



Sustaining the Planet
Sourcing Responsibly
Serving Communities

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About DFI Retail Group

Founded in 1886, DFI Retail Group is a leading pan-Asian retailer. Our customers are at the heart of everything we do. We provide quality and value to them by offering leading brands, a compelling retail experience and great service; all delivered through a strong store network supported by efficient supply chains. The Group operates under a number of well-known brands across food, convenience, health and beauty, home furnishings, restaurants and other retailing in 13 Asian markets with some 11,000 outlets and employs some 213,000 people.



13
Asian Markets

Some
11,000
Outlets
(including associates and joint ventures)

- Food
- Convenience
- Health and Beauty
- Home Furnishings
- Restaurants
- Other Associates

A message from Group Chief Executive



Scott Price
GROUP CHIEF EXECUTIVE
DFI Retail Group

“As a leading pan-Asian retailer, we have a unique opportunity to contribute to and be a part of the solution to achieving a sustainable future for all our customers, communities, and businesses. We take this responsibility very seriously, and being part of the solution is essential to our Customer First, People Led and Shareholder Driven strategic framework.”

The growing awareness of the impact from climate change has sparked a global movement towards sustainable practices and environmental responsibility.

Our deep commitment to sustainability is reflected in our three strategic sustainability pillars: Sustaining the Planet, Sourcing Responsibly and Serving Communities across the markets in which we operate.

Through the dedication of our team members, DFI has passed significant milestones on our sustainability journey to reduce our Scope 1 and Scope 2 carbon and other greenhouse gas (GHG) emissions by 50% by 2030, and to achieve net zero by 2050.

We are proud to announce that we have successfully reduced our Scope 1 and Scope 2 GHG emissions by 19% in 2023 compared to our 2021 levels. This achievement reflects our continued efforts to minimise refrigerant gas emissions and enhance energy consumption efficiency.

Additionally, the Science Based Targets initiative (SBTi) validated our Scope 1, 2, and 3 emissions reduction targets, which is a confirmation that our targets are meaningful and contribute to the global transition to a low-carbon economy.

The Group is keenly aware of the critical importance of setting and navigating an achievable path to our Scope 3 emission reduction targets by 2030 and beyond. While some of our larger global suppliers have already embedded sustainability into their businesses, there remain considerable challenges to address within our supplier network in Asia for some of our major product categories: daily food staples such as rice, poultry, beef and dairy products. We will continue to initiate and participate in research projects, such as our pilot to grow sustainable rice with the Alternate Wetting and Drying (AWD) method for rice farming rather than continuous flooding. AWD uses less water and promises to reduce methane emissions by up to 50%, but it is not suitable for all geographies and climates.

Reducing Scope 3 emissions from rice and other categories to achieve our sustainability targets has to be a collaborative effort. DFI will continue to identify and implement measures to reduce our Scope 3 emissions and work closely with all our suppliers to help them reduce their carbon footprint.

We also achieved other significant sustainability milestones in 2023. After being rated by Morningstar Sustainalytics for the first time in 2022, our 2023 environmental social and governance (ESG) risk rating has improved. As a result, we have moved from the top 50% to the top 29% in the Global Food Retail sub-industry rankings.

Sustainalytics gave our overall ESG management a "Strong" rating, despite the above-average risk exposure for our sub-industry.

As a multi-format retailer operating in multiple Asian markets, there are unique complexities to serving millions of customers daily and providing the value they trust us to deliver when they walk into one of our stores. To realise significant reductions in Scope 3 emissions across operations in 13 Asian markets with various regulatory frameworks, geographies, cultures and economies requires commitments and innovation that we alone cannot achieve.

Daunting as these ambitions might seem at times, reducing Scope 3 emissions is a challenge for all businesses worldwide. We must collaborate with our peers in the retail industry, trade bodies, regulators, government and non-governmental agencies, share best practices, streamline processes and advocate for policies that support sustainable development.

Although achieving our emissions reduction targets and managing environmental risks and opportunities is a core focus of our leadership team, we are equally committed to achieving all our ESG objectives. We have also demonstrated proactive climate risk management in accordance with Task Force on Climate-related Financial Disclosures (TCFD) recommendations and conducted supply chain audits against ethical standards. Across the Group, we will strengthen our efforts to reduce waste and plastic. We are intensifying efforts to increase waste diversion, targeting to increase our waste diversion to 80% by 2030. We are also committed to the challenge of

making the plastic packaging of our own brand products 100% recyclable, wherever possible, by 2030.

Our commitment to our communities and people is reflected throughout our daily operations. We encourage team members to actively engage with our communities through volunteer programmes and fundraising campaigns. We strive to create a safe and inclusive workplace where everyone has an equal opportunity to grow and thrive, and we invest in talent development and training to equip team members for the evolving retail workplace. We also regularly monitor gender pay equity and attempt to bridge any observed pay gap. DFI has taken steps to establish goals, monitor key indicators, and share best practices with our teams and suppliers, which supports us in identifying areas for improvement and rectifying any practices that may be detrimental to human rights in our business operations and value chain.

The governance portion of ESG underpins all our sustainability commitments, providing the infrastructure to ensure product quality and safety. It enables us to conduct our business with ethical responsibility and adherence to laws and regulations in all the markets where we operate. This also extends to compliance with anti-corruption and bribery laws at the same time, and maintaining a robust Group Privacy Policy and cyber security programme to protect our customers, team members and suppliers privacy and data.

I believe 2024 will be a pivotal year for DFI and our ESG reporting as we refresh our sustainability framework. To this end, in 2024, we are introducing sustainability-related KPIs for the leadership team and providing training and resources for team members to take ownership of our sustainability initiatives and continuously improve our sustainability performance. Our journey will not be easy, but it is essential, and we are dedicated to leading positive change in the markets and communities we serve.

PERFORMANCE HIGHLIGHTS

Overall

1 SBTi Validated Targets

DFI became one of the first Asian retailers to receive validation from the Science Based Targets initiative (SBTi) for our near-term greenhouse gas (GHG) emissions reduction targets



One of the **1st** ASIAN RETAILERS

2 Strong ESG management

Improved Morningstar Sustainalytics ESG Risk Rating from 25.3 (2022) to **22.9** (2023)

a rank upswing in the global food retail sub-industry to rank

35th out of **120** (Top 29%)

3 ESG Awards

DFI received **3 ESG awards** that recognised our outstanding efforts in making positive impacts, including:



- Hong Kong Awards for Environmental Excellence Super Gold Award (DFI is the sole recipient)
- CLP Smart Energy Award 2023
- TVB ESG Awards

4 Sustainability Membership & Associations

- Consumer Goods Forum
- Sustainability 50
- amfori BSCI
- Foodlink Foundation
- Hong Kong General Chamber of Commerce - Environment & Sustainability Committee
- Hong Kong Retail Management Association - Sustainability Task Force
- World Business Council for Sustainable Development
- Drink Without Waste

Environmental



1 19%

reduction in Scope 1 & 2 GHG emissions vs 2021 baseline

2 54%

waste diversion rate in 2023, up from 51% in 2022

3 38%

drop in plastic bags and plastic wrap usage (compared with 2022).

4 57%

of Own Brand products with plastics packaging are recyclable



5 24%

of Own Brand products in selected categories now have sustainability certifications, more than doubling the number from 2022

Social



1 More than 1,129 VOLUNTEER HOURS

were contributed in Hong Kong

2 Donated

US\$3.7M

to communities across the markets in which we operate

Governance



1 Moody's assessed our sustainability quality score as "Good" in relation to the Sustainability Linked Financing that we secured in 2023

2 0.95 Gender

Median gender pay equity in Hong Kong, representing a 5% gap (<0.5% median gender pay gap in Singapore)

3 94% of factories

in high-risk countries supplying Own Brand products have been audited against amfori or equivalent standards

PROGRESS TRACKER

Target

Progress



Scope 1 & Scope 2:
50% reduction by 2030, **net zero** by 2050, from a 2021 baseline.
 Scope 3 :
25% reduction in select categories by 2030.

From 2021 to 2023, DFI successfully reduced its Scope 1 & Scope 2 GHG emissions by 19%.
 DFI Sustainalytics ESG rating has improved in 2023 from 25.3 to 22.9.

In 2023, our Scope 1, 2, and 3 near-term emission reduction targets were validated by the SBTi.



Use **100%** recyclable, reusable, or compostable primary plastic packaging for our Own Brand products by 2030.

57% of our Own Brand products' plastic packaging is recyclable.



Increase waste diversion rate to **80%** by 2030.

Across our markets, we have rolled out recycling and donation initiatives to divert waste sent to landfills and work towards meeting these targets.
 Wellcome Fresh Food Centre in Hong Kong has taken sustainable measures to divert waste by collaborating with the Government and NGOs.

DFI implemented paper and cardboard recycling programme, utilising informal waste collectors and third-party contractors to provide recycling infrastructure and divert waste from landfills, promoting recycling and the creation of new products.



Create an equal work environment to succeed and contribute.

DFI organised Conscious Inclusion Training for all top 400 leaders to drive diversity awareness from top, fostering a more inclusive and diverse workplace.
 Provided diversity training for team members to create a more inclusive workplace where everyone feels valued and respected.

Utilised AI-powered software to track and suggest gender-neutral wording in communication materials, including job descriptions.
 Joined the Emerging Talent Internship Programme in collaboration with The Zubin Foundation, a Hong Kong charity, offering internship opportunities to marginalised ethnic minorities, promoting diversity and equity within our community.



Regularly monitor gender pay equity level and achieve gender balance.

Gender diversity in senior management increased to 38%.

Median gender pay equity in Hong Kong, representing a 5% gap, <0.5% median gender pay gap in Singapore.

1.1

SUSTAINING THE PLANET

Reducing Energy Usage

At the COP28 UN Climate Change Conference in Dubai in 2023, partner countries agreed to triple renewable energy capacity and double the rate of energy efficiency improvements by 2030, with the aim of limiting global warming to 1.5 degrees Celsius. DFI is aligned with this ambition: we are committed to a 50% reduction in Scope 1 and Scope 2 emissions by 2030 and reaching net zero emissions by 2050. To achieve these goals, we are focused on employing innovative solutions to enhance energy efficiency across our operations and generate more of our own energy from renewable sources.



Wellcome is the first retailer in Hong Kong to deploy a European-made 24-tonne electric truck

Enhancing energy efficiency in daily operations

We continually review our operations to enhance sustainable development and explore the feasibility of expanding our green fleet through direct purchasing and collaboration with third-party logistics providers. Since 2023 we introduced market-first larger electric trucks in Taiwan, followed by Hong Kong and implemented various energy-saving initiatives that promote responsible energy consumption and reduce our carbon footprint.

Introducing Electric Trucks in Hong Kong and Taiwan

Taiwan's first 26-tonne electric delivery truck

IKEA Taiwan welcomed the first electric truck in our fleet. In comparison to a 10.5-tonne diesel truck, the 26-tonne electric truck will reduce carbon emissions by 18%, which is equivalent to 5.38 tonnes of carbon dioxide every year.

The vehicle was also the first 26-tonne electric truck introduced in Taiwan. This achievement was made possible through our collaboration with Swedish truck manufacturer Scania, and Taiwan Transport & Storage (TTS), a subsidiary of Taiwan Cement Corporation (TCC). The electric truck

provides inventory replenishment services to stores from the new IKEA fulfilment centre.

We also collaborated with TCC Energy Storage Technology Corporation to install charging stations to support our transition to using the electric truck. Through the combined efforts of the three parties, we aim to promote zero-carbon and green logistics transportation development in Taiwan, and look forward to using more electric vehicles for inventory replenishment and home delivery services.



IKEA Taiwan partnered with Taiwan Transport & Storage to introduce the first 26-tonne electric truck

First retailer in Hong Kong to introduce a 24-tonne electric truck

As part of our plan to shift our fleet from diesel to electric vehicles, we applied for funding from the Hong Kong Government's New Energy Transport Fund in 2023. The Fund subsidises testing and encourages wider use of green innovative transport technologies for a variety of commercial applications. In February 2024, Wellcome Hong Kong became the first retailer in Hong Kong to operate a 24-tonne electric truck when it joined our fleet.

While reducing our Scope 1 emissions, it is expected that each electric truck could save over 264,000 litres of diesel fuel, equivalent to around 538 tonnes of carbon emissions over a decade which is comparable to the annual carbon absorption of around 24,710 trees. In addition to lowering our carbon footprint, the electric trucks also create less noise and have a simpler mechanical structure requiring less repair and maintenance. The advanced engineering and technology also enhance road safety and driver comfort.

Energy saving initiatives across our businesses

Our continued improvements in energy efficiency would not be possible without the support and hard work of our team members and partners. Change requires communication and throughout 2023, we continued to encourage behavioural changes across all our banners. We constantly engage with our operations team to monitor improvements through our technician network and ensure all our teams are empowered to adopt best practices. In addition, our Energy Champions, such as our store and regional managers, all have energy-saving targets and increased accountability for energy efficiency.

We hope our consistent action to monitor energy efficiency and increase energy savings will further reduce costs and minimise our environmental impact. These efforts have also resulted in recognition, including the Hong Kong Awards for Environmental Excellence - Super Gold Award, which we won for the sixth time in 2023. We are also the three times winner of the Joint Energy Saving CLP Smart Energy Award for Wellcome, 7-Eleven and Mannings.



Jon Abel, Group Facilities Management Director (middle) represents the Group to receive the Joint Energy Saving CLP Smart Energy Award

Energy efficiency upgrades and technology installation at Wellcome Hong Kong

Throughout 2023 our energy teams often worked through the night to convert LED lighting in 716 stores across Hong Kong, Singapore and Malaysia. They also installed a significant amount of technology in our existing refrigeration systems, working on more than 1,700 projects in our convenience and food stores across Hong Kong and Singapore. These improvements were made to compressors and fans within the refrigeration systems that facilitate greater adaptability when dealing with varying ambient conditions.

To optimise energy consumption and reduce energy waste, we installed electricity sub-meters to monitor the energy usage of refrigeration and air-conditioning systems in our stores in real-time. This allows team members to track consumption patterns and identify opportunities for improvements in energy saving, while also ensuring all the equipment is running at optimal levels and minimising energy waste. The sub-meters also provide visibility on exceptional events so our team can take action as needed.

We also installed motion detectors in low foot traffic areas at our stores, including back-of-house areas such as stock rooms. These detectors automatically control lighting, ensuring lights go off when there is no activity in the area, removing the need for manual intervention and helping to avoid wasting electricity. Wellcome has also installed smart air conditioning controls, utilising advanced technology that ensures the air conditioning operates at optimal levels.

716 STORES
across Hong Kong, Singapore and Malaysia converted to LED lighting



Switching to environmentally friendly equipment in 7-Eleven South China

Our 7-Eleven stores in South China have also been optimising equipment to reduce their energy consumption and environmental impact. Starting in September 2023, we have replaced traditional lighting with energy-saving LEDs and upgraded air-conditioning and refrigeration equipment in the region. More stores are now using

refrigerants with lower global warming potential (GWP) values in the freezers and open chill display refrigerators. We have also been installing anti-condensation controls on open chill freezer equipment, upgrading large tabletop freezers and reducing the use of acrylic insulation panels.

Minimising the use of electrical equipment at Lucky Cambodia

Meanwhile in Cambodia, DFI Lucky supermarkets have been developing and implementing strategies to minimise energy consumption and costs since late 2022. This energy conservation initiative, encompassing air conditioning, refrigerators and front lighting, was successfully implemented in all 84 Lucky supermarkets during 2023.

To optimise air conditioner usage, we reduced the number of units in operation from eight to three or four, depending on factors such as size of store, location, outdoor temperature, and customer traffic. After analysing our refrigerator use, we reorganised display space to minimise energy consumption and costs. Additionally, we have

moved items that can be stored at room temperature out of refrigerators.

As well as identifying and reducing unnecessary lighting during the night, we installed automatic timers for front of store lighting, further optimising power consumption. As a result of these initiatives, we have achieved significant cost savings of up to US\$30,000 per month in Cambodia.

Generating more of our own energy

From solar panels to a ground-breaking waste-to-energy initiative, we are actively increasing the use of renewable energy sources in our operations and exploring new opportunities to minimise carbon emissions across our markets.

Solar panel installation expansion

IKEA Taiwan has expanded its use of renewable energy solutions by installing solar panels on the 5,200-square-metre rooftop of our Hsin Chuang Store. The 2,500 individual solar panels have transformed the space into a clean energy generator. The store's solar panel system is anticipated to reduce its greenhouse gas (GHG) emissions by about 4,400 tonnes of carbon dioxide annually. This installation is the latest in IKEA Taiwan's efforts to reduce its GHG emissions through the use of solar energy. We have also installed solar power generation systems at four other

stores and at the new IKEA fulfilment centre that opened in 2023. To date, IKEA Taiwan has six solar panel installations generating sustainable energy and reducing carbon emissions.

Similarly, the solar panel system installed on the Wellcome Fresh Food Centre rooftop in Hong Kong in 2022, expected to continue to generate over 1 million kWh of renewable energy each year, under CLP Power's Renewable Energy Feed-in-Tariff scheme.



Sixth solar panel installation completed at IKEA Taiwan's Hsin Chuang store



Keith Siu, Chief Operating Officer of Maxim's Group (second right) was honoured at the National Business Awards 2023, celebrating its "exemplary model of waste-to-energy conversion"

Hong Kong's first inter-plant waste-to-energy initiative

In a groundbreaking collaboration, Maxim's Group and Towngas have spearheaded Hong Kong's first inter-plant waste heat recovery project. This waste-to-energy venture harnesses residual heat from the Towngas Tai Po Gas Production Plant, channelling it through an 800-metre underground pipeline to Maxim's Group's adjacent food factory at Tai Po InnoPark. Here, the heat is utilised to power desiccant dehumidifiers, crucial for maintaining specific humidity levels and ensuring optimal indoor air quality control for food production.

The inception of this project involved three years of research and planning, culminating in the engineering of desiccant dehumidifiers capable of leveraging the recovered heat energy. The redesigned system aligns with Maxim's Group's stringent food safety and quality standards by mitigating moisture-related contamination and microbial proliferation

on the production line. Additionally, the upgraded dehumidifiers offer significant environmental benefits, with an estimated annual reduction of 800 tonnes of carbon dioxide, equivalent to that absorbed by approximately 34,000 trees.

Both Maxim's Group and Towngas benefit from this circularity initiative, with the former gaining a sustainable source of green energy and the latter optimising the resource output from its gas production process. This collaboration underpins Maxim's Group's commitment to green operational excellence, balancing business needs with societal and environmental responsibilities. The initiative garnered acclaim at the National Business Awards 2023, presented by Hong Kong Business magazine, celebrating it as an exemplary model of waste-to-energy conversion and advocating for its broader application across industries.

1.2

SUSTAINING THE PLANET

Reducing Plastic Usage

Plastic offers numerous benefits such as extending food life, ensuring hygiene and being light, durable and inexpensive. However, these same qualities make it difficult to replace and contribute to its persistence in the environment decades after use. To achieve our goal of having 100% recyclable, reusable, or compostable primary plastic packaging for our Own Brand products by 2030, ongoing initiatives to reduce plastic usage include eliminating unnecessary packaging, switching to more environmentally friendly materials and improving plastic recycling.

Own Brand Health and Beauty reduce plastic across more lines

Following the launch of our Own Brand Health and Beauty Plastic Reduction Strategy, our team has continued to find more ways to offer high-quality, good-value products that utilise less plastic.

To achieve this goal, DFI has formulated five workstreams to reduce plastic usage across our Own Brand product Health and Beauty lines:

Refuse	Removing plastic shrink wrap.
Replace	Replacing HDPE plastic with widely recycled PET plastic, or replacing virgin plastic with materials made with plant-based fibres.
Reduce	Redesigning products to use less plastic.
Reuse	Introducing refill pouches so bottles can be reused.
Recycle	Using recycled materials in place of virgin raw materials. We are also working to maximise the recyclability of all our packaging.

Within our Own Brand Health and Beauty range, we continue to look for innovative ways of reducing plastic usage in all product lines following the five workstreams, including the following examples:

Refuse

Starting with body and hand wash products, we redesigned Mannings and Guardian's Own Brand anti-bacterial and 24-hour moisturising body and hand wash bottles in 2022 and expanded to more product lines in 2023. By replacing the HDPE bottles with lighter-weight PET bottles that are more easily recyclable, we were also able to reduce the weight of plastic used by around 15%.

Replace

Mannings and Guardian stores in Hong Kong, Macau, Malaysia and Singapore launched the NUMBER e!8ht Moisturising Sheet Mask made of Veocel; a plant-based material that is biodegradable and compostable.

Meanwhile, during 2023, Mannings in Hong Kong and Macau and Guardian in Singapore and Malaysia introduced anti-bacterial, multi-surface cleansing wipes made from 100% natural plant-based fibres. By replacing polyester fibres with plant fibres, we expect to avoid 58 tonnes of plastic waste per year.

Reduce

Mannings in Hong Kong and Macau has reduced the amount of plastic used in packaging across our Own Brand cotton products. The redesigned packaging was introduced to stores in late 2023, and the annual plastic reduction is forecast at 2.9 tonnes. The initiative will roll out to Guardian stores in 2024.

Reuse

In Malaysia, Guardian launched refill pouches for popular Own Brand body and hand wash products in late 2022. The refill pouches are available for up to 10 types of body and hand wash.

In 2023, Guardian stores in Singapore and Malaysia also introduced refill pouches for our Own Brand Kids Head to Toe Wash in Strawberry Yoghurt and Orange Yoghurt varieties.

For all these hand and body wash products, the refill pouches reduce the use of plastic by almost 80% compared to the original bottles.

Recycle

Since 2022, we have used 50% recycled plastic for our Own Brand dental care accessories, which were previously 100% virgin plastic. We have also reduced the amount of plastic outer packaging on dental care accessories by 23% to 45% through design innovations such as using paper packaging where possible. By using 50% recycled plastic for accessories, and switching to paper wrapping, we saved 50 tonnes of virgin plastic throughout 2023.

Through these initiatives, we reduced annual plastic usage by

110 TONNES in 2023



mannings
萬寧自家品牌

每日 抗菌芳香潔淨
ULTIMATE PROTECTION EVERY DAY

TRI-PROTECT8 配方能殺滅 99.9% 細菌及有助潤澤肌膚
TRI-PROTECT8 FORMULATION KILLS 99.9% OF GERMS, MOISTURISES AND SMOOTHENS SKIN

ANTIBACTERIAL SHOWER CREAM MAXIMUM PROTECTION
ANTIBACTERIAL SHOWER CREAM ULTRA MOISTURE
ANTIBACTERIAL BODY WASH COOL MINT

Own Brand Health and Beauty products using PET plastic bottles
Mannings and Guardian

Mannings and Guardian Eco-Garden offer affordable sustainable choices

Our Own Brand team introduced Mannings and Guardian Eco-Garden branded bath care, hair care, body and hand care products in Mannings and Guardian stores in Hong Kong, Macau, Malaysia and Singapore in Q4 2023. Designed to offer consumers affordable, eco-friendly health and beauty products, the Eco-Garden product line is made using 100% vegan formulas utilising over 90% natural-origin ingredients.

