to the overarching strategy, Overseas Distribution Company will collaborate with Encon to develop a short-term (2030) CO2 strategy, slated for completion by the end of Q2 2024.

Carbon footprint calculation

Baseline emissions will be calculated ts own emissions and those across the value chain, following the Greenhouse Gas Protocol.

Reduction plan

A concrete plan is developed to reduce emissions. Various reduction measures are identified, quantified and, where possible, a cost-benefit analysis is prepared.

Ambition level & target setting

After evaluating the reduction plan, we'll determine its alignment with the Paris climate agreement's goal of limiting warming to 1.5°C. If feasible, Overseas Distribution Company will commit to the Science Based Targets Initiative (SBTi), with communication conveyed through a public report.



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