



Contents

Sustainably serve Asia
for generations
with everyday moments

- 03 About DFI Retail Group
- 04 A Message from Group Chief Executive
- 05 A Message from Group Chief Legal,
Governance and Corporate Affairs Officer
- 08 Sustainability Framework
- 10 Performance Highlights
- 12 People
- 18 Products
- 22 Planet
- 28 Governance
- 29 Appendix

Cover photos:
 (Top) Nathan Lam, a Pharmacist from Mannings' Hong Kong introducing the Safe Disposal of Unused Medicines programme to a customer
 (Middle, from left to right) Our Own Brand – Meadows sustainable canned tuna range; A 7-Eleven coffee made with Rainforest Alliance-certified 100% Arabica beans; Our Own Brand – Mannings Guardian beauty accessories range
 (Bottom) P. Nitaya, a Doem Bang Group farmer who participated in DFI's Low-Carbon Rice pilot programme in Thailand



DFI's team at the Team Member Value Proposition launch event

About DFI Retail Group



13
Asian Markets

Over
10,700
Outlets

(Including associates and joint ventures)

Founded in 1886, DFI Retail Group is a leading Asian retailer, driven by its purpose to 'Sustainably Serve Asia for Generations with Everyday Moments'. The Group is dedicated to delivering quality, value and service to Asian consumers through a compelling retail experience, supported by an extensive store network and highly efficient supply chains. The Group operates a portfolio of well-known brands across health and beauty, convenience, food, home furnishings, restaurants and other retailing in 13 markets with over 10,700 outlets and employs over 190,000 people.

Figures as at December 2024

A Message from Group Chief Executive

“At DFI, our purpose is to sustainably serve our millions of customers in Asia for generations with everyday moments. This shared purpose inspires us to meet the daily needs of our customers while creating lasting, sustainable value for all stakeholders. As Asia’s leading retailer, we take this responsibility seriously by providing essentials that support livelihoods, health, well-being, and ecosystems across all our markets.”

Scott Price
Group Chief Executive



Addressing fundamental needs across diverse markets

DFI’s approach to progressing sustainable business goals is unique, as we operate in some of the most complex and rapidly changing industry environments in the world—particularly in retail. Our business spans one of the most diversified portfolios globally, encompassing a wide range of retail formats, carbon footprints, customer bases, regulatory environments, sourcing and supply chain networks. We operate across 13 highly distinct markets as well as diverse domestic environments that feature fragmented networks of producers and suppliers—which all face their own challenges, risks, and barriers to sustainable growth.

This complexity is further heightened by the interconnected value chains between Asian and global markets, which support the thousands of products and brands our customers rely on daily. Few markets in Asia can independently sustain their domestic food production or retail ecosystems without external connectivity to the global market. This means that collaboration across fragmented value chains is essential, requiring innovative solutions to address critical priorities, such as emissions reduction and sustainable growth.

Regulatory inconsistencies across our operating markets add further complexity to our sustainability efforts. While we uphold international standards, many markets have less stringent regulations, raising compliance costs and operational challenges. These disparities impact competitiveness and balancing the need to provide affordable,

sustainable products with market realities remains crucial as we navigate our industry’s evolving environment.

It is this unique environment that gives us an important leadership role. We work with a broad range of stakeholders—from local producers to global suppliers—to deliver essential products and services to our customers, helping them gain access to sustainable products while addressing rising cost-of-living pressures.

We also understand that customers prefer sustainable products, but not at a higher cost. Guided by DFI’s ‘customer-first’ approach, we are committed to meeting this need by providing the sustainable products our customers want—at a price point they can afford. Across Asia, our customers are dealing with rising cost-of-living pressures on a daily basis as economies move up the value curve, global trade tensions inflate commodity prices, and financial disruptions devalue local currencies. At the same time, rising education levels, longer lifespans, and growing middle-class incomes are driving increased demand for affordable yet sustainable, nutritious foods, well-being services, and household comforts.

These dynamics create both challenges and opportunities. As DFI continues its own sustainability journey, we stand alongside our customers on theirs, supporting their aspirations for better livelihoods and well-being. We remain deeply focused on our opportunity to create sustainable value and support consumers in making choices at affordable prices.

Creating sustainable value and impact

In recognising the role we play in our region, our industry, and with our customers, we undertook a comprehensive review to better connect our purpose to the most impactful sustainability priorities that we can progress over the long term.

In a period of global uncertainty around climate and related challenges, we remain laser-focused on defining and scaling our efforts where we create the greatest value. To embrace this direction, we refreshed our Sustainability Framework around three core pillars: the **People** we serve, the **Products** we deliver, and the **Planet** that we support in reducing our environmental footprint.