Adding to its sustainability credentials, the Eco-Garden range comes in packaging that utilises post-consumer recycled (PCR) plastic with 100% PCR bottles and 40% PCR tubes.



7-Eleven South China, Hong Kong, Macau & Singapore leading the way with sustainable materials

7-Eleven South China, Hong Kong, Macau and Singapore have taken significant steps towards reducing plastic usage by introducing various sustainable materials for tableware and packaging and inspiring customers to adopt more sustainable habits.

Starting in 2017, 7-Eleven South China has transitioned to using only degradable disposable bags and has introduced environmentally friendly utensils such as biodegradable beverage straws and wooden spoons. In 2022, we completely replaced plastic cups with paper cups for Slurpee drinks. We avoided using 24.9 tonnes of plastic in 2023.

7-Eleven's network of Tsat Jai Sik Dong (7-Eleven Food Stall) in Hong Kong and Macau introduced new tableware by replacing plastic with sustainable materials in September 2023. The environmentally friendly upgrades include cups for hot drinks made with FSC-certified paper, cup lids made from bagasse (sugar cane pulp), FSC-certified paper straws and bagasse cutlery.

Covering more than 330 Tsat Jai Sik Dong in Hong Kong and Macau, 7-Eleven reported more than 2 tonnes of plastic was avoided in 2023 after the adoption of serving items made from sustainable materials.

Concern has been growing about the single-use plastic tableware for takeaway food services in Hong Kong and

Macau. According to Hong Kong Government figures, the use of plastic tableware has grown by 27% in the last decade and reached 225 tonnes of plastic per day in 2021 during the pandemic. In October 2023, the Hong Kong Government announced plans to ban disposable single-use plastics for tableware from April 2024. 7-Eleven Hong Kong's adoption of sustainable tableware demonstrates some alternatives to single-use plastic for takeaway food services, and is a valuable step towards the community's goal to reduce plastic usage.

7-Eleven Singapore prioritised its sustainability journey, particularly focusing on food and cutlery practices. As part of this effort, we revamped our burger packaging system, transitioning from a two-component packaging to a more streamlined solution with just a wrapper and sticker label. Also, we have reduced the thickness of the plastic top seal of our meal boxes by 0.15mm.

We believe in promoting an eco-friendly lifestyle from a young age. One of our key initiatives is to advocate for the use of reusable straws with our best-selling Slurpee. We encouraged all Slurpee fans, particularly young children, to adopt environmentally friendly behaviour while enjoying Slurpee. Therefore, we have introduced affordable and reusable pocket straws as a plastic straw replacement option.

Adoption of rPET Bottles for Meadows, Mannings, and 7-SELECT beverages

In line with our commitment to use more recycled materials, we changed the packaging of Meadows Mineral Water and Distilled Water bottles to 100% recycled PET (rPET) in Hong Kong in late 2023. Additionally, Meadows French Mountain Water will be available in rPET bottles in Hong Kong and Singapore in 2024.

We also plan to offer Mannings Mineral Water in Hong Kong and Macau in 100% rPET bottles in 2024. 7-Eleven Hong Kong and Macau also changed its 7-SELECT juice packaging in 2023 from virgin PET bottles to rPET bottles.

Wellcome joins retail return point take-back trial

Partnering with Drink Without Waste, we participated in the Community Plastic Beverage Bottle Recycling Programme in Tin Shui Wai. Drink Without Waste is a collaboration between the beverage industry, retailers, NGOs, recyclers and other stakeholders that seek to reduce the volume of used beverage packaging going to Hong Kong landfills. We took part in this trial programme to engage proactively in the Hong Kong Government's upcoming Producer Responsibility Scheme (PRS) for Plastic Beverage Containers and Beverage Cartons.

In October 2023, we launched the first retail return point take-back trial, inviting customers to return plastic PET, HPDE and PP bottles, at Wellcome in Tin Chak Shopping Centre.

The programme aims to test trial various approaches for collection and recovery of plastic beverage bottles across the district, with the aim of increasing the percentage of bottles recycled. As part of the ongoing PRS trial, four Wellcome stores in Tin Shui Wai installed collection points in December 2023 and promoted the programme in-store.



GNC Recycling Reward Programme

In March 2023, GNC Hong Kong launched the GNC Recycling Reward Programme, which partnered with local social enterprise V Cycle to recycle GNC brand plastic bottles into new materials.

To encourage customers to recycle, we provided a HK\$10 GNC discount voucher for every GNC plastic bottle returned. These bottles are then processed at V Cycle's recycling factory and turned into post-consumer recycled plastic pellets used for manufacturing new products.

As of 31 December 2023, over 3,700 plastic bottles had been returned and recycled.



1.3

SUSTAINING THE PLANET

Reducing Waste

To reduce our environmental impact, we have initiated programmes to prevent food waste and all kinds of waste from going to landfills, and work towards meeting our targets - that is to achieve a waste diversion rate of 80% by 2030. By collaborating with NGOs and local partners and leveraging technology, we can optimise our use of natural resources, while saving the energy, water and costs involved in production and reduce greenhouse gas (GHG) emissions such as methane produced by food and other waste.



Hero collaborated with FoodCycle to promote awareness about hunger through food donation drop boxes Hero Indonesia

Our focus on reducing all food waste

According to the Intergovernmental Panel on Climate Change (IPCC), food loss and wastage are responsible for 8 to 10% of global GHG emissions, mainly from the methane produced when food decomposes anaerobically (without oxygen) in landfills. At a time when food insecurity is rising worldwide, as a leading food retailer, we are committed to ensuring the long-term resilience of our food supply chain and raising awareness about the scale of the global hunger crises. The UN's World Food Programme reports that 238 million people in 48 countries faced high levels of acute food insecurity in 2023, a 10% increase from the previous year.

Reducing food waste can help improve food security for more people while supporting our efforts to reduce GHG emissions and slow climate change. Our primary efforts in reducing food waste involve preventing food from becoming waste at all through improved management of processes at all stages of production, supply chain and processing, as well as partnering with NGOs to redistribute still good and safe-to-eat surplus food and collaborate to finding innovative uses for recycling any remaining waste.

Donating soon-to-expire food to NGOs

Across the region, DFI has broadened the scope of our food donation initiatives to redirect surplus edible food to those in need. We collaborate with established local charities and organisations that are well-placed to distribute food to beneficiaries through various projects in our communities. Our food donation initiatives include the examples below by Hero Indonesia, Wellcome Hong Kong, and 7-Eleven Hong Kong, which donated more than 250 tonnes of non-perishable and soon-to-expire food items in 2023.

Hero Indonesia

Indonesia faces a significant food waste problem. Not only is it the world's second-largest disposer of food waste, but Indonesia also has food security issues and some of its population lack adequate nutrition. As part of its "Hero For Life" #HeroForPeople humanitarian campaign, Hero Indonesia has increased its efforts to address food waste and raise awareness through several initiatives that address this issue in different ways.



Partnered with National Food Agency to launch the Hero Food Rescue campaign Hero Indonesia

Rescuing food before expiry dates

Starting in September 2022, Hero partnered with FoodCycle Indonesia an NGO that focuses on food loss and food waste, to start rescuing food that is close to expiry in Hero stores. To extend the network of beneficiaries, Hero also partnered with Indonesia's National Food Agency (NFA) to remove food items from its stores that could otherwise become food waste, at least four weeks before expiry dates. These items include unopened dry and packaged food, which is then distributed to those in need. Meanwhile, 'Hero Food Rescue' identifies food at least two weeks before reaching expiration dates for distribution through NFA food banks to orphanages and nursing homes.

The campaign kicked off with a lively event featuring an NFA food truck where a chef cooked excess fresh food from Hero supermarkets to share with local communities. Since the programme launched in September 2022 until April 2023, Hero has rescued 1,958 kg of food, which NFA and NGOs redistributed directly to those in need.



We organised the creative dish challenge with children in Hero 51 Sharelebration event Hero Indonesia



Hero x FoodCycle drop boxes Hero Indonesia

Food donation drop boxes raise awareness about hunger

To encourage more people to reduce food waste, Hero stores in Jakarta, Bandung, Surabaya, and Makassar also partnered with FoodCycle Indonesia to make it easier for customers to donate excess food and reduce hunger. Customers can donate unopened dry and packaged food items at donation drop box points at Hero Supermarkets. FoodCycle Indonesia then collects, sorts and distributes the donations. From the initial six participating supermarkets in July 2022, 13 stores had joined the programme after one year, and donated 349.8 kg of food to care homes for children close to those stores. Both campaigns have made a promising start and demonstrated some of the many ways we can all contribute to preventing food waste.



Donating food and items to be sent off to those in need Hero Indonesia

Wellcome, Hong Kong

In 2022, Wellcome Hong Kong initiated a programme to donate dry goods and fresh produce nearing the end of its shelf life to NGOs. Our stores work with several charities including Foodlink and Feeding HK that collect safe-to-eat surplus food and deliver it to organisations such as senior centres, crisis shelters, central kitchens, after-school programmes and food banks helping people in need. We donated 108 tonnes of food from January to December 2023 to Foodlink and close to 36 tonnes to Feeding HK.



Wellcome donated dry goods and fresh produce nearing the end of its shelf-life to NGOs Wellcome Hong Kong

7-Eleven Hong Kong

Also in Hong Kong, 68 participating 7-Eleven stores work with Foodlink to donate various soon-to-expire products to multiple NGOs and their beneficiaries every month. Additionally, around 146 stores donate still-fresh bread and baked goods to NGOs such as Breadline that help distribute surplus bakery items to people in need.

From January to December 2023, 7-Eleven Hong Kong donated around 146,000 pieces of non-perishable and soon-to-expire food items, preventing 108.9 tonnes of food from going to landfills.

WFFC production upgrade: New packaging format extends shelf life

We have upgraded production at the Wellcome Fresh Food Centre (WFFC) in Hong Kong by introducing skin packaging and modified atmosphere packaging (MAP) to extend the shelf life of meat, avoid leakage and reduce waste. This new format of packaging can improve store operation efficiency and cleanliness and also save over HK\$1.1 million in shrinkage costs.

The MAP format typically improves shelf life by at least 30% compared to overwrap packaging. Quality and physical protection are more stable and reliable throughout display, storage and transportation so products' peak condition periods are extended. MAP allows our customers and operations to better manage unstable environments such as taking produce home or delivery services.

Recognition as an Eco-Supermarket in Macau

In Macau, San Miu has been honoured by the Macau Environmental Protection Bureau with the gold medal for four consecutive years in its Eco-Supermarket recognition plan. Meanwhile, three San Miu stores participated in the local government's food waste recycling pilot programme and successfully achieved waste reduction, recycling, and energy conservation goals in 2023. In addition, San Miu participated in several green initiatives such as encouraging recycling of red packets during Chinese New Year and mooncake boxes at the Mid-Autumn Festival.



San Miu has been awarded the gold medal for four consecutive years in the Macau Environmental Protection Bureau San Miu Macau

Repurposing food waste into energy, enzymes and food

Turning food waste into energy

Since 2022, as part of the Environmental Protection Department's (EPD) food waste collection programme, several Wellcome supermarkets have started diverting food waste to OPark1, a facility that converts food waste into biogas. This renewable energy source is used to generate electricity that can be used at the facility or exported to the grid, while the remaining residue from the process is converted into compost suitable for horticultural or agricultural purposes.

As of December 2023, we have implemented food waste separation and recycling processes at 53 Wellcome stores, resulting in the diversion of over 600 tonnes of food waste to OPark1 as of December 2023.

Additionally, since WFC joined the EPD's Pilot Scheme on food waste collection we have successfully diverted about 96% of food waste generated at the centre.



We joined Environmental Protection Department's food waste collection programme to divert food waste Wellcome Hong Kong

Maxim's Group recycling food waste for regenerative farming

Maxim's Group in Hong Kong collaborates with Hung Yat Farm to reduce waste and promote sustainable practices and the circular economy within the food industry, through the WeGen farming project. The farm, located in the Yuen Long district, embraces regenerative agriculture, adhering to principles that promote ecological balance and nutrient recycling, with the goal of cultivating safe and high-quality vegetables.

At the core of this initiative, Hung Yat Farm repurposes pre-consumed food waste from Maxim's Group facilities, converting it into enzymes. These organic compounds are derived from food waste such as coffee grounds, mango peels, eggshells and salmon bones, offering a green alternative to traditional pesticides and fertilisers. The farm's commitment to crop rotation not only enhances soil quality and carbon sequestration but also protects biodiversity.

This symbiotic relationship forms a closed-loop system where Maxim's Group procures fresh produce from the farm for use in their restaurants. In 2023, the project successfully transformed 7 tonnes of food waste into soil-improving

enzymes, which in turn supported the cultivation of 5.1 tonnes of produce, spanning 17 different vegetable varieties.

To further this cause, we have disseminated the progress and benefits of our initiative, aiming to inspire and educate through "A Practical Guidebook to a Circular Economy: Collaborating with Value Chain Partners for a Resilient Business", a publication by the HKU Centre For Civil Society and Governance in 2023.



Hung Yat Farm repurposes pre-consumed food waste from Maxim's Group facilities, converting it into enzymes Maxim's Hong Kong



The sustainable closed-loop system received the Best Social Responsibility award with a Highly Satisfactory rating from La Tofi School Hero Indonesia

Black Soldier Fly bioconversion of food waste

In a pioneering initiative in Indonesia, Hero has partnered with Biomagg Indonesia and Hero FoodCycle Farm to implement a sustainable solution that uses Black Soldier Fly (BSF) technology to convert food waste into valuable animal feed and fertiliser. Compared to other industrial food waste management methods, the BSF bioconversion process requires less time and produces less waste. The high-protein animal feed it generates is also more sustainable, less expensive than traditional feeds like soy, and is suitable for fish, poultry and livestock.

Fresh food waste is collected from Hero Supermarkets and the Distribution Centre and transported to the Biomagg Larvae Innovation Centre. The decomposition process is fairly swift; after 10-14 days, the BSF larvae are then harvested for animal feed and the process also generates organic fertiliser as a byproduct. In the first year of operations, between January and December 2023, our BSF organic waste management solution recycled 12.9 tonnes of food waste.

To further reduce our carbon footprint from transportation and foster a sustainable circular economy, Hero became the first retailer in Indonesia to establish a BSF bioconversion site near a store to create a closed-loop waste management solution. In a ground-breaking partnership with FoodCycle Indonesia, Hero implemented the HERO FoodCycle Farm programme, which involves the use of BSF technology to process the food waste from the Hero stores into animal feed and organic fertiliser.

The programme begins with the separation of food waste at the stores followed by processing at the temporary waste disposal site next to the store. The proximity also reduces the carbon footprint and transport costs associated with the process. After the BSF larvae decompose the food waste, the resultant animal feed and organic fertiliser are sold or given to local fish farms and vegetable farmers. To complete the circular economy loop, Hero started selling fish and vegetables from the participating farms at two Hero stores in early December with plans to expand to more stores in 2024.

Between June and December 2023, the HERO x FoodCycle Farm programme recycled 4.6 tonnes of food waste from the first pilot store, helping to reduce carbon emissions by 11.5 tonnes demonstrating the effectiveness and potential for this integrated circular approach to waste management.

Our commitment to environmental stewardship and the creation of a sustainable, closed-loop system was recognised with the Best Social Responsibility award with a Highly Satisfactory rating from La Tofi School of Social Responsibility. We will continue to seek solutions to manage as much food waste as possible and are proud to be part of groundbreaking innovations that help address these challenges, by strengthening the circular economy through technology and local partnerships.

Upcycling surplus bread and coffee grounds into beer

Maxim's Group has innovated in food waste reduction by partnering with Breer, a food upcycling startup. This collaboration gave rise to BOB, short for "Bottle of Bread", a craft beer that innovatively substitutes barley with surplus bread from Maxim's facilities. The debut of Original BOB beer in 2022, which incorporates 25g of surplus bread per bottle, was met with acclaim from both consumers and craft beer aficionados.

In 2023, the collaboration took a creative leap with the introduction of Coffee BOB, a stout beer with a rich palate, crafted with a blend of 4g of coffee grounds and 15g of surplus bread and crusts per bottle.

Available in over 100 Maxim's Group restaurants and outlets throughout Hong Kong, BOB has not only been a commercial success but also served as a catalyst for raising awareness about sustainability and food research and development. The brand has inspired culinary innovations, such as the BOB Cake by Arome Bakery, and has prompted internal food pairing contests.

Both Coffee BOB and Original BOB have been decorated with awards, securing Gold in the Asia Beer Challenge and Bronze in the World Beer Awards for 2023, while Original BOB also received Bronze at the Hong Kong International Beer Awards.



Innovating in food waste reduction by partnering with Breer, a food upcycling startup Maxim's Hong Kong

Minimising waste of other materials

IKEA Taiwan joins circular "Textile to Textile" Project

IKEA Taiwan aims to be a circular economy enterprise by 2030. Recognising the challenge presented by the global generation of 92 million tonnes of textile waste annually, projected to escalate to 130 million tonnes by 2030, and 80% of the waste was not recycled or reused. IKEA joined Taiwan's "Textile to Textile" Project to explore new solutions to extend the life of textiles.

IKEA Taiwan collaborates with local partners, Far Eastern New Century (formerly Far Eastern Textile) and textile manufacturer and research and development firm Yicheng Hsing to promote the circular economy of textiles in Taiwan. The project involves three key steps: waste collection and sorting, shredding and extrusion into recycled fibres, weaving, dyeing and manufacturing new products.

IKEA provides about one tonne of textiles not suitable for sale such as display items and customer returns that would previously have been discarded. After waste collection, Far Eastern New Century applies its "TOPGREEN@rTEX" recycling technology to process discarded polyester products, by shredding the textiles, melting them into granules, drawing fibres, and false twisting to yield recycled fibres. Yicheng Hsing helps coordinate the various stakeholders and navigate manufacturing technology challenges such as weaving and dyeing the recycled materials to produce innovative new fibre and products.

Additionally, the IKEA Taiwan marketing team has introduced a point-based activity at stores, encouraging customers to earn and redeem points for tote bags crafted from the "Textile to Textile" Project's recycled fabrics. This initiative promotes the concept of environmental protection and mindful purchases.

Recycling Zone converts waste into useful materials

IKEA Kota Baru Parahyangan (KBP) joined forces with social enterprise Duitin to create a new kind of Recycling Zone at the store in West Java. Duitin specialises in digital services such as apps that make sorting, collecting and managing waste easier for businesses. It is also part of the first cohort of the Instellar and IKEA Social Entrepreneurship Indonesia Accelerator (I-SEA) programme that aims to accelerate the quality of social enterprises in Indonesia.

At the IKEA KBP Recycling Zone, customers collect digital reward points for bringing various types of recyclable waste

including plastic bottles, paper, aluminium cans and used disposable baby diapers. Duitin coordinates collecting the waste for recycling, processing and converting it into useful materials or items.

From launch in June 2023 to December 2023, over 7,000 kg of recyclables have been collected, which included over 3,000 kg of cardboard, 1,000 kg of plastic, and 700 kg of baby diapers.

From June to December 2023, over

7,000 kg of recyclables have been collected



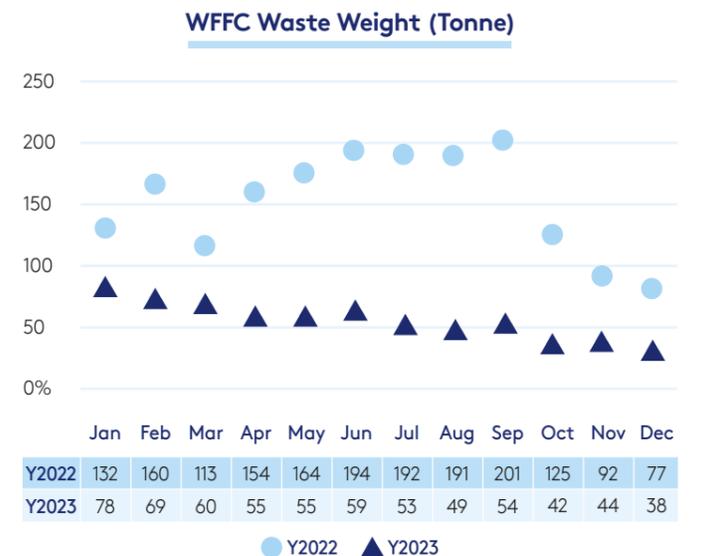
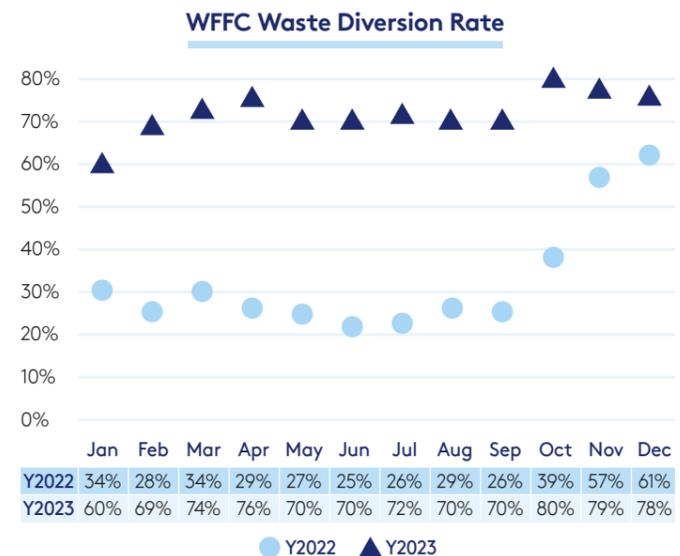
WFFC's success in diverting waste

In Hong Kong, WFFC has significantly increased the amount of waste it diverts from landfill. The WFFC's waste diversion rate rose from 32% in 2022 to over 72% in 2023, which saved around 1,200 tonnes of waste from going to landfills over 12 months.

This achievement by the WFFC team involved collaborating with NGOs that pick up and reuse our pallets and recycle polystyrene boxes and are working with our suppliers to reduce the use of polystyrene. We now return 80% of temperature data loggers to local suppliers for reuse and have partnered

with the Environmental Protection Department to develop other local upcycling possibilities for these traditionally single-use items.

On the operations side, we started partnerships with local NGOs, including the Salvation Army, the Hong Kong Jockey Club's 'Look For Green' Mobile Recycling Programme and Kwun Tong Recycling Station, to effectively manage the disposal of unwanted stationery and appliances from the WFFC office, ensuring they are recycled or reused appropriately.

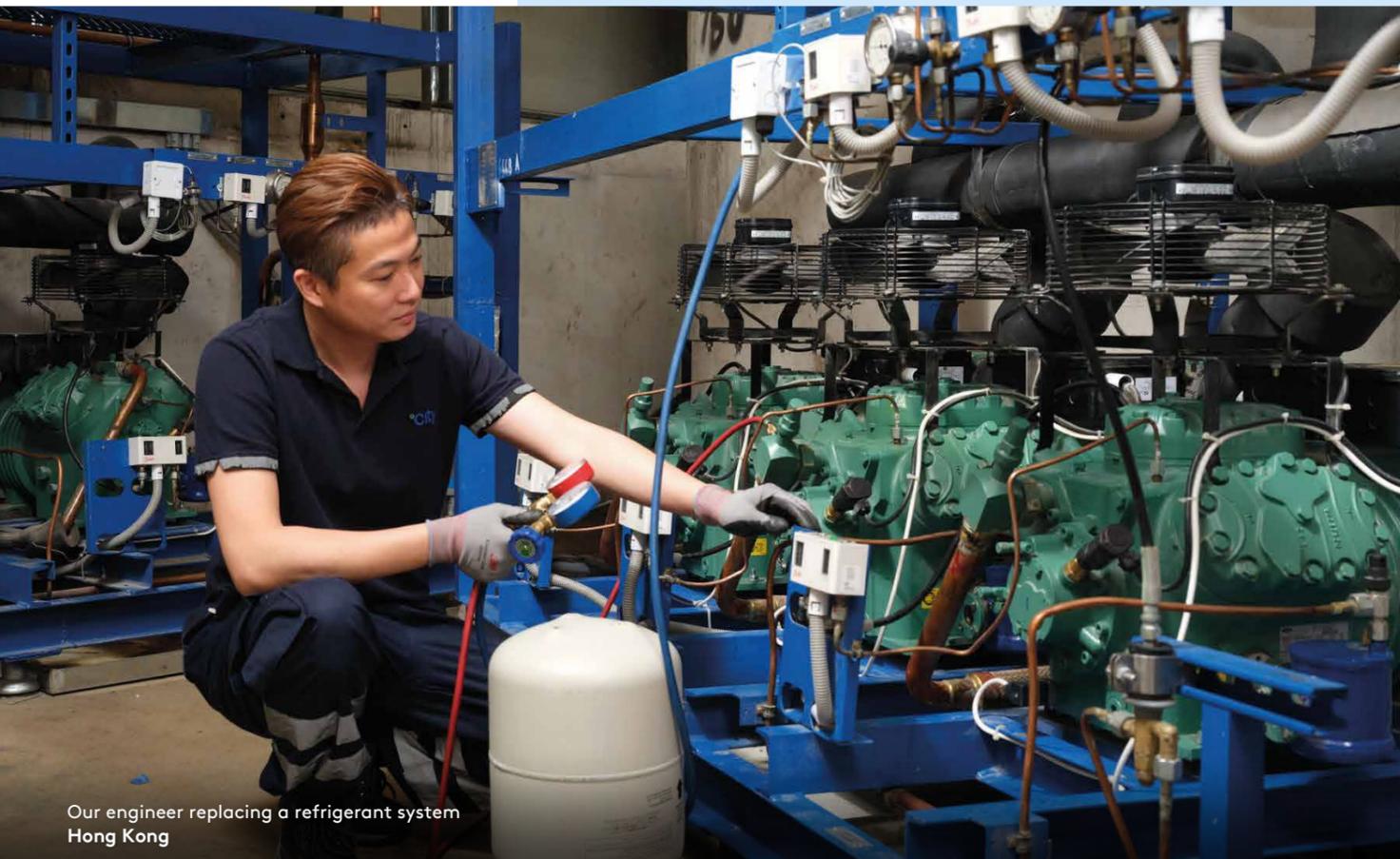


1.4

SUSTAINING THE PLANET

Eliminating Harmful Refrigerants

Science Based Targets initiative (SBTi) validation for our near-term Scope 1 and Scope 2 reduction targets for carbon and other greenhouse gas (GHG) emissions is an important step towards achieving net-zero emissions by 2050. Traditional refrigerants account for significant emissions across our retail businesses, therefore, to achieve our targets we are investing in pioneering new technologies such as water loop refrigeration technology and using refrigerants with a lower global warming potential (GWP) wherever possible.



Our engineer replacing a refrigerant system Hong Kong

SBTi validation for Group targets

DFI has passed an important milestone on our sustainability journey. In 2023, we became one of the first retailers in Asia to have GHG emission reduction targets validated by the Science Based Targets initiative (SBTi), a global body that defines and promotes best practices in emission reductions and net-zero targets, in line with climate science.

Our SBTi-validated GHG emission reduction targets include committing to reduce absolute Scope 1 and Scope 2 emissions by 50% by 2030, from a 2021 base year. We are also committed to reducing absolute Scope 3 GHG emissions, covering purchased goods and services, fuel- and energy-related activities, and waste generated in operations and as a result of our investments.

DFI is one of the



1st ASIAN RETAILERS

to receive validation from the SBTi

Converting refrigerators to use lower GWP refrigerants

We have also been working closely with refrigeration industry leaders to find ways to reduce the use of high GWP refrigerants for stores that are not suitable for installing water loop technology. In 2023, we have converted 11 stores to lower GWP refrigerants across Hong Kong and Singapore's food business.

Pioneering water loop refrigeration system lowers emissions

As part of our commitment to reducing harmful GHG emissions, we have invested in developing and installing water loop refrigeration technology, which has increased the efficiency of our refrigeration systems, reduced our GHG emissions and reduced energy usage.

Following the successful roll out of water loop refrigeration systems in our first Wellcome store in Hong Kong in 2022, we installed water loop refrigeration systems in nine more stores in 2023, with more to follow in 2024.

We also set up the DFI Refrigeration System Research and Development Centre in Chung Hom Kok in collaboration with our facilities management partner, City FM. This dedicated research centre enables further engineering experiments and training for engineers to expand their knowledge of water loop technology in Hong Kong. Additionally, we have initiated meetings with stakeholders such as the Hong Kong Environment and Ecology Bureau, the Business Environment Council and banks, to demonstrate the water loop system and its applications in order to encourage more businesses and institutions to consider its adoption.



We have invested in water loop refrigeration technology to enhance efficiency, decrease GHG emissions, and reduce energy consumption Hong Kong

2.1

SOURCING RESPONSIBLY

Improving Animal Welfare

We are committed to sourcing responsibly and gradually adding more products to our Own Brand range that meet globally recognised sustainability and animal welfare standards at affordable prices. As we continue this journey, we collaborate with our suppliers, farmers, fisheries, vets, scientists, animal welfare NGOs and international certification bodies to improve animal welfare.



We offer customers sustainable and better chicken through the Better Chicken Programme's implemented measures
IKEA Hong Kong

Offering more choice of cage-free eggs

At DFI, we take animal welfare seriously and have been selling 100% cage-free and free-range eggs under our exclusive Meadows brand since its launch in 2021. As of 2023, we have successfully launched six SKUs of cage-free and free-range eggs in our stores.

Eggs are an essential low-cost protein for millions of our customers across the region. We understand this makes eggs an especially price-sensitive everyday food item and have worked to make our cage-free eggs affordable for more of our customers. To achieve this, we partner with animal welfare organisations, including the Humane Society International (HSI) and our suppliers, to improve the welfare of laying hens producing eggs for our Meadows brand cage-free and free-range eggs.

Collaborating with HSI, we developed strict DFI prerequisites for our cage-free eggs in conjunction with industry standard production audits and certifications. Today, all Meadows cage-free egg suppliers follow these DFI-recognised certification standards.

We have taken further steps to increase the choice of cage-free eggs in our stores. Through Wellcome Hong Kong's partnership with KIN in 2023, an innovative local food company sourcing eggs from sustainable farms that do not use hormones or antibiotics, we launched KIN cage-free eggs and KIN organic free-range eggs. Furthermore, 11 restaurants at IKEA in Hong Kong, Macau and Taiwan use cage-free eggs in their food outlets.

Going forward, we will continue working with our suppliers and partners to promote animal welfare and positively impact the communities we serve.



We have been selling 100% cage-free and free-range eggs under our exclusive Meadows brand since its launch in 2021

Better chicken for healthier humans

IKEA Hong Kong is committed to offering customers a variety of more sustainable and healthier food options at its Swedish food markets, restaurants and bistros in the city. As part of this promise, IKEA Hong Kong joined the Better Chicken Programme in April 2023. This global initiative focuses on animal welfare at supplier farms to ensure broiler chickens are raised sustainably, resulting in better quality chicken, healthier people and a reduced environmental impact.

To enhance the social environment for chickens, supplier farms do not use broiler cages or multi-tiered cage systems. They must maintain optimal humidity, ventilation and temperature levels to prevent discomfort. In addition, suppliers work with a poultry veterinarian to develop a health plan to regularly check their flocks' condition, ensuring no hormones are used and eliminating the routine use of antibiotics. The programme also addresses

sustainable animal agriculture issues by sourcing feed that does not contribute to deforestation and climate change. Farms must also create a waste management plan to maximise the value of poultry manure while minimising its environmental impact. By implementing these measures, IKEA Hong Kong is able to offer customers more sustainable and better chicken.



More MSC-certified sustainable seafood

Meadows has expanded its sustainable seafood range, offering more Marine Stewardship Council (MSC) certified products across its canned seafood lines. The MSC blue tick shows the product is caught from a fishery that adheres to standards set to help conserve seafood stocks and protect ocean ecosystems. With more than a third of the world's seafood stocks currently over-fished, science-based MSC certification affirms we are helping to sustain resources for future generations and the livelihoods of communities that depend on the ocean's resources.

The MSC certification standard ensures the fishery has minimised its impact on the ecosystem and that tuna

stocks are healthy and well-managed. This includes taking measures to ensure as little harm as possible to other marine species, including dolphins, turtles and seabirds.



Meadows broadened its sustainable seafood range with more MSC-certified products in frozen and canned selections.

Supporting conservation and animal wellbeing

Guardian Singapore is collaborating with the Mandai Wildlife Group to support conservation projects across Southeast Asia and bring awareness to sustainable palm oil farming. We have also adopted Satria, a male Sumatran orangutan, the youngest son of Ah Meng, an icon of the Singapore Zoo.

In 2023, Guardian launched this initiative in conjunction with the introduction of the Eco-Garden product range, our pioneering health and beauty product line that uses sustainably sourced ingredients, including sustainable palm oil.

Partial proceeds from the collection of 10 cents for plastic bags at Guardian will support the Mandai Wildlife Group's conservation projects, which include species management and habitat protection in collaboration with partners in the region.

DESIGNED TO FEEL BETTER
為你 追求更好

BEAUTY ACCESSORIES
美妝工具系列

VEGAN BRUSHES
純素化妝掃

ESSENTIAL mannings

Own Brand Health and Beauty products conduct no animal testing and comply with local standard
Mannings and Guardian

No animal testing on Own Brand Health and Beauty products unless required by national regulations

We are committed to prioritising the safety and quality of our Own Brand Health and Beauty products above all else.

At DFI, we do not conduct animal testing on our finished products, unless it is mandated by national regulations.

Also, we continuously endeavour to enhance the formulations of our products, ensuring that each and every one of our Own Brand Health and Beauty products comply with local standards and safety requirements.

2.2

SOURCING RESPONSIBLY Improving Human Welfare

People are at the heart of everything we do. We employ around 213,000 team members, and our businesses touch the lives of millions across the region. To improve the quality of life for more people, we strive to promote healthy lifestyles, equality, inclusion, and sustainability in all areas of our operations for customers, team members and our communities.



Health Choice Campaign
Wellcome Hong Kong

Mannings offers AI Wellness Scan

We are committed to providing innovative healthcare solutions that meet our communities' evolving needs. To this end, Mannings launched the AI Wellness Scan in Hong Kong in September 2023 to raise awareness of active health management and disease prevention. This facial scan is a non-invasive solution that measures customers' key vital signs, such as heart rate, oxygen saturation and stress level, in just 30 seconds.

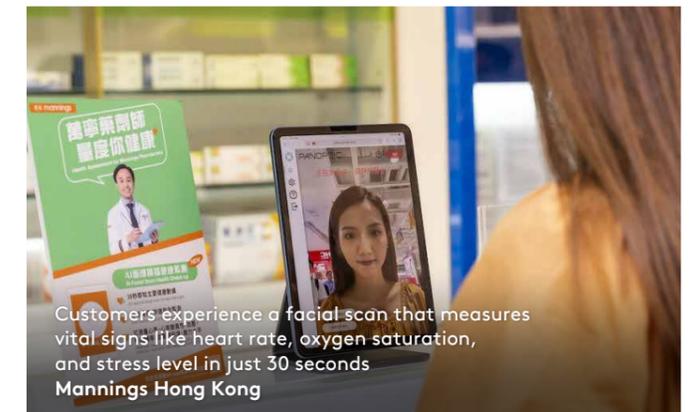
Recognising the growing need for more accessible preventive healthcare, we launched this new solution to

help people better manage their personal health. Supported by The Hong Kong University of Science and Technology, the AI Wellness Scan reaches more than 90% accuracy in clinical trials.

Available at seven Mannings in-store pharmacies and corporate wellness events, nearly 3,000 wellness scans were conducted in the four months following its launch, with our team of professional pharmacists and dietitians providing personalised health consultation based on the scan results.



AI Wellness Scan launched in September 2023
Mannings Hong Kong



Customers experience a facial scan that measures vital signs like heart rate, oxygen saturation, and stress level in just 30 seconds
Mannings Hong Kong

Innovative pharmacy service piloted in Hong Kong

Mannings launched the PharmaCare programme in March 2023. A first-in-sector employee benefits programme, it offers professional pharmacist consultations and medication services for minor ailments, helping to alleviate pressure on public healthcare. We initially rolled out the programme to Mannings Hong Kong as a pilot, and subsequently more broadly to Mannings Macau as well as HKBN.

PharmaCare provides in-programme employees, as well as their immediate family members and domestic helpers, with convenient access to professional pharmacist consultation and medication services for minor ailments, such as colds and flu, allergies, aches and pains, gastrointestinal conditions, women's health concerns, minor skin conditions, eye conditions, and oral health. PharmaCare can also, upon request, issue a pharmacist's

note for employees to apply for sick leave. The programme saw more than 9,000 visits following its launch in 2023.



Mannings launched the PharmaCare programme in 2023
(Philip Chiu, Head of Professional Service)

IKEA supports social entrepreneurship in Indonesia

To improve everyday life for vulnerable communities, we established the Instellar and IKEA Social Entrepreneurship Accelerator (I-SEA), a programme co-created by IKEA Social Entrepreneurship, IKEA Indonesia, IKEA Supply and our local implementation partner Instellar. I-SEA is a two-year business acceleration programme that supports the growth of social enterprises already working to increase equality, inclusion, and sustainability in the region, to help them increase their impact.

Commencing in 2022, the first cohort completed the I-SEA programme in June 2023 successfully supporting 10 innovative social enterprises in providing jobs and delivering goods or services to address local needs. In late 2023, we are welcoming a second cohort to the I-SEA programme, supporting an additional 10 social enterprises working in circularity and sustainable agriculture to create a better everyday life for marginalised local communities.



The Instellar and IKEA Social Entrepreneurship Accelerator provides business support, networking opportunities and access to funding

Wellcome offers more healthy choices

Wellcome is committed to delivering quality and value and responding to changing customer needs. Since the onset of the pandemic, our customers have become increasingly health aware and more health conscious when

choosing food. We now cater to more dietary requirements and are able to offer our customers over 1,000 items of food classed as low fat, sugar-free, gluten-free or no hormones added.



Over 1,000 food products classed as low fat, sugar-free, gluten-free or no hormones added
Wellcome Hong Kong



Wellcome caters to different dietary requirements of our customers

2.3

SOURCING RESPONSIBLY Improving Land Welfare

We recognise the considerable impact that climate change can have on our food systems and the urgent need to conserve wildlife, soil quality and forests. As a major retailer, we have an important role in improving land welfare. We will continue to review our packaging and sourcing practices to find more sustainable materials and products while supporting organisations working to conserve the environment.



Nathan Lam, Pharmacist is educating customer to protect the environment through responsible medicine disposal
Mannings Hong Kong

Sourcing more sustainable products and packaging

We are dedicated to sourcing responsibly, expanding our choice of sustainable products, and using sustainable ingredients and packaging materials for our diverse range of products across our banners. We place a strong emphasis on promoting ethical and fair trade practices throughout our supply chain. In doing so, we aim to ensure that our products are not only of high quality but also contribute positively to the well-being of the planet and the communities we serve.

Since October 2022, 7-Eleven Hong Kong has switched to using 100% Arabica coffee beans, certified by the Rainforest Alliance, an esteemed international organisation dedicated to promoting sustainable agriculture and forestry practices.

7-Eleven Singapore also embraced Rainforest Alliance-certified 100% Arabica beans in its 7CAFÉ coffee in 2023 and prioritised responsible sourcing by introducing FSC-certified cups and lids for 7CAFÉ hot coffee.

Meadows launched our first line of Own Brand recycled aluminium cookware in December 2023, offering saucepans made from at least 90% recycled aluminium.

Also, we transitioned 42% of our Own Brand paper products to FSC-certified sources during 2023. We aim to maintain this momentum, committing to use 100% FSC-certified paper for Own Brand products by 2028.



Promoting safe disposal of unused medicines

Mannings Hong Kong collaborated with an NGO, Junior Chamber International Tai Ping Shan (JCITPS), on a campaign to promote the safe disposal of unwanted or out-of-date medicines. When disposed of improperly, unused medicines could contaminate soil, water and the wider environment, increasing the risk of drug resistance in the community if they accidentally enter the food chain.

The month-long “Safe Disposal of Unused Medicines” campaign saw 26 Mannings in-store pharmacies providing complimentary collection services, and successfully preventing over 1.18 million pills and capsules from improper disposal.

In addition, Mannings pharmacists joined hands with JCITPS to organise 13 talks for 3,300 students between April and June 2023 to raise awareness about the proper handling of unused medicines and reducing their potential impact on the environment.

yuu Rewards donation to promote environmental protection

yuu Rewards partnered with Foodlink, the Conservancy Association and the Conservancy Association Centre for Heritage to enable members to make donations to NGOs working with people in need, promoting environmental protection and safeguarding cultural heritage in Hong Kong. The yuu App provides an easy platform to reach our customers and encourage charitable donations. We also triple yuu Members’ donations on the 8th of each month. In 2023, yuu and our members donated 176,499,644 points to reduce hunger and 13,684,007 points to protect the environment, equivalent to \$950,918 to the three charity organisations.



3.1

SERVING COMMUNITIES Reducing Hunger

As a leading pan-Asian food retailer, we recognise it is our duty to utilise our strengths to assist those in need and reduce hunger in our communities. In line with our values and priorities, we also promote and involve our customers in our campaigns to raise awareness about food security issues within the communities we serve. This is an integral part of our corporate social responsibility.



7-Eleven extended 'Sik Tak Fan La' programme to Guangzhou in 2023
7-Eleven South China

Hot food donation for low-income communities

'Sik Tak Fan La' is a Cantonese phrase meaning 'the meal is ready to serve'. We launched our first 'Sik Tak Fan La' campaign in Hong Kong in 2022, collaborating with non-governmental organisation (NGO) partners to donate hot meals, and other supplies to people in need. Since then, this powerful phrase has inspired further successful collaborations, and provided food for more people in more communities across Hong Kong, the Greater Bay Area (GBA) and Singapore every day.

'Sik Tak Fan La' charity programme outreach in the GBA

In June 2023, we extended our 'Sik Tak Fan La' programme to the GBA. Given the sharp increase in the over-60s demographic in Guangzhou, through our partnership with the Guangzhou Volunteers Association, we provided vouchers for hot meals to elderly people as well as families in need.

Our 7-Eleven stores in Guangzhou donated RMB 0.5 for every 7-SELECT meal box sold. Over the first six months of the initiative, we raised RMB 251,092, which we converted into vouchers equivalent to 14,946 meal boxes.

To kick-start the programme in the GBA, 7-Eleven South China donated 1,000 meal vouchers for 100 elderly people living alone and 100 families with children under 14 years old. Throughout the year, the Guangzhou Volunteers Association shared the vouchers with 18 community service organisations that then distributed the meal vouchers to beneficiaries to redeem 7-SELECT meal boxes in any 7-Eleven store.

One beneficiary, Ms Zheng, faced challenges in cooking due to her limited mobility. As a result, she often prepares only one meal a day. Despite the presence of a canteen for elderly people in her area, the 85-year-old found it tiring to walk there. Ms Zheng said the 'Sik Tak Fan La' programme is very helpful because she can redeem hot meals at a 7-Eleven store near her home at any time, saving her time, money and effort spent in cooking and allowing her to rest more.

Raised **RMB 251,092**
equivalent to 14,946 meal boxes



RMB 0.5 is donated for every 7-SELECT meal box sold
7-Eleven South China



Jack Wen, Managing Director of 7-Eleven China and Guangzhou Volunteers Association distributed meal boxes to beneficiaries
7-Eleven South China

"I hope this programme can spread love and care, and reach more people in the community in Guangzhou. It is also a continuation of the Meal Voucher Programme in 2020, to encourage more compassionate individuals who wish to assist others to participate and offer a helping hand for those in need"

Jack Wen,
Managing Director, 7-Eleven China

'Sik Tak Fan La' charity programme expands in Hong Kong

The first 'Sik Tak Fan La' programme was launched by 7-Eleven Hong Kong in collaboration with local social enterprise Pei Ho Counterparts in 2022 to provide hot meals to the underprivileged including elderly people living alone, the homeless and low-income families, within the Sham Shui Po district. We fund this initiative by donating HK\$0.5 to Pei Ho Counterparts for each designated 7-SELECT meal box sold at 7-Eleven stores across Hong Kong.

In 2023, our partnership with Pei Ho Counterparts continued, expanding our community outreach to a second neighbourhood, Shau Kei Wan. As of December 2023, we have donated over HK\$1.35 million, equivalent to 54,000 meal boxes, to people in need.

Donated
HK\$ 1.35 MILLION
equivalent to
54,000 meal boxes
as of 31 Dec 2023

We also donated some new shopping trolleys to beneficiaries to make it easier to carry bulky or heavy items. Contributing to the success of 'Sik Tak Fan La', around 90 team members from DFI and Jardines took part in four volunteer sessions to pack goodie bags, shopping trolleys, deliver meals and supplies.

With the support of our customers, team members and NGO partners, we will continue to seek new ways of providing food and assistance to vulnerable members of our communities.