Our people- and customer-centric approach is at the heart of everything we do. Across our formats, we continue to enhance personal health and well-being while promoting sustainable consumption. DFI is leading efforts to educate and enable customers to adopt sustainable behaviours. In a region that is home to more than one in every two people globally, even small changes in individual behaviour can lead to dramatic and scalable reductions in environmental impact.

Focused initiatives for change

To address the challenges presented by fragmented value chains, we have taken the initiative to address consumer cost barriers for emission reductions by developing focused transition plans in four key food commodities: **rice, beef, dairy, and coffee**. These industries are highly dispersed, requiring collective effort

to adopt new innovations and practices that unlock carbon reductions across Asia’s fragmented value chains and production networks.

Collaboration remains one of the most powerful tools for driving meaningful change. We are currently working closely with the **Consumer Goods Forum Towards Net Zero Coalition of Action**, engaging in pragmatic and practical efforts to reduce emissions at an industry level. Moving forward, we will continue to develop and adopt standards with our partners to ensure sustainable goods and services remain accessible to our customers throughout Asia.

Empowering our teams to drive success

A purpose-driven business is built on the foundation of its people. With the combined strength of our 190,000 dedicated team members, we are creating an empowering environment where every individual has the opportunity to thrive and contribute to our shared success. Their hard work and commitment are at the heart of our ability to deliver sustainable value to the millions of customers we serve.

Looking ahead, I am proud of the progress we have made together and remain confident in DFI’s ability to lead the way in sustainable retail across Asia. By staying true to our purpose, collaborating with our partners and communities, we will continue advancing our priorities while meeting the demands of a changing world for our customers.

Together, we are building a sustainable future that delivers lasting value for generations to come.

A Message from Group Chief Legal, Governance and Corporate Affairs Officer

“I am proud of the consistent progress DFI has made in laying the foundation for our refreshed sustainability framework. I am also deeply encouraged by the collective efforts of our teams, partners, and communities, and am confident that we will continue to make great strides in our sustainability journey in the years ahead.”

Erica Chan
Group Chief Legal,
Governance and
Corporate Affairs Officer



DFI’s position as Asia’s leading retailer means we have an important responsibility – to create sustainable value for our customers, team members, and communities both every day and for generations to come. We achieve this by navigating the complexities of Asia’s fragmented retail environment to deliver the best possible value propositions to our customers every single day. Our extensive touchpoints with customers and communities are also a key asset, providing us with valuable insights into growing consumer demand for more sustainable solutions.

This year, we reaffirmed that sustainably serving Asia has always been at the heart of our purpose. By embracing this purpose, we recognise our role and opportunity to create even greater value for our customers, and have adopted a new framework uniting all of our sustainability efforts under three pillars: **People, Products, and Planet**. These pillars guide our organisation in delivering measurable progress on our targets and KPIs, ensuring that our sustainability initiatives create lasting value where we are best positioned to make an impact.

People: Empowering lives across Asia

Our **People**-focused priorities reflect the millions of lives we touch every day through our formats and operations. Research shows that the most impactful organisations reflect the diversity of their customers, and this principle is core to how we operate. For example, 65% of our 190,000+ team members are women, mirroring the majority of our customer base.

We have focused on advancing health, safety, and well-being across our markets, prioritising areas where we can make the greatest impact for our customers, team members, communities, and supply chains. Over the past year, we made steady progress by:

- Delivering KPIs related to training hours, employee turnover, gender pay parity, and workplace safety rates.
- Increasing board-level diversity, achieving 25% female representation by February 2025.
- Expanding Mannings’ Safe Disposal programme with over 6.8 million unused pills securely disposed of through specialised chemical waste treatment facilities.

Products: Enabling sustainable choices

Products are at the heart of our industry and fulfilling both the daily and lifelong needs of our customers. Across our 10,700 retail outlets, we help enable our customers to make informed and sustainable choices that fit their unique circumstances and affordability needs. Through our Own Brand strategy, we have made significant progress in delivering sustainable products that resonate with our customers, including:

- Leveraging deep consumer insights to ensure our Own Brand products meet meaningful sustainability standards without compromising value.
- Increasing the adoption of sustainability certifications for our Own Brand products to 28%.

- Advancing initiatives to achieve our target of 100% Own Brand plastic packaging recyclability by 2030.

By integrating sustainability into our product offerings, we empower customers to make choices that align with their values while addressing their daily needs.