Our team members, Horace Li (left) and Patrick Cheng (right) prepared meal boxes at Pei Ho Counterparts 7-Eleven Hong Kong



Donating food supplies to the community 7-Eleven Hong Kong

"Mid-Autumn Festival represents 'reunion' in Chinese culture, so it was especially heart-warming when we brought meal boxes to the elderly, as if we were celebrating the festival together as a family."

Monica Kwan, 7-Eleven Hong Kong Volunteer



"Better Together" food donation programme Giant Singapore

Better Together: tackling food insecurity

In Singapore, Cold Storage and Giant initiated the 'Better Together' food donation programme in 2020, providing daily necessities and nutritious products to families in need.

We work with the Food Bank Singapore (FBSG), a local charity, to tackle food insecurity, which affects one in 10 families in Singapore, according to The Hunger Report. FBSG supports over 360 member beneficiaries that work with underprivileged families. To participate in this campaign, customers purchase items for FBSG beneficiaries and drop them off at collection points in stores after checkout.

Through our customers' generosity and stores donating date-expired food, we donated 305,506kg of food, equivalent to 872,876 meals, since the start of the programme in December 2020 until December 2023.

The Better Together initiative aims to complement existing food donation efforts by focusing on nutrition and work with FBSG to encourage customers to donate items that enable vulnerable families to meet dietary needs and have a healthier lifestyle. We target achieving the equivalent of 10,000 meals per month from customer donations. To achieve this goal, we have made the campaign more visible with in-store signage highlighting FBSG's specific requirements and prominently displayed roller cages designated for collecting food donations.

Donated
305,506 kg
of food, equivalent to 872,876 meals,
to the Food Bank Singapore

From December 2020 to December 2023

Own Brand rice donation programmes

'Chi Fan Le Ma?' in Singapore and 'Sik Jor Fan Mei' in Hong Kong are two of our campaigns to help reduce hunger by donating a specified amount of money to our partner NGOs for every sale of our popular Own Brand Meadows and Yu Pin King rice, which helped distribute rice to their beneficiaries.

'Chi Fan Le Ma?' extends new partnership in Southeast Asia

In 2022, we launched 'Chi Fan Le Ma?', which means 'Have you eaten?' in Mandarin, in partnership with Food Bank Singapore. Our initial goal was to provide one million meals to help feed beneficiaries over the next two years by donating SG\$0.10 for every kg of our Own Brand Meadows rice sold at Cold Storage, CS Fresh and Giant supermarkets. The funds raised are used by FBSG to purchase Meadows rice at cost price for their beneficiaries.

Under the same campaign, in early 2023, Giant collaborated with United Overseas Bank (UOB) to donate 25,000 kg of Meadows rice to over 30 beneficiary organisations in the Joo Chiat district, including charities, religious organisations, community groups and elderly homes. The donation took place at an event attended by the Minister for Culture, Community and Youth and Second Minister for Law, Edwin Tong, who is also the Member of Parliament representing Joo Chiat, and UOB's First Vice President, Cards and Payments, Personal Financial Services, Luke Siew. Meanwhile, Giant also donated 120 packs of 5kg Meadows rice for a community event held at the Giant Supermarket in Ubi.

Donated

25,000 kg

of Meadows rice to over 30 beneficiary organisations

'Sik Jor Fan Mei' rice donation programme continues in Hong Kong

In Hong Kong, Wellcome continues to promote the 'Sik Jor Fan Mei' rice donation programme in collaboration with the NGO Foodlink, which provides hot nutritious meals and food to elderly people, the homeless and low-income families. Foodlink uses the funds raised to buy Yu Pin King rice at cost price. As of December 2023, Wellcome has raised over HK\$9.2 million, which is equivalent to over 28 million bowls of rice, for Foodlink beneficiaries in two years.

The 'Sik Jor Fan Mei' programme includes other initiatives such as regular fresh and dry food donations and a monthly 'Double Up Day' when we double donations to HK\$1 per kg of Yu Pin King rice sold. Additionally, on major festivals such as Chinese New Year, Mid-Autumn Festival and Winter Solstice, not only do we double the donation for Yu Pin King rice, but we also match customer purchases on selected Yu Pin King products. For every designated Yu Pin King item a customer buys, we donate one item to Foodlink.

By involving our customers in our charity programmes, we hope to raise awareness and inspire more people to take action in building a more caring community.

Lucky celebrates International Children's Day

In June 2023, Lucky Cambodia donated surplus food to feed disadvantaged children on International Children's Day. Through collaboration with our local community NGO partners Pour un Sourire d'Enfant (PSE), Cambodian Children's Fund, and Khmer NGO for Education (KHEN), we contributed food valued at US\$7,432 to our three NGO partners, reaching about 4,500 underprivileged children.

Contributed food valued at

US\$ 7,432

to our three NGO partners, reaching about 4,500 underprivileged children



Packing food donations for NGO partners Lucky Cambodia



Donating food to disadvantaged children Lucky Cambodia

3.2

SERVING COMMUNITIES

Reducing the Cost of Living

We serve diverse communities across the region. We are dedicated to helping all our customers make the most of every dollar they spend with us and are aware that our customers may face financial challenges at any time. In the face of the rising cost of living, we are committed to offering high quality products while keeping prices affordable.



'HALO HERO: Low Prices, Savings, and Don't Run Out' Hero Indonesia

Helping customers meet everyday needs

DFI is committed to providing value to our customers across the region, particularly in times of inflation. We have worked closely with suppliers to avoid or postpone price increases and offer consistent savings to customers on everyday essentials. During 2023, our 'Keep Prices Down' campaign in Mannings Hong Kong and 'Low Prices Locked to Stay Low' at Guardian Singapore offered customers savings on everyday health, beauty and personal care products of over US\$30 million and US\$6.75 million, respectively.

them better plan and budget. By providing consistent pricing on essential products across various categories, Wellcome, Giant and Hero saved our customers a total of US\$1.5 million, US\$5.3 million and US\$9,000 in 2023, respectively. To provide more savings to customers, Wellcome, Giant and Hero have resisted US\$16.8 million, US\$5.8 million and US\$3,000 of cost price increases from suppliers, creating value for our customers.

Saved customers over

US\$ 43 MILLION

by lowering average selling price in Low Price campaigns

Similarly, Wellcome Hong Kong's 'Low Prices Locked', Giant Singapore's 'Lower Prices That Last' and Hero Indonesia's 'HALO HERO: Low Prices, Savings, and Don't Run Out' campaigns delivered significant savings to customers' shopping at our supermarkets. These initiatives not only provide reassurance to customers, but also help



萬寧 mannings

'Keep Prices Down' Campaign Mannings Hong Kong



DFI RETAIL GROUP SUSTAINABILITY REPORT 2023



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Own Brand products deliver value for money

DFI has launched a wide selection of Own Brand products ranging from food, beverages, groceries to health and beauty, all offering high quality at prices that are on average over 20% lower when compared to similar national or name brands. We also aim to help our customers manage their budgets for daily essentials by negotiating better deals with our suppliers to stabilise the cost of our Own Brand products. In 2023, we managed to save a total of US\$6.8 million for customers by rejecting and postponing cost price increases, alongside other supports, in our Own Brand products sold in supermarkets and Health and Beauty stores, including Meadows, Yu Pin King, Giant, Mannings and Guardian.

To offer greater value for money, we launched 750 unique new Own Brand Health and Beauty products, expanding the category range to encompass oral care, sun care and facial skincare. We also added new products to existing lines, including our Own Brand vitamins and supplements, such as launching the Gummy Vitamin format for adults. There are now over 1,600 Own Brand Health and Beauty products available across DFI's business and markets.



Own Brand Health and Beauty products
Mannings



Meadows Own Brand product selection

Own Brands priced

20% below the
AVERAGE PRICE
of national brands

7-Eleven delivers choice and value

As the leading convenience store with a retail network comprising more than 1,100 stores in Hong Kong and Macau, 7-Eleven strives to offer all its customers value for money. 7-Eleven Hong Kong and Macau offer new value deals every week, including Plus-Sell, Best Buy, \$10 deals, Savers Meal Combos, Payment Means promotions, yuu e-stamps, as well as our signature discount days 7.11 Day and 11.7 Day in July and November.

Meanwhile, in the GBA, our network of more than 1,700 7-Eleven stores also marks 7.11 and 11.7 Day as 7-Eleven

South China's annual celebration. We use the day to thank our customers for their loyalty and support through offering various in-store and online to offline delivery promotions.

In Singapore, our neighbourhood 7-Eleven stores offer an extensive range of value promotions to cater to more of our customers' needs, whatever their budget. As inflation continued to rise in early 2023, and consumers became more price-conscious, we introduced our Value Bites promotion featuring a range of food items priced below our average category price. Additionally, our grocery deals campaign, which was first introduced during the pandemic continues, so our stores can serve local communities as a convenient alternative for grocery shopping.



Extra discounts for senior citizens

Every Wednesday, Wellcome offers Hong Kong's senior citizens a 10% discount on selected items, including Own Brand products, helping our senior customers stretch their budgets further. In 2023, we lowered the eligibility requirement of this offer from anyone aged 65 or above to all holders of a JoyYou card, which all Hong Kong residents aged 60 or above are entitled to carry, making the offer more inclusive.

In Singapore, Giant offers a senior citizen discount programme every Tuesday and increased the discount from 3% to 4% in October 2023. Meanwhile, Cold Storage continues to offer senior citizens a 3% discount on all items storewide every Wednesday.



'Light Up Hope' helps families reduce electricity bills

IKEA Hong Kong's 'Light Up Hope' programme aims to reduce energy poverty and improve the quality of life for children and families living in inadequate housing. In partnership with Caritas Hong Kong, we have launched a broad range of initiatives, including practical support, outreach programmes and educational workshops on energy conservation for families in need under the programme.

Living in inadequate housing causes numerous life challenges. Properties are often run-down, crowded and equipped with old, energy-consuming appliances, resulting in higher energy bills, especially in hot weather. With limited space to move around at home, children often do homework and play under poor lighting and uncomfortable conditions.

During 2023, the programme's scope included donating energy-efficient household items such as LED light bulbs, reading lamps, and cooling bedding, to disadvantaged families. The items improve their quality of life by lowering energy costs, relieving discomfort in hot weather, and creating a more conducive environment for children to study and play. By reaching out to beneficiaries through two Caritas community centres, these practical measures have helped 40 families in Tsuen Wan and Ngau Tau Kok.

In addition, IKEA Hong Kong worked with Caritas and other organisations to offer educational workshops to more than 40 families living in inadequate housing. These workshops provided tips on daily energy-saving and methods of reducing electricity consumption, as well as advice on eye protection.

IKEA team members and Caritas will also offer community education to schools on the impact of climate change, energy conservation and the importance of eye protection in 2024. It is expected more than 40 primary school students will join workshops to learn more about the challenges that people living in inadequate housing in the community face.

Meanwhile, IKEA Taiwan addressed the needs of children and families facing financial challenges and economic instability. This initiative also extends to remote rural elementary schools with limited resources.

IKEA Taiwan's 'Light Up Hope' programme also aimed to alleviate energy poverty. The initiative included providing economically disadvantaged families with energy-efficient appliances and LED bulbs that can help reduce electricity bills in Taiwan's hot summers and cold winters.

We will also supply educational equipment, and volunteers will help make home improvements and boost energy awareness to help households devise appropriate and effective energy-saving solutions. More broadly, IKEA Taiwan will promote sustainable energy education to the public.



Children's learning supported by new reading lamps with lower energy cost
IKEA Hong Kong



Replacing with energy-efficient lights for the beneficiaries
IKEA Hong Kong

Maxim's Group opens third Kiddy Heart Canteen

Maxim's Group and Baptist Oi Kwan Social Service set up their first Kiddy Heart Canteen in 2013 to help school children living in low-income areas in Hong Kong achieve a balanced diet. In 10 years, we have served more than 250,000 nutritious hot meals.

Inspired by the belief that a balanced diet provides children with a foundation for a healthy body and mind, Kiddy Heart Canteen was the first in Hong Kong to serve meals for primary school students and their families, providing a nutritious dinner at an affordable price of HK\$10. At the same time, it offers services like tutorial classes for children and counselling for parents.

In 2023, we expanded the service to offer free breakfasts, serving over 6,000 portions. The year also saw the opening of our third Kiddy Heart Canteen in Hong Kong, and we will continue to look for similar collaboration opportunities in more locations in future.

Served more than
250,000
nutritious hot meals since 2013



Children celebrating birthdays at Kiddy Heart Canteen
Maxim's Hong Kong



'Light Up Hope' programme
IKEA Hong Kong

3.3

SERVING COMMUNITIES Raising Self-Esteem

We strive to improve the daily lives, health and education of underprivileged children and young people in our communities and raise their self-esteem. In addition, by creating a more diverse, equitable and inclusive society, raising self-esteem and empowering individuals to reach their full potential, we can help break the cycle of disadvantage and provide opportunities for personal growth and success.



Philip Chiu, Head of Professional Service, provided health consultation at the 'Let's Get Healthy' Festival Mannings Hong Kong

Helping Kids Grow Happier, Healthier and Stronger

Mannings launched the 'Helping Kids Grow Happier, Healthier and Stronger' charity campaign in June 2023 to address the growing health challenges facing children and young people in Hong Kong. This initiative was a collaboration with The Hub Hong Kong, a local community centre that supports children living in poverty and difficult circumstances.

We recognise that all children and teenagers need healthy food, sleep and plenty of exercise opportunities to thrive and reach their potential. However, studies show that around 75% of Hong Kong students are not reaching the recommended minimum levels of physical activity. Many low-income families live in very cramped homes and children have little opportunity for physical activities or to exercise outdoors, which was exacerbated by the pandemic. For some families, financial challenges can also lead to a poorer diet quality, putting children at increased risk of nutritional and vitamin deficiencies, as well as obesity.

The 'Helping Kids Grow Happier, Healthier and Stronger' campaign was designed to support sports and fitness programmes at The Hub Hong Kong's centre and offer activities related to health and well-being for beneficiaries.

We donated
HK\$ 2.86 MILLION
as of 31 Dec 2023

Includes
HK\$ 1.98 MILLION cash donation
to fund the shared programme co-run by Mannings and The Hub Hong Kong

Includes
HK\$ 882 K
worth of Mannings health supplements for children

6 Sports classes sponsored
Rope skipping, fitness training, parent-child/kids' Muay Thai, floor curling, table tennis, hip-hop



The campaign kicked off with the 'Let's Get Healthy' Festival Mannings Hong Kong

We raised funds by donating HK\$2 for every item from the Own Brand Health Supplements range sold during the campaign period. Our initial goal was to raise HK\$2 million in a year to support programmes for over 2,200 underprivileged families and children. With our customers' support, we raised HK\$1.98 million in just four months.

Co-managed by Mannings and The Hub, the 'Helping Kids Grow Happier, Healthier and Stronger' programme offers a range of activities such as rope skipping, fitness training, floor curling, hip-hop, table tennis and Muay Thai. The programme helps children become more active and discover new sports and hobbies, which can support building self-esteem as well as physical health. Our donation also enabled The Hub Hong Kong to offer health education activities, health workshops and lectures for parents and children to learn more about healthy living, with Mannings pharmacists and dieticians providing nutrition consultation services.

As of 31 December 2023, we donated HK\$2.86 million to fund shared community programmes co-run by Mannings and The Hub Hong Kong.

Having identified that a lack of balanced nutrition, physical activity and time outdoors could contribute to vitamin deficiencies and weight issues in children, Mannings also donated HK\$882,000 worth of Own Brand health supplements for children. We aim to further support children's health and build a solid foundation for their future development and well-being.

Mannings is committed to protecting the health of the community. We will continue striving to support children's well-being, encouraging activities to improve physical and mental health and raise self-esteem, as we believe all of these play a part in nurturing the next generation.



'Together, Keeping Kids Clean and Healthy' programme expanded to Cambodia
Guardian Cambodia

#guardiancares: Keeping kids clean and healthy across Southeast Asia

The #guardiancares initiative supports a range of projects in communities where we operate and passed several key milestones in 2023. Our #guardiancares 'Together, Keeping Kids Clean and Healthy' programme first launched in Singapore, Indonesia, Vietnam and Malaysia in late 2022. During 2023, we expanded the programme to support initiatives in Brunei and Cambodia.

The 'Together, Keeping Kids Clean and Healthy' programme provides bath care products for underprivileged children across our markets in Southeast Asia. We reached our 2023 goal of providing the equivalent of 20 million baths in one year to underprivileged children by July. Building on this success, we doubled the target to 40 million baths a year.

For each litre bottle of Guardian Own Brand bath care sold, a designated amount (e.g. RM 0.15 in Malaysia/VND 2,500 in Vietnam), is donated to a fund used to provide Guardian Own Brand bath products to children living under challenging circumstances. Our customers can also support the programme by purchasing a #guardiancares Bear plush toy. All proceeds from the sale of #guardiancares Bears go towards funding bath care products and education for disadvantaged children.

Each market works with a recognised local NGO partner to identify and reach communities in need. Our partners support

engagement activities, including distributing bath products, organising hygiene workshops for school children and projects to upgrade schools.

In Brunei, Guardian collaborates with the Children's Cancer Foundation (YASKA), which supports children living with cancer and their families. Guardian Brunei donates B\$0.1 to YASKA for every litre of Own Brand bath care products purchased by customers. Guardian also organised a donation drive for Guardian Essential body wash to support YASKA beneficiaries in Brunei and offered activities for children such as basic lessons in hygiene, a pop quiz session and colouring activities.

Meanwhile, Guardian Cambodia collaborates with non-profit Pour un Sourire d'Enfant (PSE) to support the education of children facing acute hardship and helps them break the poverty cycle. PSE operates community service centres in slum areas and supports over 6,500 children a year to receive an education, including some who scavenge from dump sites and grow up on the streets. Additionally, PSE has established a vocational training institute that enables school leavers to gain skills and learn a trade.

Guardian team members marked the start of the #guardiancares initiative in Cambodia by visiting the PSE community service centre at Phum Russey. Our volunteers distributed Guardian body wash products and #guardiancares Bears to over 135 schoolchildren. In addition, we gave gift bags out to them, which contained educational materials about the importance of staying clean and healthy and the best way to wash hands and bodies.

Meanwhile in Vietnam, where Guardian funds better education opportunities to children living in remote areas, we presented scholarships to 10 children in the Cẩm Mỹ district. At the same time, we also distributed #guardiancares hygiene kits to the communities in need.

Target to provide

40 MILLION
baths to underprivileged children



'Together, Keeping Kids Clean and Healthy' programme in Malaysia
Guardian Malaysia

Brightening up village schools and young lives

DFI Lucky Supermarket and Guardian Cambodia teamed up to launch the 'Painting for a Brighter Smile' upgrading programme for underfunded rural schools. The initiative aims to enhance the learning experience for underprivileged children by transforming dull school buildings into vibrant welcoming spaces through creative murals and colourful paintwork.

Working with our Cambodian NGO partner PSE, we identified schools that could benefit from upgrading and sponsored painting and creative murals that brought new life to the schools. Not only does this initiative expose school children to art, but it also creates a more enjoyable and dynamic learning environment that can have a positive effect on children's mental health and inspire creativity.



Brightening up village school walls with colourful paintwork
Guardian Cambodia



Soun Pohnleu, a team member from Lucky, volunteered for "Painting for a Brighter Smile" upgrading programme
Lucky Cambodia

Fostering equity through mentorship

We recognise the value of a diverse workforce in driving innovation and growth, and are committed to fostering a culture of inclusivity. With a non-discriminatory and inclusive hiring policy long implemented, we ensure a balanced representation of genders among our team members. By creating a more inclusive and empowering culture within our organisation, we hope to foster an environment where everyone can thrive and reach their full potential.

The DFI Women's Network advances female leadership and promotes a more inclusive workplace environment. Since its launch on International Women's Day, 8th March 2022, the network has organised a successful speaker series and workshops, all of which have seen strong participation from team members across different levels and geographies.

Building upon our first year's accomplishments, on International Women's Day in 2023, the DFI Women's Network launched a new tailored mentorship programme for female team members. It empowers women's leadership and promotes equity and personal growth, and aims to provide female professionals with guidance and access to tools that help them succeed in their careers. During 2023, we recruited and connected over 20 mentor-mentee pairs from various banners across our markets. We look forward to witnessing the positive impact this programme will have on their careers and personal growth.



"I'm proud to work for a company committed to fostering diversity, equity and inclusion. It is important to have a diversity of views from all team members as it leads to more innovative solutions and ultimately better business decisions, driving our collective success. We strive to create an environment where everyone feels heard and valued for their contributions."

Danni Peirce, Chief Executive Officer, 7-Eleven

"Through personal experience, I understand the unique challenges that women often encounter. Don't quit, even when faced with challenges! Pursue your passions, hold onto your beliefs, and never underestimate the strength that arises from being authentic and true to yourself."



Erica Chan, Group Chief Legal, Governance and Corporate Affairs Officer



"Building more gender equality and inclusion is a win-win-win for team members, our organisation and customers. Organisations that invest in their people this way tend to be both happier and more successful!"

Joy Xu, Group Chief People & Culture Officer

Creating employment opportunities for more people with special needs

In Hong Kong, 7-Eleven works closely with various NGOs to recruit and support team members with special needs. Since 1995, we have supported people with intellectual impairments and those who are recovering from mental illness, enabling them to connect with the community in an inclusive workplace.

Since 2022, we have recruited 48 team members for 7-Eleven stores by partnering with NGOs such as Rehabilitation Alliance Hong Kong, Youth Outreach, Caritas, Hong Chi Association, Baptist Oi Kwan Social Service, New Life Psychiatric Rehabilitation, Shine Skills Centre and MINDSET. The team members are assigned front-line roles in stores with simple responsibilities including shelf cleaning, stock replenishment and date code checking.

Currently, 27 team members recruited from designated NGOs are working in our Combined Distribution Centre, including three team members who joined us since 2013.

"I enjoy working here as this place brings me a great sense of belonging and self-confidence after I have successfully completed a task my supervisor assigned."

Ho Tse Pang,
7-Eleven Hong Kong team member in a Shau Kei Wan store

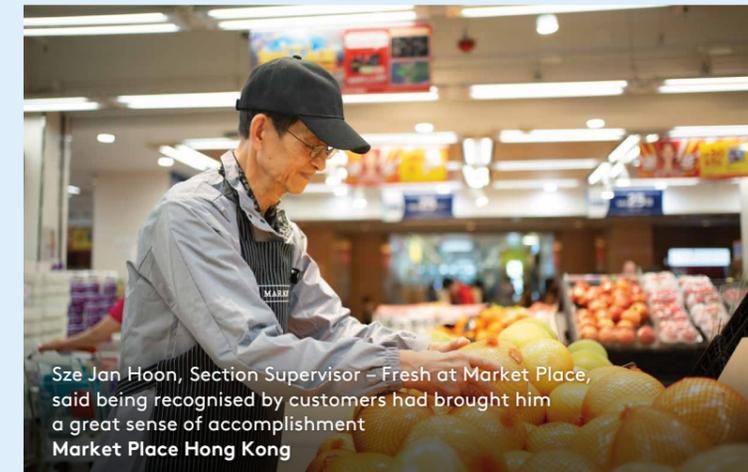
14% TEAM MEMBERS
in Combined Distribution Centre are recruited from partnering NGOs

Employment opportunities for senior citizens

DFI takes a proactive approach to our ageing population and shrinking workforce. We have extended our employment service period and welcome new team members who aged 65 or above, providing opportunities for senior citizens to work longer and share their knowledge and talents.

To support senior team members, we provide flexible working hours, training, and virtual training courses. This enables individuals to continue developing their skills and stay engaged in the workforce while also accommodating other challenges they may face.

By fostering an inclusive work environment that values senior citizens' experience, wisdom and diversity, we are creating a positive impact on society and contributing to the well-being of our team members. We hope this initiative expands to assist more seniors in staying physically and intellectual active, providing purpose and offering opportunities to stay connected with their community.



4

LIVING OUR VALUES

Our team members are at the heart of our business and success. Every day they embody DFI's values, including putting customers first, respecting each other, caring passionately and doing the right thing. We prioritise the safety and well-being of our people and strive to help them build their experience and develop their careers with us. DFI is committed to serving our communities and encourages our team members to volunteer. We acknowledge and appreciate our team members for their dedicated contributions to giving back to the community and living our values, both in and outside the workplace.



Our team members visited rural schools to distribute hygiene kits to students Guardian Vietnam

#guardiancares' volunteer work

A Day in Guardian: Shop and Learn

We organised a three-day event at Guardian stores in Jakarta to provide hands-on educational experiences for underprivileged children from local schools. The event was supported by volunteers from our stores and store support centre. During the event the schoolchildren were able to choose appropriate hygiene products for their age and learn about the importance of maintaining good daily personal hygiene. The schoolchildren were also introduced to our pharmacists and learned about their profession. The event supported our commitment to children's rights in the region and our ongoing initiatives to donate bath and healthcare products to children in need in Indonesia.

#guardiancares Kids Carnival

The Guardian Indonesia team collaborated with Waroeng Imaji, a non-profit organisation that focuses on empowering children in disadvantaged neighbourhoods and schools, to promote healthy lifestyles to underprivileged families. The collaboration included the #guardiancares Kids Carnival in Jabodetabek, where we distributed 24,000 Guardian bath and bodycare products to children and held fun and interactive workshops for elementary school students and local residents. We also set up handwash stations to educate students about the importance of maintaining personal hygiene. Children and young people took part in games, dance performances and tote bag painting workshops with the assistance of our volunteers. More than 30 team members also helped prepare #guardiancares goodie bags to give to children at the carnival.

The collaboration between Guardian and Waroeng Imaji supports people in achieving a healthy lifestyle while providing meaningful educational and engaging social activities.



Colourful school outreach

In Malaysia, #guardiancares volunteers visited a local primary school in Shah Alam, donating 820 bottles of Guardian shower cream and 270 #guardiancares bears to Year 2 pupils, special needs students and teachers.

In addition, our volunteer team members worked with a professional muralist and surprised the students by painting a huge mural at the school over the weekend. The artwork reinforces the importance of hygiene through cute scenes of our iconic orange #guardiancares bear taking baths and keeping itself clean. We also partnered with Malaysian NGO MyPerintis to organise a hygiene workshop for the school students, and our pharmacist shared useful information about the importance of proper hygiene and showering.



Mid-Autumn Festival fun with volunteers

Guardian Vietnam, in collaboration with Saigon Children's Charity, is continuing its #guardianCares projects, which provide opportunities for children in remote areas of Vietnam.

Our volunteers from Guardian Vietnam organised a Mid-Autumn Festival party for children living in difficult circumstances in Dong Nai province. Our volunteers visited the children and arranged gifts including shower gel, toothbrushes, #guardiancares bears, lanterns and mooncakes, creating a memorable party.

Walk Up Jardine House 2023

We actively support the annual MINDSET charity fundraiser Walk Up Jardine House in Hong Kong. Walk Up Jardine House aims to boost mental health awareness and raise money for the underserved mental health community. In 2023, the physical race returned for the first time since the pandemic, and it was held in conjunction with a virtual race.

Team members from across our banners in Hong Kong took part in the race to the top of Jardine House. Together we accomplished over 6.8 million steps, equivalent to 7,184 Jardine Houses, which is 700,000 more steps or 651 more Jardine Houses than last year.

Over **6.8** MILLION

steps, equivalent to 7,184 Jardine Houses, which is 700,000 more steps or 651 more Jardine Houses than 2022



Eric Choi from the P&C team finished the Walk Up Jardine House 2023 physical race Hong Kong



Participating in the Walk Up Jardine House 2023 physical race Hong Kong



Team members participating in the Walk Up Jardine House 2023 virtual race Wellcome Hong Kong



Stepping up to raise awareness for mental health yuu Hong Kong



Supporting our team members IKEA Hong Kong

7-Eleven Singapore's 'Together We Care' launched

During 2023, the rising inflation rate in Singapore has presented new challenges for low-income families and households. Responding to this issue, 7-Eleven launched the 'Together We Care' programme in collaboration with Singapore's People's Association and its community clubs to reach the people most in need.

We provided more than 400 low-income families with groceries and daily essentials including rice, oil, and noodles, as well as 7-Eleven's own brand 7-SELECT meals. In addition, our volunteers helped to mend collection points and went door-to-door distributing food and groceries to beneficiaries living in public rental flats.



Distributing goodie bags to beneficiaries living in public rental flats 7-Eleven Singapore

Organising eco-heritage tours for yuu members

During 2023, yuu Rewards Hong Kong partnered with The Conservancy Association and The Conservancy Association Centre for Heritage to organise several eco-heritage tours for 150 yuu members, 10 team members and their families. The tours gave team members the opportunity to explore various aspects of conserving Hong Kong's rich cultural heritage and the natural environment. On one tour, team members visited Lai Chi Wo, a remote 300-year-old Hakka village. In addition to exploring the revitalised village and its rich biodiversity, participants had the chance to experience farming and learn about growing rice, Hakka food, and traditions. Meanwhile, a tour along Lung Yeuk Tau Heritage Trail focused on ancient architecture and improving photography skills. Team members visited a Tang walled village, which has a history of 700 years, and gained insights into the lives of early settlers in the New Territories. In another tour, participants visiting the village of Cha Kwo

Ling experienced its strong sense of community and explored Hakka culture by making Hakka tea cakes.



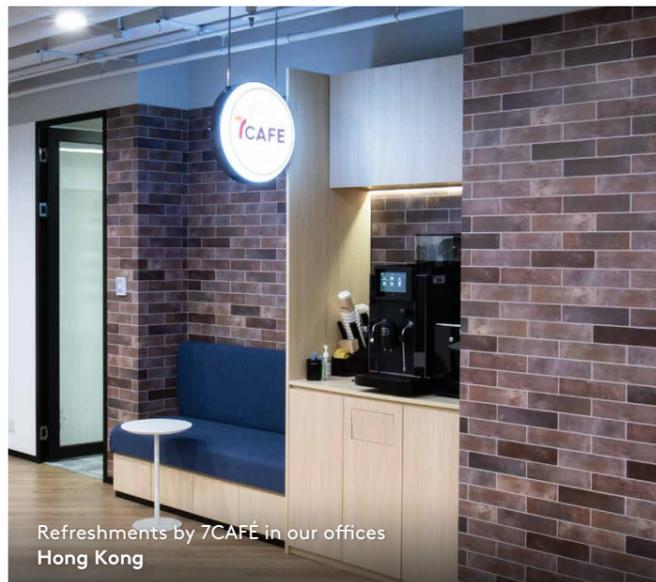
Local rice cultivation demonstration at Lai Chi Wo yuu Hong Kong

Enhancing our workplace experience for team members

To continue building a great place for our team members to work, we have invested in renovating our Resourcing and Learning Centre at Saxon Tower in Hong Kong. The space has been transformed into a modern and engaging workplace featuring iconic elements of our DFI branding and banners. Our new look Resourcing and Learning Centre offers a variety of collaboration zones, touchdown spaces and breakout areas, allowing team members to share ideas and work in a more dynamic and flexible environment. The design not only fosters a sense of belonging for our team members, but also creates a welcoming atmosphere for candidates.



Newly refreshed Resourcing and Learning Centre Hong Kong



Refreshments by 7CAFE in our offices Hong Kong

Improving workplace safety through technology

The well-being and safety of our team members are of paramount importance, and we are committed to taking a proactive approach to providing a safe and healthy work environment. Wellcome Fresh Food Centre (WFFC) has taken several steps to further enhance safety in the workplace, including the introduction of the first camera-checked bandsaw in Hong Kong. This technology improves precision and reduces potential risks.

Additionally, WFFC has implemented lifting machines and column dumpers to alleviate the physical strain on our team members and handle heavy loads more efficiently. To minimise accidents, we have also introduced a range of equipment designed to reduce their occurrence by 45%.

Recognising our people for putting our values into action

The Living Our Values Awards focus on recognising individuals and teams that demonstrate our values in alignment with our strategic framework – Customer First, People Led and Shareholder Driven. There are six award categories in honouring excellence in customer-centric innovation, collaboration, sustainability, caring passionately, and individual contributions by teams or individual team members who live up to our DFI Values. Each award has a specific focus and evaluation process. They are open to submissions from leaders, allowing our people to showcase their exceptional achievements that contribute to our overall success by bringing our values to life.

In 2023, we received over 6,600 nominations, after which more than 1,600 team members across all markets were awarded a Caring Passionately Award and 18 awards were given to teams and team members in other Living Our Values Awards categories. Caring Passionately is one of our core values and our corporate social responsibility initiatives are only possible with our team members' support and enthusiastic participation. To acknowledge their crucial contribution and show our gratitude, we launched the Caring Passionately Awards in October 2022. Team members received awards in recognition of their exceptional acts of service, support or kindness towards our customers, colleagues and communities.

Awards	Award Winners
Best Customer Experience Innovation Award	7-Eleven Hong Kong & Macau
	7-Eleven South China
	Guardian Indonesia
Best Collaboration (Teamwork) Award	IKEA Taiwan - Customer Fulfilment
	7-Eleven South China - Commercial, IT, Marketing & Operations
	7-Eleven Hong Kong & Macau
Best Sustainability Initiative Award	7-Eleven Hong Kong & Macau
	Mannings Hong Kong
	Group Own Brand - Non-Food
Best Business Innovation Award	Mannings Hong Kong & Macau
	IKEA Hong Kong Causeway Bay Store
	Wellcome Hong Kong - Supply Chain
Best Team Member Award	Chen Xiu Zhu, 7-Eleven Macau
	Trevor Lo, Mannings Hong Kong & Macau
	Jack Ng, IKEA Hong Kong
Caring Passionately Award	Grand Champion Zhimei Liang and Chunling Liang, 7-Eleven South China
	First Runner-up Xiaoyi Ou, Mannings China
	Second Runner-up Lim Soo Hoon, 7-Eleven Singapore
	Crystal Award Tian Mei Abby, 7-Eleven Hong Kong
	Crystal Award Fok Wai Tung, Mannings Hong Kong
	Crystal Award Cheung Yu Shun, Wellcome Hong Kong
	Crystal Award Mohamad Azim Abdul Majid, Guardian Malaysia

Caring Passionately Award



GRAND CHAMPION

Chunling Liang (middle) and Zhimei Liang (right)
7-Eleven South China

Best Business Innovation Award



**Mannings
Hong Kong & Macau**

Best Team Member Award



**Chen Xiu Zhu
(Second from the right)**
7-Eleven Macau



From left: Tri Ismoyo from IKEA, Hadrianus Wahyu Trikusumo, President Director of PT Hero Supermarket Tbk, and Karin Gusti Maharani from Guardian at a tree-planting activity in Indonesia Hero Indonesia



Team members joining the coffee ground upcycling workshop Hong Kong

DFI Sustainability Month

We held our DFI Sustainability Month across all markets in November 2023, offering practical steps for our team members to integrate sustainability into different functions, and put theory into action.

In Hong Kong, we organised engaging activities including 'Lunch & Learn' seminars, upcycling workshops, and field visits to green facilities such as DFI's low-carbon refrigeration system research centre.

Team members in Indonesia participated in Hero Green Fest, a green festival that raised awareness about sustainability in the workplace through a range of activities, games, talks, and workshops.

DFI Lucky in Cambodia engaged in various activities that focused on achievable, small-scale actions. We introduced five new types of trash bins for our offices and distribution centre, to manage waste more effectively and promote recycling. At another event, a guest speaker explained the impact of plastic and how individuals can contribute to society and the planet by practising the 4R principles: Reuse, Reduce, Recycle, and Refuse. Putting our values into action, we organised a community clean-up event where around 100 team members cleaned the back street by our distribution centre, reinforcing the importance of incorporating sustainable practices in our daily lives.



Team members joined a community clean-up event near our distribution centre Lucky Cambodia

Prioritising team members' mental health

We underpin our people-focused strategy by placing great importance on the health and well-being of our team members. Throughout the year, we host and support various events that promote mental health and well-being such as the Well-being Expo, which was held jointly with Jardines in Hong Kong and the DFI Wellness Carnival in

Singapore. Through various workshops, talks, and interactive activities, team members were able to explore different aspects of mental well-being and equip themselves with knowledge and tools to build resilience and lead healthier and more positive lives.



Jardines x DFI Well-being Expo Hong Kong

Equity, Diversity and Inclusion workshop for leaders

At DFI, We Respect Each Other is one of our core values. We appreciate that our differences are our strengths and that diversity and inclusion can be powerful drivers of innovation and growth. With team members from diverse backgrounds and cultural influences across the region, all our top 400 leaders dedicated a half day to attend conscious inclusion training in person to cultivate an inclusive environment. By promoting awareness and

deeper understanding on how we can work together with respect and appreciation, we are confident that every team member can bring their authentic best self to work and thrive at DFI.

Environmental, Social, and Governance ('ESG') Report 2023

Introduction

The purpose of this ESG report is to highlight DFI's efforts in quantifying our impact on the economy, environment, and society, along with our targets and progress made to date. We disclose all relevant performance indicators for material ESG issues (refer page 70 for ESG materiality assessment) with the aim of improving the transparency of our activities.

This report has been prepared in accordance with the Global Reporting Initiative ('GRI'), with references to the index also published online on our website www.DFIretailgroup.com. This report has also considered information from sustainability reporting standards (including, but not limited to, SASB, TCFD, CDP), sustainable development principles (including, but not limited to, UNSDGs, UNGC), ESG rating agencies (such as Morningstar Sustainalytics), and industry initiatives.

Reporting scope

This ESG Report covers ESG data for the year ending 31st December 2023. Unless stated otherwise, the year ending 31st December 2022 is used for comparison (and the year ending 31st December 2021 if available). Operations divested in 2023 have been excluded from metrics, with prior year comparisons restated. To the extent possible, the prior year comparative figures have been restated to align with any updated ESG reporting perspectives. This is stated in this ESG report where relevant, and in addition the metrics impacted by any restatement are disclosed in the GRI Index available online at www.DFIretailgroup.com.

For the scope of coverage, we included all subsidiaries of DFI. Associates and Franchisees of DFI are out of scope unless stated otherwise.

Reporting limitation and assumption

In preparing the ESG-related information contained in this document, DFI has made a number of key judgements, estimations, and assumptions, and the processes and issues involved are complex. The ESG data, models, and methodologies used are often relatively new, are rapidly evolving, and are not of the same standard as those available in the context of other financial information, nor are they subject to the same or equivalent disclosure standards, historical reference points, benchmarks, or globally accepted accounting principles. In particular, it is not possible to rely on historical data as a strong indicator of future trajectories, in the case of climate change and its evolution. Outputs of models, processed data, and methodologies are also likely to be affected by underlying data quality, which can be hard to assess and we expect industry guidance, market practice, and regulations in this field to continue to change. There are also challenges faced in relation to the ability to access data on a timely basis and the lack of consistency and comparability between data that is available. This means the ESG metrics discussed in this document carry an additional degree of inherent risk and uncertainty.

In light of uncertainty as to the nature of future policy, market response to climate change, and the effectiveness of any such response, DFI may have to re-evaluate its progress towards its ESG ambitions, commitments and targets in the future, update the methodologies it uses, or alter its approach to ESG analysis, and may be required to amend, update, and recalculate its ESG disclosures and assessments in the future, as market practice and data quality, accuracy, and availability develops rapidly.

ESG data limited assurance

Selected ESG data have been subject to limited assurance by PricewaterhouseCoopers. Their limited assurance report outlines the specific scope of the assurance provided and the conclusion. The appointment of PricewaterhouseCoopers was made by the Audit Committee. For further details, please refer to the Limited Assurance Report on page 99.

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Managing our ESG performance

ESG governance

In line with our commitment to ESG practices, we have established working groups for various ESG topics to drive our organisation's ESG agenda and strategy.

Each working group focusses on a specific ESG aspect, such as governance, social impact, or environmental stewardship. These working groups comprise cross-functional teams consisting of experts from relevant departments across our organisation, and report progress directly to the Sustainability Management Committee on a monthly basis during dedicated working group meetings.

By adopting working groups for different ESG topics, we demonstrate our holistic approach to ESG management. These working groups enable us to focus on each aspect of ESG governance, social impact, and environmental stewardship specifically, while supporting alignment with our overarching ESG agenda. Through their collaborative efforts, we believe these working groups play an important role in embedding ESG principles into our business strategy, driving positive change, and creating long-term value for our stakeholders. Please refer to the TCFD report (page 36 of this annual report) for the graphical illustration of DFI ESG governance structure.

ESG policies

DFI business ethics policies

DFI places a strong emphasis on business ethics and integrity, recognising our role in building trust, maintaining credibility, and fostering sustainable relationships. To ensure ethical conduct, DFI has established the following policies and guidelines that govern the actions and behaviours of all team members:

- Code of Conduct
- Data Privacy Policy
- Speak Up Policy
- Supplier Code of Conduct
- Information Security Policy
- No Gift Policy
- Personal Data Protection Policy

These policies encompass areas such as anti-corruption, conflicts of interest, fair competition, data protection, and confidentiality. By upholding these policies, DFI aims to conduct business with integrity, transparency, and accountability, thereby aiming to safeguard the interests of our stakeholders and upholding our reputation as a responsible corporate entity.

Jardine Matheson sustainability policies

As the parent company of DFI, Jardines has also established a comprehensive range of sustainability policies that outlines their commitment to responsible and sustainable business practices (www.jardines.com/en/sustainability/our-commitment):

- Climate Change
- Resources and Circularity
- Sustainability
- Diversity and Inclusion
- Human Rights
- Health and Safety

ESG materiality assessment

Stakeholder engagement

Stakeholders are defined as individuals, groups, or organisations that can influence or be influenced by DFI. By engaging with these stakeholders, DFI aims to mitigate any negative impact on society and the environment where possible.

Among the many stakeholders, DFI identifies the following groups as the most impactful:

Stakeholder	Engagement method	Material ESG issues
DFI team members	Team member surveys, town hall meetings, focus groups, and regular communication channels	Community Engagement and Support, Human Capital, Health and Safety, Well-being, and Product Safety and Quality
Customers	Customer surveys and feedback mechanisms	Sustainable Packaging, Sustainable Products, Product Safety and Quality, Cyber Security and Data Protection
Suppliers	Supplier assessments, supplier code of conduct, and regular communication channels	Social Compliance, Ethics, and Anti-corruption
Investors and shareholders	Annual general meetings, result announcement investor relations communications, and sustainability reports	ESG Governance, Tax Governance
Community and non-governmental organisations (NGOs)	Partnerships, community outreach programmes, stakeholder consultations, and collaboration on initiatives	Community Engagement and Support
Regulators and government authorities	Compliance with regulations, participation in industry consultations, and regular reporting	Health and Safety, Well-being, Social Compliance, Product Safety and Quality, Ethics and Anti-corruption, Cyber Security, Data Protection, and Tax Governance
Industry associations and trade unions	Participation in industry forums, collaboration on industry-wide initiatives, and dialogue with trade unions	Climate Change, Waste, Water, Sustainable Packaging, Sustainable Products, Social Compliance, and Product Safety and Quality
Academia and research institutions	Collaborative research projects and knowledge sharing	Climate Change, Waste, Water, Sustainable Packaging, Sustainable Products, and Social Compliance
Media and public	Press releases, media interviews, social media engagement, and public events	ESG Governance
Board of directors and executive leadership	Board meetings, executive briefings, and regular reporting	ESG Governance and all material ESG issues listed above

Materiality assessment process

DFI conducted a materiality assessment in 2023 to prioritise issues for our sustainable development strategy and ESG reporting. This assessment played a crucial role in effectively allocating internal resources to address risks and opportunities, while meeting the evolving expectations of our stakeholders.

1. Identification

We identified relevant ESG issues based on a review of industry trends, international sustainability initiatives (including the United Nations Sustainable Development Goals), sustainability reporting frameworks like GRI and SASB, and material issues identified by ESG rating agencies and retail industry peers.

2. Evaluation

We invited both internal and external stakeholders to participate in an online survey. The purpose of this survey was to rank each sustainability issue based on the significance of its impact on the economy, environment, and society. By gathering input from stakeholders, we aim to gain an understanding of their perspectives and priorities regarding these sustainability issues.

Furthermore, our internal ESG team has considered sustainability trends, risks, opportunities, and impacts related to our business. Based on the analysis, the ESG team prioritised sustainability issues according to the significance of their impact. This process supported us to focus our efforts on addressing the most critical sustainability issues that have the greatest impact on our business and stakeholders.

3. Validation

Once ESG issues were identified and evaluated, their significance was assessed and prioritised. This analysis involved assessing the impact of the identified ESG issues on DFI and our stakeholders. Through our process of identification, evaluation, and validation, we have concluded on the below material ESG issues.