Planet: Reducing our environmental footprint

Our **Planet** priorities drive DFI’s efforts to reduce carbon footprint, minimise waste, and limit our environmental footprint. Operating in a fragmented industry environment, we recognise that creating a sustainable future requires comprehensive partnerships alongside our own focused initiatives. Over the past year, we made notable progress, including:

- Staying on track to achieve our 50% reduction target for Scope 1 and 2 emissions by 2030.
- Invested in upgrading our refrigeration systems to more environmentally friendly options, and completed trials of natural gas and ultra-low global warming potential gases as refrigerant alternatives.
- Increased waste diversion to 61%, supported by improved data accuracy, and expanded recycling and reduction programmes across our formats and distribution centres.

To succeed at scale, progress must also be feasible at a local level. That is why we have focused on key food commodities, such as rice—a critical staple for billions of people, with Asia producing 85% of the

world’s supply. Rice is also grown almost exclusively by millions of small-scale farmers, making it a challenging but vital target for emissions reductions.

In Thailand, the world’s sixth-largest rice producer, we piloted a project with local farmers to adopt improved sustainable farming practices. This initiative resulted in the production of 110 metric tons of low-carbon rice and achieved a minimum 30% reduction in greenhouse gas emissions, as verified by an independent third party. As we extend partnerships and shared best practices to reduce emissions in key commodities and value chains like rice, DFI is helping to drive wider, meaningful impact throughout Asia.

Underpinning all these efforts is our steadfast commitment to strong governance and transparency in how we operate. During 2024, we established the Sustainability Committee, providing monthly executive oversight of sustainability performance, led by key members of our Executive Committee. Additionally, we adopted KPIs for team members across all formats to further embed sustainability into our daily operations.

As we continue building on this momentum, I am proud of the consistent progress DFI has made in laying the foundation for our refreshed sustainability framework. I am also deeply encouraged by the collective efforts of our teams, partners, and communities, and am confident that we will continue to make great strides in our sustainability journey in the years ahead.

Sustainability Framework

At DFI, our purpose is to sustainably serve Asia for generations with everyday moments. We are committed to transforming Asia's retail landscape through sustainable choices that benefit both people and the planet. Our sustainability strategy is anchored in three strategic pillars: **People, Products, and Planet**, with Governance as the cornerstone, ensuring robust leadership and oversight.



People

Customer Value Creation

Our customer-centric approach creates value by offering products and services that enhance personal well-being while addressing emerging needs.

Community Giveback

We support community growth through programmes and investments that promote health and development.

Team Member Success

We invest in our team members' development by promoting diversity, equity and inclusion, while prioritising their health and safety.

Ethical Sourcing

We are committed to ethical sourcing practices to safeguard human rights in our supply chains.

Related SDGs



Products

Sustainable Choices

Offering our customers a growing range of sustainable products while deepening sustainable consumption practices and education within our industry.

Sustainable Packaging

Starting with our Own Brand products, we are committed to enhancing packaging recyclability and introducing more sustainable packaging materials.

Product Quality and Safety

With the extensive range of products we offer and the wider markets we serve, we are deeply focused on rigorous product quality and safety standards to protect our customers.

Related SDGs



Planet

Carbon Footprint Reduction

We prioritise the decarbonisation of our operations and value chains by adopting more eco-friendly refrigerants, reducing energy consumption, and developing low-carbon choices for our key product categories.

Waste Recycling and Reduction

We continue to progress and strengthen our comprehensive initiatives for a cleaner planet.

Related SDGs



Performance Highlights

People

Team Member Success

16.6 average training hours per team member (2023: 13.6)

22% voluntary team member turnover rate (2023: 27%)

0 work-related fatality rate; lost time injury rate at 0.84 (2023: 1.02)

Customer Value Creation

>6.8m pills collected by Manning's medicine disposal programme (2023: 1 million)

Community Giveback

US\$2.76m of community investment

>7,300 smallholder farmers and waste pickers supported by IKEA Social Entrepreneur Indonesia Accelerator

Ethical Sourcing

100% factories in high-risk countries supplying Own Brand products audited against amfori BSCI or equivalent standards (2023: 94%)

Products

Sustainable Choices

28% Own Brand products with sustainability certificates (2023: 24%)

Sustainable Packaging

57% Own Brand products with recyclable plastic packaging, on track towards target of 100% by 2030

Product Quality and Safety

100% Own Brand food factories have a third party food safety audit – 85% are globally recognised schemes (GFSI) (2023: 81%)

Planet

Carbon Footprint Reduction

14.2% Scope 1 and 2 emission reduction vs 2021 baseline (for continuing businesses); on track towards 50% reduction by 2030 & net zero by 2050