Material ESG issues

Material ESG issues	Description of risk and impact
Climate change	The physical effects of climate change, such as increased occurrences of severe flooding, stronger typhoons, and heatwaves, pose a significant threat to both our productivity and the resilience of our supply chains. Transition risks such as the introduction of carbon tax will also impact our economic baseline.
Waste	Excessive waste can lead to increased costs for waste management and disposal, damage to reputation and stakeholder perception, and potential legal compliance issues.
Water	Excessive water consumption has negative impacts on retail businesses, including increased costs, strained resources, and environmental harm.
Plastic	There is a growing concern regarding plastic waste, particularly single-use plastic, and the negative environmental impact it can have if not properly managed at the end of its life cycle. Regulations in markets in which DFI operates are also phasing out the sales of single-use plastic (e.g. Hong Kong in 2023).
Sustainable products	Non-sustainable products can lead to reputational damage, as consumers are increasingly concerned about the environmental and social impact of the products they purchase. Moreover, the lack of sustainable products on offer could impact long-term business growth and profitability.
Community engagement and support	Poor community engagement can lead to strained relationships with local communities, resulting in potential boycotts or protests. Additionally, lack of community engagement can hinder access to local resources and license to operate.
Human capital	Poor human capital management can result in decreased team members' morale, productivity, and engagement, leading to higher turnover rates and increased recruitment and training costs. Additionally, ineffective management of human capital can hinder innovation, collaboration, and overall organisational performance, ultimately affecting DFI's profitability.
Health, safety and wellbeing	In our operations across Asia, it is crucial for us to effectively manage health, safety, and overall well-being. Failing to uphold a safe working environment can hinder our ability to attract and retain team members.
Social compliance	Human rights issues in our supply chain can lead to reputational damage, as consumers increasingly demand transparency and ethical practices throughout the supply chain. Additionally, unethical sourcing can result in legal and regulatory issues, including fines and penalties.
Product safety and quality	Product quality and safety incidents can lead to reputational damage, loss of customer trust, and decreased sales. Additionally, such incidents can result in legal liabilities, lawsuits, and financial penalties, potentially impacting DFI's profitability.
Ethics and anti-corruption	Corruption incidents can erode trust from stakeholders, including customers, investors, and partners, and potentially lead to legal consequences, fines, and penalties.
Data privacy and cybersecurity	Data privacy and cybersecurity incidents can result in compromised customer data, financial losses, and potential legal liabilities, undermining trust and confidence in DFI. Additionally, these incidents can disrupt business operations, lead to regulatory scrutiny, and require significant resources to mitigate and recover from.
Tax governance	Poor tax governance could result in legal and regulatory issues, and potential financial penalties. Additionally, it may lead to strained relationships with tax authorities, impacting DFI's overall financial stability and long-term profitability.

Environmental

1. Climate change GRI 302,305

Humans are responsible for causing climate change by releasing carbon dioxide and other greenhouse gases ('GHGs') into the atmosphere. The increased concentration of carbon dioxide in the atmosphere today is unprecedented in at least the past two million years.

In the context of DFI's operations, GHG emissions can be categorised into Scope 1, Scope 2, and Scope 3 GHG emissions.

Scope 1 GHG emissions refer to direct emissions that occur from sources owned or controlled by DFI. In DFI's case, the burning of fossil fuels, such as gasoline or diesel, and the leaking of cooling refrigerant contributes to Scope 1 emissions. This can include emissions from vehicles, generators, or other equipment that directly burn fossil fuels. Cooling refrigerants, such as hydro-fluorocarbons ('HFCs'), are potent GHGs that are commonly used in cooling systems and can contribute to climate change.

Scope 2 GHG emissions are indirect emissions associated with the generation of electricity purchased by DFI. Purchased electricity from CLP or Hong Kong Electric are examples of activities in Hong Kong that can contribute to Scope 2 GHG emissions.

The majority of our Scope 1 and 2 GHG emissions come from energy consumption and refrigerant gas leakages. To mitigate climate risk, we allocate an annual investment of US\$10-20 million, which accounts for approximately 5-10% of our total capital commitments each year. These funds are directed towards climate initiatives focussed on enhancing energy efficiency, reducing refrigerant emissions, and transitioning our fleet to electric vehicles where commercially viable. With all these initiatives, we believe we have a sufficient plan to achieve our targets for Scope 1 and 2 GHG emissions reduction.

The majority of our total GHG emissions fall under Scope 3, which refers to indirect emissions occurring throughout our entire value chain. This is not unusual for a retailer, given that these Scope 3 emissions are generated through various activities such as the production, manufacturing, and use of the products we sell. Our value chain encompasses a vast network of suppliers, producers, and farmers who provide products to millions of customers in Asia on a daily basis.

Scope 1 and 2 GHG emissions

DFI has set a target to reduce absolute Scope 1 and 2 GHG emission by 50% by 2030 compared to 2021 levels. This target has been validated by the Science Based Targets initiative ('SBTi') in 2023. Furthermore, by 2050, DFI aims to achieve net zero emissions compared to 2021 levels. To accomplish these objectives, DFI is implementing the following:

Refrigerants

DFI is actively working to reduce refrigerant gas emissions (Scope 1) through various initiatives. These include:

- **Installation of Leak Detectors:** DFI is installing leak detectors in our refrigeration systems to timely identify and address any leaks. This helps to minimise the release of refrigerant gas into the atmosphere.
- **Dedicated Leak Fix Teams:** DFI has deployed dedicated teams to promptly fix any detected leaks. By having specialised personnel focussed on leak repairs, DFI can ensure timely and effective resolution of any issues.
- **Replacement of High Global Warming Gases:** DFI is replacing refrigerants with high global warming potential ('GWP') with more environmentally friendly alternatives. This transition helps to reduce the overall impact of refrigerant emissions on climate change.
- **Installation of New Systems with Lower Refrigeration Gas Charge:** DFI is installing Water Loop refrigeration systems that have a lower refrigeration gas charge. This innovative system is designed to minimise the amount of refrigerant required (reduction of approximately 80% compared to traditional centralised systems), thereby reducing the potential for leaks.

Energy

DFI is investing in energy-efficient technologies and practices to reduce energy consumption in our stores, and the resulting Scope 2 GHG emissions. This includes the LED lighting roll-out across our stores, upgrading HVAC (heating, ventilation, and air conditioning) systems, implementing energy management systems, and installing energy efficient building technologies. Furthermore, there have been a number of upgrades to store refrigeration in Hong Kong and Singapore food stores which have increased energy efficiency, including but not limited to:

- **Aerofoils:** Aerofoil is a shelf edge technology to retain cool air within the fridge case on open front chillers. By reducing air leakage and minimising the loss of cold air, Aerofoils help the refrigeration system work more efficiently, thereby reducing energy consumption.
- **Refrigeration LEDs:** Traditional lighting systems in refrigerated display cases often use bulbs which generate heat. By replacing these conventional bulbs with energy-efficient LEDs (light-emitting diodes), the heat generation is minimised. This, in turn, reduces the load on the refrigeration system, leading to energy savings.
- **Electronically Commutated ('EC') Fans:** Compared to traditional alternating current fans, EC fans consume less energy while providing the same or higher airflow. By upgrading to EC fans, the refrigeration system can operate more efficiently and consume less electricity.
- **Defrost on Demand:** Defrosting is a necessary process in refrigeration systems to remove ice build up on evaporator coils. However, traditional systems often rely on fixed time intervals for defrosting, regardless of the actual need. Defrost on Demand systems utilise sensors to detect when defrosting is necessary and perform it only when required. This reduces the frequency of defrost cycles, saving energy in the process.
- **Compressor Manager:** The Compressor Manager is a control system that optimises the operation of the refrigeration compressors. It ensures that the compressors run at the most efficient capacity, adjusting their speed and load to match the refrigeration demands. By optimising compressor operation, energy wastage is minimised, resulting in energy savings.
- **Gas Leak Detectors:** Refrigeration systems rely on refrigerant gases to cool and maintain the desired temperature. However, leaks in the system can lead to refrigerant loss, compromising cooling efficiency and increasing energy consumption. Gas leak detectors continuously monitor the system for any leaks and alert maintenance personnel, enabling timely repairs and preventing energy waste.
- **Central Remote Monitoring:** This initiative involves implementing a centralised monitoring system for the refrigeration systems in all DFI's Food stores. It allows real-time monitoring and control of various parameters such as temperature, energy usage, and system performance. By closely monitoring the refrigeration systems, any anomalies or inefficiencies can be quickly identified and addressed, leading to improved energy management.
- **Lead Compressor VSD:** This technology adjusts the speed of the lead compressor in a refrigeration system based on the cooling load requirements. By modulating the compressor speed, energy consumption is optimised, as the system operates at the most efficient capacity to meet the demand.

DFI is also increasing the use of renewable energy sources in our operations. In 2022, Wellcome installed one of the largest solar panel systems in Hong Kong on the rooftop of its Fresh Food Centre and is continuing to harness solar energy in 2023. There are also a total of 5 IKEA Taiwan stores with solar panels, the most recent of which was installed in 2023. This growth in solar panel installation in DFI's retail network demonstrates DFI's commitment to renewable energy and sustainability.

Furthermore, DFI continues to engage our team members and raise awareness about the importance of sustainability and energy conservation. This includes providing training, promoting eco-friendly behaviours, and encouraging team members' participation in sustainability initiatives. DFI intends to continue these efforts through 2024, aiming to further embed sustainability and energy conservation practices within the organisation.

Fuel for own trucks

DFI outsources most of its logistics to third party providers, therefore fuel usage is a relatively small part of our Scope 1 GHG emissions. However, DFI still recognises the importance of improving fuel usage efficiency to minimise our environmental impact. To achieve this, DFI is focussing on two key strategies:

- **Optimising Truck Loads and Routing:** DFI aims to enhance fuel usage efficiency by optimising truck loads and routes. By maximising the capacity of each truck and planning efficient routes, DFI can reduce fuel consumption and associated emissions.
- **Transitioning to Electric Trucks:** In 2023, DFI purchased our first electric truck from Scania. This step marks the beginning of DFI's journey towards electrifying our fleet. The goal is to gradually replace conventional trucks with electric ones; however, this transition will be dependent on the commercial viability of such vehicles. This transition would significantly reduce emissions associated with fuel usage and contribute to a cleaner transportation system.

By prioritising fuel usage efficiency and pursuing the adoption of electric trucks, DFI is taking proactive measures to reduce our carbon footprint and promote sustainable transportation practices.

From 2021 to 2023, DFI reduced our Scope 1 and 2 GHG emissions by 19%. This reduction reflects DFI's efforts to reduce refrigerant gas emissions and increase energy consumption efficiency. However, it is important to note that Scope 2 GHG emissions increased from 2022 to 2023 due to the net store growth, hotter summer temperatures (2023 was the hottest June to August on record in Hong Kong), and increased store trading hours (2022 still impacted by COVID-19 related restrictions).

	2023 kt CO ₂ e	2022 kt CO ₂ e	2021 kt CO ₂ e	% Change from 2021 to 2023
Scope 1 and 2 GHG emissions				
Refrigerants	228	228	341	(33)
Fuel for own trucks	8	8	9	(9)
Total Scope 1	236	236	350	(33)
Electricity	341	335	361	(6)
Total Scope 2	341	335	361	(6)
Total Scope 1 and Scope 2	577	571	711	(19)
Scope 1 and Scope 2 intensity				
Tonnes CO ₂ e per US\$m net sales	63	62	77	(19)

Note: The data underlined have been independently assured by PricewaterhouseCoopers.

	Million gigajoules			% Change from 2021 to 2023
Energy consumption	2023	2022	2021	
Energy consumption – fuel	0.11	0.11	0.12	(8.4)
Energy consumption – electricity	2.48	2.39	2.48	(0.2)
Total energy consumption	2.59	2.50	2.60	(0.6)
Energy intensity				
Gigajoules consumption per US\$m net sales	282	273	283	(0.3)

Note: The data underlined have been independently assured by PricewaterhouseCoopers.

In 2023, DFI transitioned a loan facility (term 2023 to 2026) to a sustainability linked loan, for which a syndicate of banks have offered an interest rate discount if DFI achieve three Sustainability Performance Targets, one of which relates to GHG Emissions Scope 1 and 2 reduction targets in line with our net zero plan. Moody's assigned a sustainability quality score of 'Good' to this sustainability linked loan, and specifically commented 'the magnitude of the ambition of the Sustainability Performance Targets related to (GHG emission Scope 1 and 2) reduction is 'high' because (DFI's) performance targets are in line with the most ambitious Paris Agreement goal and validated by SBTi'. The Paris Agreement's aim is to strengthen the global response to the threat of climate change by keeping global temperature rise this century to well below 2 degrees Celsius above pre-industrial levels (the most ambitious goal is to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius).

Scope 3 GHG emissions

DFI have had our near-term target reduction of 25% of targeted Scope 3 categories (by 2030 from 2021 levels) validated by SBTi, indicating DFI's commitment to aligning with a trajectory below 2°C of global warming. Achievement of this target is dependent on the pace of the transition in the jurisdictions in which we operate (which includes developing economies) including the development and evolution of policy and regulatory frameworks which support the decarbonisation of the wider economy. To achieve a substantial reduction in emissions throughout our value chain, it is crucial to have the involvement of governments, collaboration with suppliers, and effective communication with customers. This means that our capacity to influence carbon reduction presents both risks and opportunities. The success of our efforts will depend on the strength of our relationships, both upstream and downstream, within our value chain.

DFI continues to work to improve the completeness of our Scope 3 GHG emission data. In 2023, DFI has transitioned from a spend-based approach to an activity-based method, focussing on the weight of the products procured (Category 1). DFI has also split the Scope 3 Category 1 inventory into Forest, Land, Agriculture ('FLAG') emissions and non-FLAG emissions. This shift allows DFI to gain a more accurate understanding of the environmental impact associated with our supply chain activities, supporting us to identify areas for improvement and implement targeted sustainability measures.

DFI has identified Category 1 Purchased Goods and Services products as the main driver of our Scope 3 emissions, which accounts for 65% of our 2023 Scope 3 GHG emissions, and structured our net zero plan around them. Among Category 1 Purchased Goods and Services, rice purchased accounts for a significant portion of DFI's Scope 3 emissions. DFI is working on a pilot to grow sustainable rice using the Alternate Wetting and Drying ('AWD') method. AWD is a water management technique that involves periodically drying and re-flooding rice fields. This practice could help consume water in a more efficient way while reducing methane emissions by up to 50%. We are also working on plans to reduce Scope 3 GHG emissions from other products purchased and categories.

For information on the limitations of our Scope 3 GHG emissions disclosures, please see the Methodology section below.

Scope 3 GHG Emissions

Scope 3 category	2023 kt CO ₂ e	2022 kt CO ₂ e	2021 kt CO ₂ e	% of Scope 3
Category 1 Purchased goods and services – Products (FLAG)	1,360	1,472	1,536	41
Category 1 Purchased goods and services – Products (non-FLAG)	818	852	866	24
Category 2 Capital goods	63	75	77	2
Category 3 Fuel- and energy-related activities	121	117	133	3
Category 4 Upstream transportation	95	91	68	3
Category 5 Waste generation	23	27	28	1
Category 6 Business travel	6	6	7	–
Category 7 Team member commuting	30	33	34	1
Category 9 Downstream transportation and distribution	3	5	6	–
Category 11 Use of sold products	54	59	57	2
Category 12 End-of-life treatment of sold products	157	152	134	5
Category 14 Franchises	78	79	75	2
Category 15 Investments	540	610	680	16
Total	3,348	3,578	3,701	100
% of Scope 3 in total emission	85%	86%	84%	

Note: Excluded Scope 3 categories 8. Upstream leased assets (covered in Scope 1 and 2), 10. Processing of sold products (no intermediate products sold to customers), 13. Downstream leased assets (only few assets leased to others).

The main reason for the decrease in Scope 3 from 3.7mt CO₂e in base year 2021 to 3.3mt CO₂e in 2023 is due to store closure in Indonesia. Note that store openings across the group are also included.

Methodology

Scope 1 and 2 Methodology

DFI follows a comprehensive methodology to calculate Scope 1 and Scope 2 GHG emissions, the key elements of which are:

Energy Consumption Calculation: Actual electricity bills are collected from the majority of markets, accounting for 84% of total energy consumption in 2023. For the remaining markets, an analytic based on electricity spend is used to estimate energy consumption.

GHG Emission Conversion Factors: To convert energy consumption from kilowatt-hours (kWh) into carbon dioxide equivalent (CO₂e), GHG emission conversion factors are applied. The latest 2023 emissions factors provided by the International Energy Agency ('IEA') are used. Location-based electricity emission factors are adopted, sourced from Energy Providers and Government websites for Hong Kong, Macau, Chinese mainland, and Taiwan (based on 2022 data).

Refrigerant Gas Calculation: Invoices for all purchased refrigerant gas are collected and the weight in kilograms is totalled by store, market, and business. Global Warming Potential emissions factors from the Intergovernmental Panel on Climate Change's Sixth Assessment Report are used to calculate the impact of each gas purchased relative to one unit of CO₂.

Reporting and Tracking: GHG emissions are measured at the store level and reported monthly. Progress against annual targets is tracked, with these targets forming the pathway to achieving net zero GHG emissions. Divested businesses are excluded from the baseline, while emissions from store expansion are included in the total emissions calculation (in line with SBTi guidance calculation methodology). Therefore, we have excluded Malaysia Food as we divested this business in 2023. Furthermore, franchisee stores are excluded from Scope 1 and 2 figures (but included in Scope 3).

DFI's methodology supports a comprehensive and transparent approach to measuring and tracking GHG emissions, enabling DFI to monitor progress and work towards our net zero goals.

Scope 3 Methodology

DFI acknowledges the challenges associated with tracking and precisely calculating Scope 3 carbon emissions, especially when working with a large number of vendors who source materials and ingredients from various suppliers worldwide. To address this complexity, DFI strives to follow the guidelines provided by organisations such as the World Business Council for Sustainable Development ('WBCSD'), World Resources Institute ('WRI'), GHG Protocol, and SBTi reporting requirements. Our reporting methodology is summarised below:

- The scope for Scope 3 carbon emissions has been revised to remove businesses divested during 2023.
- The 2022 full year inventory is calculated using a spend-based analytic of the 2021 inventory. 2023 full year inventory is calculated based on the actual spend and weight data.
- Majority of the categories' emissions are calculated using the latest spend based Environmentally-Extended Input-Output ('EEIO') emission factors.
- Category 1 Purchased Goods and Services: DFI has split the FLAG and non-FLAG emissions, and changed the methodology from spend-based to activity-based (weight) for the most significant portion of product emissions. FLAG (Forest, Land, and Agriculture) emissions encompass land use change and land-related activities that impact the climate. The methodology for FLAG is to multiply the weight of food products with agricultural emission factors and non-FLAG emission factors (processing, packaging, and transportation) respectively.
- 95% of the FLAG products use emission factors from the Agribalyse database, and the remaining are from other databases and scientific research papers. Agribalyse is the most comprehensive food related emission database accessible and provides emission factors by stages. It is recognised by GHG Protocol as one of the 'Land Sector Calculation Resources'. Remaining non-FLAG emissions are calculated using EEIO emission factors where available.
- Categories 2 to 4: Calculated using spend based emissions factors (EEIO where available).
- Category 5 Waste Generation: Multiply the amount of waste by type and disposal method with corresponding UK Government Department for Environmental Food & Rural Affairs emission factors.
- Category 6 Business travel: Travel record (origin and destination for travel, hotel expense for rental) from travel system multiplied by EEIO emissions factors.
- Category 7 Employee commuting: Apply a weighted average commute emission by region, based on average commute distance and travel mode.
- Category 9: Downstream transportation and distribution: Sales in external delivery platforms multiplied by EEIO emissions factors.
- Category 11 and 12: Disposal method by country considered to apply specific emission factors.
- Category 14 Franchises: Convenience franchises in Hong Kong, China, Singapore are included (previously in Scope 1 and 2).
- Category 15 Investments: Taken from most recently available information disclosed for Yonghui, Robinsons, Maxims and Guardian Vietnam (where information is not disclosed, a proxy based on sales has been used).

2. Waste GRI 306

Product and non-product waste

DFI is fostering a transition towards a circular economy by minimising and effectively managing our waste streams. Alongside our efforts to reduce food waste, we also prioritise recycling other materials such as paper, plastic, and aluminium whenever feasible. DFI is focussed on the transition towards a circular economy and has set a waste diversion target of 80% by 2030. Across our markets, we have rolled out recycling and donation initiatives to reduce waste sent to landfills and work towards meeting this target.

Since 2022, the Wellcome Fresh Food Centre ('WFFC') team has taken sustainable measures to divert waste by collaborating with NGOs to pick up our polystyrene boxes, reuse pallets, and look for recovery channels for temperature data loggers (which are traditionally single-use). We have joined the pilot scheme on food waste collection from the Environmental Protection Department and Hong Kong Organic Waste Recycling Logistics in Hong Kong, diverting about 850 tonnes of food waste generated in the WFFC this year.

DFI implements paper and cardboard recycling programmes and provides appropriate recycling infrastructure through informal waste collector and third-party contractors to ensure that paper and cardboard waste generated in our distribution centres, stores, and offices are diverted from landfills and recycled into new products. Furthermore, any hazardous waste from used batteries are all targeted for recycling.

These initiatives collectively demonstrate DFI's efforts to minimise waste, promote recycling, and raise awareness among our team members. By integrating these practices into our operations, DFI is working towards a more sustainable approach to waste management.

	2023 tonnes	2022 tonnes	2021 tonnes
Waste disposed and diverted			
Disposed waste			
Product waste (Food)	15,060	16,829	21,873
Product waste (Non-Food)	773	822	1,168
General	9,691	9,167	8,943
Paper	5,582	5,696	6,067
Plastic	185	232	221
Polyfoam	257	272	221
Total disposed waste	31,548	33,018	38,493
Diverted waste			
Product waste (Food)	2,146	699	336
Product waste (Non-Food)	-	-	-
General	2,922	3,361	3,533
Paper	30,662	30,246	29,340
Plastic	473	493	371
Polyfoam	197	178	224
Hazardous	32	36	56
Total diverted waste	36,432	35,013	33,860
All waste	67,980	68,031	72,353
Diverted waste %	54%	51%	47%

	2023 tonnes	2022 tonnes	2021 tonnes
Diverted waste by method			
Recycled	33,786	33,379	33,498
Reused	1,234	989	26
Donated	1,412	645	336
Total	36,432	35,013	33,860

Methodology

DFI has implemented a comprehensive approach to account for product waste and non-product waste in our operations:

Product Waste

DFI tracks product waste (both food products and non-food products) by accounting for the net weight, which is based on store shrinkage records and the article master list. This allows DFI to quantify the amount of product waste generated accurately. Diversion weight is calculated based on NGO (e.g., Foodlink) or government (EPD for OPark donations) recordings of donated or recycled waste.

DFI estimates the weight of primary packaging using proxy data provided by an external waste consultant ('ERM'). This proxy has been updated in 2023 based on site visits in Hong Kong, Singapore, and China (both stores and distribution centres) and over one thousand surveys with store managers. The conclusions drawn from this collated data is then extrapolated to estimate primary packaging weight in other markets.

Non-Product Waste

Store Secondary Packaging (paper carton boxes, polyfoam boxes) and General Refuse (from customers and staff, mostly consisting of food containers and packaging) waste is calculated by weighing selected sample products in Hong Kong, Singapore, and China stores, and extrapolating the collated data to other markets based on sales activity. This method, again updated in 2023 through consultation with ERM, provides an estimation of the store non-product waste generated across DFI's operations. The exception is plastic wrap/film, which is calculated using actual purchase records.

The proxy for non-product waste diversion rates is then also based on site visits across our store network and survey responses from hundreds of store managers who deal with the waste on a day-to-day basis. DFI updated this proxy for non-product packaging data based on 2023 site visits and surveys, and therefore 2021 and 2022 waste amounts and diversion rates have been updated to reflect this updated proxy and ensure comparability.

For distribution centre non-product waste, DFI calculated the disposal and diversion of non-product waste based on invoice data directly obtained from the collector of the waste. Hazardous waste includes used batteries from the distribution centres, the weight of which are traced directly to recycling records.

3. Water GRI 303

DFI conducted baseline analysis on water consumption and conducted a thorough mapping of our operational areas. This approach supports DFI to understand our exposure to water risks and develop appropriate mitigation strategies. By measuring water consumption, DFI can assess our current usage patterns and identify areas where water conservation measures can be implemented. This enables DFI to make informed decisions and implement targeted initiatives to reduce water consumption.

In addition to measuring water consumption, DFI has engaged third party engineering and sustainability consultant – ARUP to conduct a water risk mapping exercise to identify operational areas with high water scarcity. This mapping process involved assessing the availability, quality, and reliability of water sources in different regions where DFI operates. By understanding the specific water risks associated with each operational location, DFI can prioritise our efforts and seek to allocate resources effectively to address these challenges.

The mapping exercise also helps DFI identify potential vulnerabilities in our supply chain and operations. By having a clear picture of the areas with high water scarcity, DFI can work collaboratively with suppliers, local communities, and stakeholders to implement strategies that promote responsible water management and reduce risks.

DFI measured water consumption for the first time in 2023 and is considering plans to target reduced water consumption in the future.

Water consumption 2023 (million litres)	Source	Non-stressed area	Stressed area	Total
Water withdrawal and discharge	Third-party water	2,162	28	2,190

Water Stress Assessment: Majority of our operating locations (5,599) are in non-stressed areas. For Indonesia however, 34 of our stores in Java are classified as being in a stressed area, which is 0.6% of the total number of locations.

Methodology

The water consumption figures presented in this report have been obtained through a process involving the conversion of water costs from billing using specific conversion factors. In order to support accuracy and reliability, DFI collaborated with ARUP who provided their expertise in determining the appropriate spend based conversion factors for water consumption calculations. Where spend was deemed an inappropriate estimation due to utility billing consolidation (e.g. Hong Kong where water is billed from the landlord and not directly related to consumption), water bills were obtained for each store type, and the consumption per bill extrapolated based on the number of store types in that location.

Additionally, the on-site visits conducted by ARUP allowed for a detailed understanding of DFI's operational activities and water usage patterns. By examining water infrastructure, monitoring systems, and water management practices at DFI's facilities, ARUP was able to provide insights and data to support the determination of reliable conversion factors. Furthermore, samples were taken from DFI store water discharge, and subsequent lab testing concluded that the water was 'fresh' (below 1,000mg/l dissolved solids).

4. Plastic GRI 306

Plastic waste has various impacts on biodiversity, such as ingestion by marine life, and pollution from its toxic components if not recycled or treated properly. DFI recognise the importance of managing plastic and is working toward reducing plastic in our operations.

Plastic packaging

We are exploring alternative packaging materials to reduce our environmental impact. DFI is also setting targets for own brand plastic packaging to be 100% Designed for Recycling by SKU count by 2030 (see methodology for definition) wherever appropriate packaging technology is available to ensure product safety and quality. These targets reflect DFI's goal to reduce plastic waste and promote sustainable packaging solutions. DFI is a member of the Plastic Waste Coalition and has implemented the following Consumer Goods Forum Golden Design Rules to ensure the packaging is optimised for recyclability: Increase Recycling Value in PET Bottles, Remove Problematic Elements, Increase Recycling Value in PET Trays, Increase Recycling Value in Rigid HDPE and PP, Reduce Virgin Plastic in B2B Packaging, and Use On-Pack Recycling Instructions.

DFI recognises the importance of addressing the issue of plastic waste at its source. To support this, DFI is involved in policy advocacy efforts. For instance, DFI is working closely with Drink Without Waste, a coalition in Hong Kong that aims to reduce plastic waste from bottled beverages.

Own brand products with plastic packaging that is Designed for Recycling (SKUs)	2023
Own brand products with plastic packaging (SKUs)	1,290 (100%)
Own brand products with plastic packaging that is technically Designed for Recycling (SKUs)*	733 (57%)

* To meet these criteria every component of the plastic packaging must be recyclable.

Methodology

Our reporting on plastic packaging is conducted at a component level for almost all of our brands. This means that we track and report the use of plastic in various packaging components. However, some brands may have less detailed data, and in these cases we will classify the product packaging as plastic if the main structural element of the packaging is plastic.

For a packaging or packaging component to be reported as Designed for Recycling, two conditions must be met. Firstly, its successful post-consumer collection, sorting, and recycling must be proven to work practically and at scale. Secondly, no materials or components should disrupt the recycling system.

The definition of Designed for Recycling in this section of the report means that the products meet these two conditions, however the local logistics of where we operate mean that there is not necessarily capacity to recycle all of these products. Whilst we hope that these logistics will improve in the future, we are not directly responsible for them.

The current data excludes all 7-Eleven and IKEA operations, and we aim to address the gap in 2024. We are committed to continuously improving our reporting and working towards a more sustainable approach to plastic packaging. This is shown through the expansion of our ESG reporting from the top 100 own brand products per category to all own brand products that are on sale.

Plastic bags

Hong Kong and Singapore banners started charging for plastic bags due to government enforced levies (Hong Kong levy was increased from 1st January 2023, Singapore had a newly introduced levy since January 2023). This data represents the purchased number of bags for Hong Kong and Singapore business multiplied by the average weight of that bag category.

Plastic bags consumption	2023	2022
Plastic bags (tonnes sold in Hong Kong and Singapore)	1,524	2,721

Plastic Wrap

Plastic wrap is used to provide an additional layer of protection and stability during transit. The plastic wrap helps to secure items together, preventing shifting or damage during handling and transportation. We understand the concerns regarding plastic waste and are actively exploring options to reduce our reliance on plastic wrap or find eco-friendly alternatives that still meet our transportation needs, such as:

- **Recyclable Plastic Wrap:** DFI utilises recyclable plastic wrap, which reduces the environmental impact of plastic waste. By choosing recyclable materials, DFI supports the circular economy and encourages the recycling of plastic packaging. For example, DFI's distribution centres are switching from black plastic wrap to transparent plastic wrap, which is more easily recycled.
- **Reducing Plastic Wrap Usage:** DFI works to reduce the overall use of plastic wrap. By implementing efficient packaging practices and exploring alternative packaging solutions, DFI aims to reduce the amount of plastic wrap used in our operations.

Plastic wrap consumption	2023	2022
Plastic Wrap used in Operations (tonnes)	486	518

Methodology

The weight of plastic bags and plastic wrap used by DFI is calculated based on procurement data. Plastic bags are specifically considered for Hong Kong and Singapore only, while plastic wrap encompasses the entire group.

5. Sustainable products

DFI recognises the importance of sustainable food production and sourcing and acknowledges that through our role as a major food retailer in Asia it must work to support change in these areas. This is reflected in various initiatives and sustainable sourcing practices across our own brand product lines:

- **Sustainable Seafood:** DFI ensures that all our own brand canned tuna products are sourced from Marine Stewardship Council certified fisheries. This certification ensures that the seafood comes from sustainable and well-managed fisheries.
- **Sustainable Cocoa:** DFI's Meadows Gold Chocolate products are certified by the Rainforest Alliance. This certification ensures that the cocoa used in these products is sourced sustainably, promoting biodiversity conservation and fair treatment of farmers.
- **Sustainable Coffee Beans:** Coffee beans being used in 7-Eleven Café in Singapore, Hong Kong, and Macau are certified by the Rainforest Alliance. This certification guarantees that the coffee beans are produced using sustainable farming practices, protecting the environment and supporting the livelihoods of coffee farmers.
- **Paper:** DFI aims to ensure that 100% of our grocery paper products are FSC™-certified by 2028, demonstrating DFI's commitment to reducing waste and promoting responsible sourcing throughout our operations.

Own brand products with sustainability certifications	2023	2022	2021	Scope
Total number of own brand products (SKUs, and percentage of range)	87 (24%)	48 (11%)	27 (6%)	Own brand pre-packaged products within selected categories

Methodology

We take into account the number of own brand products (by SKU) that have received globally recognised sustainability certifications. The scope of these certifications covers a range of aspects such as protecting the environment, communities, human welfare and wildlife, and safeguarding animal welfare. The percentage is calculated as the total per own brand category, it is not the total percentage of all DFI own brand product sold. The categories included are seafood, palm oil, eggs, coffee, cocoa, and paper. Note that this metric excludes DFI IKEA, however we will endeavour to include in future years' disclosure.

Social

6. Community engagement and support

Community investment

At DFI, we aim to create value for our communities, with the priorities being reducing hunger and raising self-esteem. We have chosen to partner with NGOs or charity partners to address the needs of the communities in which we operate. Local organisations are prioritised given their proximity with the local stakeholders. We also actively seek feedback from local communities to improve the planning and execution of our charity programmes.

For example, one of DFI's brands 7-Eleven, launched the 'Sik Tak Fan La' Charity Programme in collaboration with Pei Ho Counterparts, a charitable organisation, which aims to provide food and assistance to individuals facing financial difficulties. For details information on the programme, please refer to DFI's website (www.DFIretailgroup.com).

There was a higher level of community investment in 2021, mainly driven by donation of physical assets and other resources for COVID-19 relief.

Community investment	2023	2022	2021
Community investment (US\$000)	3,670	3,558	10,158

Methodology

Community investment includes all the donations we have made to charitable organisations from both DFI subsidiaries and associates, which includes direct monetary donation, product donation and sponsorships. For product donation, monetary value is derived based on the cost of products.

Team member volunteering

By actively encouraging and supporting team members' volunteering, we showcase our commitment to making a positive impact beyond our business operations. These activities can range from supporting education programmes for underprivileged children to environmental conservation efforts or assisting local charities. By engaging in these initiatives, DFI team members can give back to the community, contribute to social causes, and make a tangible difference in the lives of others. Further details of volunteering work DFI and team members participated can be found on DFI website, social media, and Sustainability Report.

Team member volunteering hours	2023	2022	2021
Team member total volunteering hours (Hong Kong only)	<u>1,129</u>	922	944

Methodology

Volunteering hours refer to the amount of time team members contributes to a charitable or non-profit organisation without receiving financial compensation. Only Hong Kong is disclosed as this is the only market for which data is readily available.

7. Human capital GRI 401, 404, 405

Talent development and training

Team members' training plays a key role in enhancing skills, knowledge, and capabilities of team members, ultimately leading to improved performance and productivity. Training programmes provide team members with the opportunity to acquire new skills, refine existing ones, and stay updated with the latest industry trends and technologies.

DFI invests in training programmes to prepare its team members for the evolving landscape of the retail industry. To that end, DFI offers more than 130 training programmes for team members, which cover a wide range of business skills such as data analytics, design thinking, functional skills, professional skills such as problem-solving, collaboration, influence, strategic planning, among others, to help our individual contributors enhance their capabilities at work. These programmes are delivered in various formats, including eLearning, virtual sessions, and face-to-face interactions, to accommodate the diverse preferences of our team members. Trainings are provided on cybersecurity, anti-discrimination, health and safety, diversity, and other related topics ensuring DFI team members operate in a safe, secure, and equal environment.

To support career advancement and preparing team members for managerial and leadership positions, we also provide leadership training programmes aimed at developing the necessary skills and competencies for future leaders, the DFI Commercial Graduate Trainee Programme (a DFI led functional-specific programme to cultivate a pool of Commercial talent and nurture future leaders) and Jardines Executive Trainee Programme (a rotation programme of executive trainees across the group of companies). We also offer leadership skill and development training, such as Building Better Leaders, Inclusive Leadership, and Jardines Leadership Development Programmes.

DFI aims to upskill its team members and build a capable workforce in delivering our objectives. We have targeted to achieve 14.2 average training hours per team member for all team members in 2024.

Average training hours per team member	2023	2022	2021
All team members	<u>13.6</u>	14.1	16.1

Note: The data underlined have been independently assured by PricewaterhouseCoopers.

It is noted that in 2022, we introduced a knowledge check before proceeding to mandatory training. Therefore, if team members achieve the required proficiency level in the knowledge check, they can pass the training as their knowledge and understanding of the training subject are deemed sufficient. Whilst training hours per team member has decreased, the completion rate of mandatory training in 2023 remains high.

Methodology

Training is defined as any type of knowledge-based and skills-based session, attended by team members on a compulsory or voluntary basis. The number of training hours include in-person sessions, and virtual sessions delivered on internal e-learning platforms. It excludes 'on the job' training. For fundamental topics, all team members are required to attend at the start of their employment contract, followed by periodic compulsory refresher training.

In calculating average training hours per team member, one part time team member is counted as equal to 0.5 of a full time team member. The total number of employees used in the calculation is based on the year end number.

Team member benefits and retention

Experienced team members possess valuable knowledge and expertise that they have acquired through their tenure with DFI. Retaining such talent ensures that this knowledge remains within the organisation, benefiting overall performance and productivity. High turnover rate also has implications on cost structure. DFI strives to retain team members with the below strategies:

Team Members Benefits and Recognition:

DFI offer a range of market competitive benefits to our team members, including but not limited to medical benefits, life insurance, purchase discounts at DFI's outlets, retirement benefits and flexible work arrangement for office team members.

To mitigate retention risk, DFI seeks to ensure that our benefits and remuneration offers are in line with market standards. Therefore, DFI conducts regular reviews of our employment policies, remuneration, and benefits packages. These reviews allow DFI to make necessary adjustments and enhancements to our compensation and benefits packages, so that team members are rewarded appropriately for their contributions with the aim that they feel valued and motivated within the organisation.

Furthermore, DFI actively seeks the sentiments and views of our colleagues through the annual 'Your Voice Counts' survey which is sent to all team members. These surveys provide an avenue for team members to voice their opinions, concerns, and suggestions, enabling DFI to better understand their needs and expectations. By analysing the survey results, DFI identifies areas for improvement and implements targeted initiatives that prioritise team members satisfaction and engagement, and enhances our talent retention strategy.

To recognise the dedication and contribution of team members, DFI offers long service awards at different service milestones as celebratory gift.

Performance Evaluations and Reward Principle

We conduct regular performance evaluations to assess individual and team performance. These evaluations serve as a platform for constructive feedback on performance and discussions on career development and growth opportunities. They are conducted through a transparent and objective process that evaluates team members' achievement of their individual and team goals. It ensures fairness and provides a basis for recognising and rewarding strong performance.

At DFI, we believe in recognising and rewarding team members based on their contributions, performance, and alignment with company values. Our reward framework is designed to foster a culture of meritocracy and incentivise high performance. We believe we offer a fair and transparent system that ensures team members are recognised and rewarded accordingly. We regularly conduct salary benchmarking to ensure that our team members' compensation remain competitive. Performance evaluations play a crucial role in determining the extent of pay increases, with high-performing team members receiving greater consideration.

Team member turnover	2023	2022	2021
Team member turnover (full-time voluntary)	<u>27%</u>	27%	27%

We note that the above turnover rates do not compare unfavourably to other equivalent retailers that have disclosed this information, and is reflective of the dynamic nature of the retail industry.

Methodology

Turnover includes only full-time team members that have chosen to leave DFI voluntarily. Turnover percentage refers to the number of leavers as a percentage of the average number of team members within the calendar year.

Diversity

DFI strives to create an inclusive work environment where every individual has an equal opportunity to grow and thrive. DFI recognises the value of diverse perspectives and experiences in driving innovation and fostering a positive workplace culture. DFI has the below initiatives to bolster organisational diversity culture and practices:

- **Conscious Inclusion Training for Executives and Leaders:** All top 400 leaders have been through a half day conscious inclusion training to promote cultural awareness, minimise bias in the work environment and hiring practices. These programmes aim to drive diversity awareness from top, fostering a more inclusive and diverse workplace.
- **Team Members Diversity Training:** Diversity and inclusion trainings are provided to team members which aims to reduce biases and prejudices, creating a more inclusive workplace where everyone feels valued and respected.
- **AI Technology for Diversity:** Utilise AI-powered software to track and suggest gender-neutral wording in communication materials, including job descriptions. This technology can help eliminate unconscious bias in language and promote a more inclusive hiring process. Additionally, DFI leverages software to track diversity metrics for job applicants, enabling DFI to refine our diversity strategy and ensure equal opportunities for all.
- **Targeted Recruitment for Diverse Talent:** To help ethnic minorities achieve equity within the community, in 2022, we joined the Emerging Talent Internship Programme in collaboration with The Zubin Foundation, a Hong Kong based charity that aims to improve the lives of ethnic minorities in the city, to offer internship opportunities for those who may be marginalised.

We are monitoring the diversity of DFI with the below metrics:

Team members diversity	2023	2022
Gender		
Male	<u>16,525 (35%)</u>	15,810 (35%)
Female	<u>30,940 (65%)</u>	29,809 (65%)
Age group		
Under 30 years old	<u>15,737 (33%)</u>	15,280 (33%)
30-50 years old	<u>22,071 (47%)</u>	21,351 (47%)
Over 50 years old	<u>9,657 (20%)</u>	8,988 (20%)
Work region		
Hong Kong	<u>20,167 (43%)</u>	18,687 (41%)
Macau	<u>1,880 (4%)</u>	1,953 (4%)
Chinese mainland	<u>6,631 (14%)</u>	6,469 (14%)
Singapore	<u>6,148 (13%)</u>	5,966 (13%)
Indonesia	<u>4,891 (10%)</u>	4,816 (11%)
Others	<u>7,748 (16%)</u>	7,728 (17%)
Job type (permanent and temporary)		
Permanent*	<u>40,755 (86%)</u>	n/a
Temporary†	<u>6,710 (14%)</u>	n/a
Job type (full time and part time)		
Full time	<u>29,547 (62%)</u>	29,384 (64%)
Part time	<u>17,918 (38%)</u>	16,235 (36%)
Total		
Total team members	<u>47,465 (100%)</u>	45,619 (100%)

* Permanent team members are contracted for full time or part time work for an indeterminate period.

† Temporary team members are contracted for a defined duration.

Note: The data underlined have been independently assured by PricewaterhouseCoopers.

Gender diversity in senior leadership in %	2023	2022
Male	<u>62%</u>	65%
Female	<u>38%</u>	35%

Note: The data underlined have been independently assured by PricewaterhouseCoopers.

DFI is targeting 40% female gender diversity in senior leadership by 2025.

New hires	2023	2022
Age		
Under 30 years old	16,083 (60%)	14,982 (60%)
30-50 years old	7,911 (30%)	7,617 (31%)
Over 50 years old	2,628 (10%)	2,153 (9%)
Total		
Total new hires	26,622 (100%)	24,752 (100%)

Methodology

A thorough process is put in place to extract data from our Human Resources system, which automatically calculates the metrics shown above. All data above is as of 31st December 2023. Senior leadership is defined as Grade 17 or above according to the Willis Towers Watson Global Grading System, which we have matched to the DFI grading system for direct comparison.

Gender pay equity

DFI recognises the significance of gender equity and has taken a proactive approach to review and monitor gender pay ratio per job level in two of our most significant markets, Hong Kong and Singapore. DFI will regularly monitor gender pay equity, and attempt to bridge any observed pay gaps.

Gender pay ratio per job level	Hong Kong		Singapore	
	Median	Mean	Median	Mean
Senior leadership	0.95	0.87	1.06	1.09
Middle manager and senior professional	0.98	0.98	0.99	1.00
Supervisory and professional	0.95	0.95	1.01	1.02
General support staff	0.94	0.95	0.95	0.98
All team members (simple average of all 4 levels)	0.95	0.94	1.00	1.02

Data as of 1st January 2024. Ratio based on rate of basic salary for full time team members.

Methodology

The Gender Pay Ratio is a metric used to assess the disparity in basic salary between men and women. It measures the difference in salary across genders with female being the nominator. The Gender Pay Ratio is reported by 4 levels: Senior Leadership, Middle Manager and Senior Professional, Supervisory and Professional, and General Support Staff. For each of the locations, both the median and the average are provided for full transparency. The Gender Pay Ratio for All Team Members is the simple average of the Gender Pay Ratio for each of the 4 levels. The mean is the average value obtained by summing all data points and dividing by the total number of team members, while the median is the middle value in a dataset when arranged in ascending or descending order.

8. Health, safety, and well-being GRI 403

Health and safety

Team members health and safety is important to DFI. It is crucial for several reasons, including the well-being of team members, customers, legal compliance, and overall business success. Prioritising team members health and safety creates a positive work environment, fosters team members morale, and contributes to increased productivity.

We endeavour to create a safe working environment that promotes the well-being and success of our team members and to comply with all Health and Safety ('H&S') regulations across all operating countries and businesses. Managed and implemented by DFI's Health and Safety team, DFI has implemented a Health and Safety Management System to ensure safety across our stores, store support centres, and distribution centres. The system consists of below key activities:

- **Occupational Health and Safety ('OHS') Risk Assessment:** DFI prioritises risk assessment and prevention to reduce workplace accidents and protect the health and safety of our team members. DFI focusses on the health and safety risks faced by team members working in stores and warehouses. For example, the distribution centres' risks are associated with access to loading docks and operating machinery.
- **Awareness and Training:** To promote workplace accident prevention, DFI starts awareness training during the team members' orientation process. Our objective is that new hires receive training upon arrival where possible to familiarise themselves with the professional risks associated with their work environment. This training helps them to learn how to protect themselves against these risks and whom to notify in case of hazardous situations.
- **Promote Safe Practices and Culture:** DFI has established and promotes good practices throughout our operations. This includes fostering a safety culture that encourages team members to prioritise their own safety and the safety of others. By promoting awareness, communication, and adherence to safety guidelines, DFI aims to create a culture of safety and accountability.
- **Safe Working Practices:** DFI has integrated safe working practices into our operations. This includes implementing standardised procedures and protocols that prioritise the safety of team members. By following these practices, DFI aims to minimise workplace hazards and create a secure environment for our team members.
- **Modern and Well-Maintained Equipment:** DFI provides our team members with modern and well-maintained equipment. By regularly inspecting and maintaining equipment, DFI ensures that it operates safely and efficiently. This proactive approach helps prevent accidents and injuries caused by faulty or outdated equipment.
- **Monitoring and Reporting:** DFI actively encourages our team members to report any injuries or near-miss incidents to OHS responsible officers. By promptly reporting such incidents, team members contribute to creating a safer working environment. Additionally, DFI advises team members to follow the guidelines provided and remove themselves from the area if necessary. This proactive approach ensures that potential hazards are addressed promptly and that team members are protected from further harm.
- **Monitoring and Review:** DFI actively reviews and monitors data related to injury rates and injury hotspots to enhance our OHS system and practices. By analysing this data, DFI identifies areas for improvement and implements measures to achieve continuous enhancement in our OHS system.

DFI's focus on providing a safe working environment demonstrates our dedication to the well-being and success of our team members. By integrating safe working practices, maintaining modern equipment, and establishing good practices, DFI strives to create an environment where team members can thrive while minimising the risk of workplace accidents and injuries.

DFI are continuing to ensure we have oversight of the work-related injury reporting framework, ensuring that all markets are tracked. Several initiatives were undertaken in 2023 to raise awareness on H&S, including reporting on incidents through reporting near misses and dangerous occurrences, 'raising awareness campaigns' monthly newsletter, and new QR code reporting system launch. This has inevitably had an impact on the number of injuries reported in 2023, which is potentially reflective of an improvement in reporting culture.

Whilst we have strived to create a safe working environment across all of our businesses, there was unfortunately a fatality recorded during the year. We believe that this fatality was not work related, however the cause is pending confirmation as at the date of this report publication.

Fatalities and injuries	2023	2022	2021
Number of fatalities	<u>1</u>	0	0
Number of high-consequence work related injuries	<u>7</u>	0	0
Number of recordable work-related injuries	<u>593</u>	614	696
Number of hours worked (million hours)	<u>83.7</u>	80.7	91.3
Fatalities rate	<u>0.002</u>	0	0
High-consequence work-related injury rate	<u>0.02</u>	0	0
Recordable work-related injury rate	<u>1.42</u>	1.51	1.53

Note: The data underlined have been independently assured by PricewaterhouseCoopers.

Mental Health

DFI has taken steps to support our team members by launching a Mental Health Awareness programme. This programme includes various initiatives such as webinars, self-evaluation tools, and expanded benefits. These resources aim to raise awareness about mental health and provide support to team members.

The webinars provide valuable information and insights on mental health topics, helping team members better understand and manage their mental well-being. The self-evaluation tools enable individuals to assess their own mental health and identify areas where they may need additional support or resources.

DFI has also expanded our benefits to include provisions specifically related to mental health. These benefits may include access to counselling services, mental health resources, or other forms of support.

To ensure the success of these initiatives, DFI has a responsible team in place that advocates for mental health and raises awareness within the organisation. This team plays a crucial role in promoting a supportive and inclusive environment where team members feel comfortable seeking help and discussing mental health concerns.

Methodology

We take into account the number and rate of injuries because of work-related injury, both high-consequence work-related injuries (excluding fatalities), and recordable work-related injuries (including fatalities) of our team members. Work related injuries are defined as negative impacts on health arising from exposure to hazards at work. High consequence work-related injuries are defined as work-related injuries that result in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months. Recordable work-related injuries result in any of the following: days away from work, restricted work, medical treatment beyond first aid, loss of consciousness, or significant injury diagnosed by a physician or other licensed healthcare professional. Fatalities include team member deaths that occurred whilst they were working, however not necessarily as a result of or caused by their work.

Recordable work-related injury rate and fatalities rate are calculated based on 200,000 hours worked, which indicates the number of work-related injuries and fatalities per 100 full-time team members over a one-year timeframe, assuming that one full-time worker works 2,000 hours per year. To calculate hours worked, most store and distribution centre team members are based on actual clock in clock out records. For office-based team members, the methodology is based on standard hours less leave using average headcount by month by banner.

Note for 2021 we are unable to split out Malaysia Food hours worked, and therefore this metric still includes the data for Malaysia Food for 2021 (excluded from 2022 and 2023).

9. Social compliance GRI 414

DFI has taken steps to establish goals, monitor key indicators, and share best practices with our teams and suppliers, which supports us to identify areas for improvement and rectify any practices that may be detrimental to human rights in our business operations and value chain. We believe we are working towards creating a positive impact and ensuring that our operations align with ethical standards.

In addition to our internal practices, we are dedicated to continuing to drive ethical labour practices across our supply chain. As a member of the Amfori Business Social Compliance Initiative ('BSCI') since September 2022, we actively communicate to our suppliers that we will not tolerate forced labour or any other exploitative practices.

All our own brand suppliers are required to respond to key ethical questions as part of the supplier pre-qualification onboarding process. Should any red flags be identified from the responses, regarding for example child labour or forced labour, we will not enter into business relations until we have conducted a full investigation and we are satisfied that all the potential issues have been remediated before supply may commence. DFI's Supplier Code of Conduct outlines the expectations we have of ourselves and our supplier partners concerning business ethics, human rights and fair labour practices, and respect for environment. We recognise our suppliers operate in diverse legal and cultural environments where they are based across the globe, therefore the Supplier Code of Conduct sets the guidelines for consistent evaluation across our diverse and complex supply chains.

94% of DFI's own brand production facilities located in high-risk locations have been audited against Amfori or other equivalent ethical standards. By the end of 2024, we target all own brand supplying factories to meet DFI ethical requirements.

Since rolling out our Ethical Sourcing Programme in 2021, DFI has increased our insights into ethical compliance in our existing factories. This has provided opportunities where we can actively support our supplying factories through coaching and sharing of industry best practices to drive effective corrective actions. We are on a continuous journey to engage with factories to progress towards full ethical compliance. However, if a factory continues failing to implement the necessary measures in timely manner, DFI may consider ending the business partnership with the factory.

By upholding these principles and expectations, we strive to create a responsible and inclusive ecosystem that respects human rights, promotes equality, and ensures the well-being of all individuals involved in our operations and supply chains.

Suppliers' factories social audit

	2023	2022	2021
% of factories in high-risk countries supplying own brand products audited against Amfori or equivalent standards (Cumulative)	94%	44%	24%

Methodology

To ensure ethical and responsible sourcing practices, all own brand products' factories located in high-risk countries are subjected to comprehensive audits. Factories in countries which are categorised as 'high-risk' according to the Amfori BSCI Countries Risk Classification and other published country risk indexes on labour rights protection, are required to undergo full on-site audits based on Amfori or other equivalent ethical standards. These ethical audits aim to identify any instances of child labour, forced labour, or slavery, ensuring that the factories meet the required ethical standards and have not been associated with such practices in the past.

Governance

10. Product safety and quality GRI 416

Product safety and quality management

Product safety incidents erode consumer confidence and trust in consumer products and the companies that produce them. When consumers lose faith in the safety of products, they may change their purchasing habits, leading to financial losses for businesses. Restoring consumer trust can be a challenging and time-consuming process. Product safety issues can also cause significant reputational damage to businesses. News of recalls, or contamination incidents can spread quickly through media and social networks, tarnishing the reputation of the company involved. Rebuilding a damaged reputation can be costly and may take years to achieve.

DFI has implemented several programmes and processes to ensure the quality, safety, and legal compliance of our own brand products. DFI's Sustainability Management Committee has accountability to ensure the quality and safety of the products we offer.

Quality and Safety Programme:

DFI Supplier Technical Standards are the core standards, and Suppliers are required to comply with all applicable aspects to protect DFI product and brand integrity by ensuring compliance and consistency. In developing and manufacturing DFI own brand products, as a minimum, we expect Suppliers to adhere to:

- Local regulations and relevant legislation in DFI operating markets
- Other technical policies and guidelines as outlined in DFI Product Quality and Safety Programmes
- Product specifications
- Additional brand standards agreed and specified by DFI

DFI's Quality and Safety Programme is designed to facilitate risk management and effective communication between cross-functional departments and Suppliers. This seeks to ensure that our products meet both local standards and DFI's own stringent quality, safety, and legality standards.

As a Consumer Goods Forum ('CGF') signatory, we have embedded the Global Food Safety Initiative ('GFSI') into our own brand requirements which encourages continuous improvement of food safety management standards across the supply chain. This certification seeks to ensure suppliers meet internationally recognised food safety standards. For non-food categories we leverage other global certifications or the DFI audit standard.

Prior to launch of any own brand product, each product is assessed internally and validated by a third-party accredited laboratory for quality, safety and legal compliance. While the launch phase is critical for introducing a product to the market, post-surveillance becomes crucial for ongoing success. Our post-surveillance programme includes manufacturing and product compliance, supporting continuous monitoring and evaluation, helping DFI to identify and address any emerging issues or opportunities for improvement. In the event of a product recall or withdrawal, our procedures outline the necessary steps to be taken to minimise any potential risks associated with the product and to swiftly remove it from the market. In 2023, 81% of own brand product factories were third-party audited for a globally recognised food safety certification, while 19% of factories who do not have a GFSI certification were audited against our DFI second party audit scheme by one of our nominated third-parties.

Food safety certification	2023	2022	2021
% of production factories of DFI own brand products that have a globally recognised food safety audit certification	81%	67%	61%

Methodology

Metric includes production facilities of own brand food and non-food products that have been certified by one of the GFSI approved schemes. GFSI is a CGF Coalition of Action that promotes continuous improvement of food safety management across the supply chain. Production facilities that are not certified by one of the GFSI schemes, must be audited by a DFI appointed third-party auditing partner. All suppliers must also comply with DFI's Supplier Technical Standards, which are protocols set by a team of Supplier and Product Technical subject matter experts. We have taken into account the percentage of production facilities with GFSI or other globally recognised audit certifications.

Responsible marketing communication

At DFI, we endeavour to conduct responsible marketing activities to support the safety and reliability of our products and services. Our Responsible Marketing Policy guides our approach, emphasising the importance of truthful, accurate, and ethical communication with our customers.

When transmitting information to our customers, we strive to adhere to the following principles:

- **Appropriate Expressions:** In our commercials and advertisements, we use appropriate expressions that resonate with our target audience. We ensure that any images or recordings used are suitable and align with the intended message.
- **Legal Compliance:** We provide information that meets or exceeds the legally mandated requirements concerning health, environment, and other sustainability aspects. We are committed to upholding the highest standards in these areas and strive to exceed the minimum legal requirements whenever possible.

By adhering to these principles, we aim to build trust with our customers and ensure that they have access to accurate and reliable information about our products and services. We regularly review and update our marketing practices to align with evolving industry standards and customer expectations. Our goal is to provide our customers with the information they need to make informed decisions while maintaining integrity and responsibility.

11. Ethics and anti-corruption

Anti-corruption and anti-bribery GRI 205

DFI is dedicated to conducting our business with a strong commitment to ethical responsibility and adherence to laws and regulations in all the regions where it operates. This commitment extends to compliance with anti-corruption and bribery laws. DFI's Code of Conduct and Supplier Code of Conduct (available on our website www.DFIretailgroup.com) explicitly prohibits any form of corruption or bribery such as illicit payments. The Code of Conduct is a mandatory policy applicable to all team members and is included as part of the onboarding process when team members join DFI. Team Members are also required to comply with DFI's No Gift Policy which provides for a general prohibition against receipt of gifts in order to avoid the risk of team members being placed in a position where actions or offers might be misconstrued as being offered for personal gain. DFI also has a Speak-Up Policy to encourage team members to raise serious and genuine concerns about malpractice that may affect DFI's business and reputation. DFI is committed to investigating such matters and will take appropriate and timely action to address such concerns.

DFI regularly conducts code of conduct training sessions to strengthen ethics and compliance awareness and training among our stakeholders. These training initiatives aim to enhance understanding and knowledge of ethical standards, ensuring that employees and relevant parties are well-informed about the organisation's expectations and requirements.

In 2023, the code of conduct training courses were completed by over 92% of the total team members.

These training and awareness initiatives demonstrate the commitment of DFI to equip team members with the necessary knowledge and tools to uphold ethical standards and mitigate corruption risks. By reaching a significant portion of the workforce, DFI aims to foster a culture of compliance and integrity throughout the organisation.

To mitigate corruption risks, DFI has also implemented a range of control procedures. These procedures include reviews and audits conducted by the Internal Audit team. These reviews and audits assess the effectiveness of the Group's compliance programme across all countries. Based on their findings, the Internal Auditor teams formulate recommendations to enhance DFI's ethics, compliance, and anti-corruption programme. These recommendations aim to improve the overall integrity and effectiveness of the programme, ensuring that it remains effective.

By regularly reviewing and auditing the policies and procedures of the compliance programme, DFI demonstrates our commitment to continuous improvement and the proactive management of corruption risks. These control procedures help to identify areas for enhancement and strengthen the organisation's ability to prevent, detect, and address any potential instances of corruption.

Speak Up programme (whistleblower programme)

A Speak Up programme is important in a corporate setting. It provides a mechanism for team members to report any wrongdoing, misconduct, or unethical behaviour they witness within the organisation. This aims to empower team members, suppliers, and applicable stakeholders to speak up without fear of retaliation, helping potential issues to be brought to light and addressed promptly.

It also helps to maintain transparency and accountability within the organisation. By encouraging mentioned stakeholders to report concerns, it creates a culture of integrity and ethical behaviour. This can deter unethical practices and promote a positive work environment where everyone is held accountable for their actions.

DFI's Speak Up Policy reinforces our mandate to all of our business units and departments to comply with all applicable laws and regulations and maintain proper standards of business conduct. In line with this, DFI actively encourages all team members to voice their concerns and report any issues that are of serious and genuine concern, as these matters may impact the operation of DFI's business and our reputation. By fostering a culture of open communication and accountability, DFI aims to address and resolve any potential issues promptly and maintain the integrity of our operations.

DFI has established a reporting system which includes an outsourced whistleblowing system that operates 24/7 and is accessible through the internet, by email or by telephone. This system serves as a channel for all team members to report any suspicions of unethical practices. The scope of reports includes various serious concerns such as discrimination, harassment, health and safety issues, theft, fraud, corruption, misappropriation of funds, conflicts of interest, and unethical behaviour.

DFI's reporting system allow cases of misconduct reported by team members to trigger an alert within the DFI team, prompting a thorough investigation for cases that are confirmed to be valid. Once a reported case is validated, DFI takes appropriate measures to address such misconduct.

12. Data Privacy and Cybersecurity GRI 418

Organisations that experience data and cybersecurity breaches may face legal, regulatory, financial, and reputational consequences. Many jurisdictions have enacted data protection and privacy laws that require organisations to implement appropriate security measures and notify affected individuals in the event of a breach. Cybersecurity is a critical component of data protection, as it encompasses the practices and technologies used to safeguard sensitive information from unauthorised access, theft, or damage.

Data privacy

DFI understands that safeguarding personal data is crucial in maintaining a strong relationship of trust. By complying with data protection regulations, DFI can demonstrate our commitment to protecting the privacy and confidentiality of personal information. To securely guard customer privacy and data, DFI has established a comprehensive Group Privacy Policy. This policy outlines our commitment to:

- **Requiring Third-Party Compliance:** We ensure that any third parties with whom we share data are obligated to comply with our privacy policy and data protection standards.
- **Transparency and Clear Terms:** We maintain transparency by providing clear and easily understandable terms regarding the collection, use, sharing, and retention of user data, including data transferred to third parties.
- **Lawful and Transparent Data Collection:** We obtain user data through lawful and transparent means, ensuring explicit consent from the data subject when required by applicable regulations.
- **Limited Data Collection and Processing:** We collect and process user data only for the stated purpose, ensuring that it is limited to what is necessary and relevant.
- **Timely Notification:** In the event of policy changes or data breaches, we notify data subjects promptly and in accordance with local laws and regulations.
- **Implementation of Data Protection Standards:** We adhere to data protection standards as outlined in local regulations, ensuring that our practices align with the requirements set forth by the relevant authorities. To ensure the commitment outlined in the Group Privacy Policy, DFI has implemented the Data Privacy Programme. It is designed to protect customer data from mishandling.

Data Privacy Programme

- **Data Subject Access:** DFI provides mechanisms for data subjects to access their accounts and exercise their rights to erase, rectify, complete, or amend their personal information as required by applicable regulations.
- **Concerns and Complaints:** DFI has implemented mechanisms for data subjects to raise concerns or lodge complaints regarding data privacy. These channels ensure that any issues related to data privacy are addressed promptly and appropriately.
- **Team members Training:** DFI conducts regular training sessions for team members on data management and data privacy. These training programmes aim to enhance team members awareness and understanding of data privacy best practices.
- **Data Privacy Risk Assessment:** DFI performs regular assessments to identify and mitigate data privacy risks associated with technologies and practices. These assessments help ensure that data privacy measures are up to date and aligned with evolving threats and regulatory requirements. Detail of the risk assessment that are conducted and reported regularly can be found in the Risk Management section of the annual report.

Cybersecurity

Cybersecurity is the practice of protecting computer systems, networks, and data from unauthorised access, attacks, and disruptions. DFI has a cyber security programme to implement measures and protocols to safeguard our digital assets.

Cybersecurity Programme

- **Endpoint and Mobile Data Protection:** DFI has implemented preventive measures such as endpoint protection, including ransomware protection and anti-virus software, to safeguard our endpoints from malicious attacks, as well as mobile data protection practices such as two-step verification to enhance security and protect sensitive information on mobile devices.
- **Data Breach Monitoring and Response:** DFI has implemented measures to monitor and respond to data breaches and cyber attacks promptly. These measures include incident response plans and protocols to minimise the impact of any potential breaches.
- **Team members Training:** DFI conducts regular training sessions for team members on cybersecurity and internet threats. These training programmes aim to enhance team members awareness and knowledge of cybersecurity best practices, reducing the risk of cyber incidents.
- **Audits:** DFI conducts regular external and internal audits of the company's systems that handle user data. These audits help identify vulnerabilities and ensure that appropriate security measures are in place to protect customer data.
- **Penetration Testing:** DFI conducts penetration testing regularly, which simulate cyber attacks on the organisation's infrastructure to identify vulnerabilities and weaknesses, allowing DFI to proactively identify and address potential security gaps.

By implementing privacy and cybersecurity programme, DFI demonstrates our commitment to safeguarding customer data, maintaining data privacy, and protecting against cyber threats. These initiatives contribute to building trust and confidence among customers, team members, and partners.

13. Tax governance GRI 207

Activities across the Group generate a variety of direct and indirect taxes, such as corporate income taxes, property taxes, sales taxes, employer payroll, and social security taxes, among others. We view our compliance with relevant tax laws and regulations as consistent with sustainable business practices and aligned with our responsibilities and societal obligations as a good corporate citizen. We submit all appropriate tax returns covering all areas of taxes and ensure the correct amounts of taxes are paid by the due dates.

Given the complex nature of taxation in an environment with rising tax obligations associated with global minimum taxation initiatives, increased transparency may result in greater scrutiny and increased reputational risk. The Group operates a risk-based system of controls, processes, and training to manage tax risks and minimise instances of error. The Group has a low tolerance for tax uncertainty. We engage with tax authorities in a timely and transparent manner. The Group manages a team of experienced tax professionals overseeing the Group Tax function and providing support to the Finance and Human Resources teams of our group companies, who have collective responsibility for ensuring that the Group adopts appropriate tax accounting treatment and reporting standards.

Tax contribution	2023	2022	2021
Tax contribution (US\$m)	<u>118</u>	127	158

Note: The data underlined have been independently assured by PricewaterhouseCoopers.

Tax contribution (by country)	
Region	2023 Tax contribution (US\$m)
Hong Kong	47
Macau	3
Chinese mainland	15
Taiwan	19
Singapore	12
Malaysia	7
Indonesia	11
Cambodia, Brunei, and Philippines	1
Non-Asian based	3
Total	<u>118</u>

Note: The data underlined have been independently assured by PricewaterhouseCoopers.

Methodology

We have taken into account DFI's total tax contribution on an accrual basis, which includes corporate income taxes, property taxes for real property holdings or transactions, non-creditable VAT ('GST') and other sales or similar taxes, employer's portion of payroll taxes, social securities and other taxes paid that constitute costs to the company (such as stamp duty, consumption tax, royalties, dividend, interest withholding tax).

Appendices

GRI index

Please refer to our website www.DFIretailgroup.com for a full listing of GRI index and related responses.

Feedback

We appreciate your interest in providing feedback on this ESG report. For further information, to share your comments, or to utilise the information presented in this ESG Report and draw conclusions from the data, please email us at: DFIcontactus@DFIretailgroup.com

Independent practitioner's limited assurance report

To the Board of Directors of DFI Retail Group Holdings Limited

We have undertaken a limited assurance engagement in respect of the selected sustainability information of DFI Retail Group Holdings Limited (the 'Company') listed below and identified as the numbers underlined in the Company's Environmental, Social and Governance Report for the year ended 31st December 2023 (the '2023 ESG Report') (the 'Identified Sustainability Information'), which is included in the Company's Annual Report 2023.

Identified Sustainability Information

The Identified Sustainability Information for the year ended 31st December 2023 is summarised below:

Climate Change

- Total Scope 1 and Scope 2 GHG emissions
- Total energy consumption

Human Capital

- % of male team members / % of female team members
- Gender diversity in senior leadership
- Average hours of training

Health, Safety, and Well-being

- Fatalities
- High-consequence work-related injury rate
- Recordable work-related injury rate

Tax Governance

- Tax contribution

Our assurance was with respect to the year ended 31st December 2023 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2023 ESG Report and, therefore, do not express any conclusion thereon.

Criteria

The criteria used by the Company to prepare the Identified Sustainability Information is set out in the 'Climate Change', 'Human Capital', 'Health, Safety, and Well-being' and 'Tax Governance' sections of the 2023 ESG Report (the 'Criteria').

The Company's responsibility for the Identified Sustainability Information

The Company is responsible for the preparation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Identified Sustainability Information that is free from material misstatement, whether due to fraud or error.

Inherent Limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standards on Quality Management, which require the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the Identified Sustainability Information is free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included enquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- made enquiries of the persons responsible for the Identified Sustainability Information;
- understood the process for collecting and reporting the Identified Sustainability Information;
- performed limited substantive testing on a selective basis of the Identified Sustainability Information at the Company's corporate head office to check that data had been appropriately measured, recorded, collated and reported; and
- considered the disclosure and presentation of the Identified Sustainability Information.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Company's Identified Sustainability Information has been prepared, in all material respects, in accordance with the Criteria.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Company's Identified Sustainability Information for the year ended 31st December 2023 is not prepared, in all material respects, in accordance with the Criteria.

Restriction on Use

Our report has been prepared solely for the Board of Directors of the Company and is not to be used for any other purpose. We do not assume responsibility towards or accept liability to any other parties for the content of this report.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong

7th March 2024



THANK YOU!

Our sustainability progress would not have been possible without our dedicated team members, customers, and partners. Thank you for joining us in protecting the environment and making the world a better place. Your passion and commitment have been invaluable, driving our success. Together, we have achieved significant milestones, and your support fuels our ongoing journey towards a sustainable future. We look forward to continuing this important work with you.