≥30% Scope 3 emission reduction on approved participating rice fields in Low-Carbon Rice Project

Waste Recycling and Reduction

61% waste diversion rate (2023: 56%)

8,000kg used coffee grounds upcycled in 7-Eleven Hong Kong's 'Grounds to Green' programme

Strong ESG Performance

84th percentile

Ranked in the 84th percentile (ahead of 84% peers) in the Food and Staples Retailing industry in the S&P Global Corporate Sustainability Assessment (as of 8 January 2025)

Governance

- Established a Sustainability Committee that provides executive oversight of sustainability performance
- First year with Audit Committee reviewing audited ESG data
- Integrated ESG KPIs into team members' performance evaluations
- Completed a double-materiality assessment to align ESG priorities with the latest regulatory requirements and stakeholder expectations

Sustainability Awards and Recognitions

- CLP Smart Energy Award 2024 (DFI)
- MSC Seafood Leaders Singapore 2024 (DFI)
- 2023/24 Vision Awards for DFI Sustainability Report 2023 – Platinum Award, Technical Achievement Award, Top 100 Reports Worldwide (DFI)
- Retail Asia Awards 2024 – ESG Initiative of the Year, Health and Wellness Initiative of the Year (Mannings)
- FMCG Asia Awards 2024 – ESG Initiative of the Year, Health and Wellness Initiative of the Year (Mannings)
- ESG Business Awards 2024 – Workplace Wellness Programme Award (Mannings)
- Retail Asia Awards 2024 – Sustainability Initiative of the Year (7-Eleven)
- Outstanding Green Achiever Award, Sixth Gold Award in the Shops and Retailers category, Sole Recipient of the Super Gold Award by Environmental Campaign Committee of the Hong Kong Government (Wellcome)

Sustainability Memberships and Associations

- The Consumer Goods Forum – Towards Net Zero Coalition of Action, Plastic Waste Coalition of Action
- amfori member
- 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 (Membership of Jardine Matheson)



People



Kim Humby from IKEA Social Entrepreneurship B.V., supporting local communities through the IKEA Social Entrepreneurship Indonesia Accelerator programme

Our business at DFI is fundamentally about the livelihoods of people — the consumers who take essential goods home from our stores, our team members who work to put customers first, and the wider communities that we support between our operations and value chains. Our ability to hold a meaningful role in the lives of all our stakeholders is based on Asia’s incredible diversity and talented workforce, which we work to ensure is reflected in our 190,000+ strong team. This diverse talent base enables us to constantly deepen value creation for customers and the impact we can have within our communities. To continue building on our role and capabilities, we also work constantly to extend the success of our team members across our operations.

Our efforts and initiatives to create value centre on identifying where we can be doing more for customers. We leverage both our well-informed teams and data from our countless consumer touchpoints to develop new ways of better addressing their needs. Consumers in Asia have always faced a wide range of challenges in areas like health and well-being as they strive to improve their livelihoods. That is why we continue to develop new ways for customers to better understand and improve their well-being with convenient solutions across our different retail formats.

DFI’s stores are often at the centre of local communities. Our locations are a common site on street corners that serve as a regular stop in our customers’ daily routines. We take this community role seriously. Alongside maintaining seamless

services for customers, we are deepening the way in which we support local priorities. We support community initiatives and capacity building programmes for NGOs, extending as a critical helping hand when disasters strike, and are there for disadvantaged groups by supporting the causes that advance their goals.

The impact that we have across these areas and through our business are only possible by building on the success of our team members. During the year, we have continued to progress our internal initiatives developing the talent that makes everything at DFI possible. Our commitment to our team members’ success translates into a more engaged workforce, which ultimately benefits our stakeholders by driving operational excellence and fostering a culture of continuous improvement.

Customer Value Creation

Mannings Hong Kong: Safe disposal of unused medicines

Mannings is the first Hong Kong community pharmacy chain to offer a safe disposal service for domestic unused medicine, helping improve personal drug safety and limit medical waste in the city’s waste collection system. In 2024, we continued reinforcing the importance of safe and proper disposal of unwanted pills, and double the scale of our programme with collection boxes available in nearly 60 Mannings stores with a Pharmacy service. All medicine collected is safely disposed of by an Environmental Protection Department-licensed chemical waste collector and treatment centre.

Since the programme began in 2023, we have safely handled around 8 million unwanted pills, with over 300 different types of medication collected to date.

The programme has received widespread recognition in the industry and has been awarded multiple honours this year:

- Retail Asia Award 2024 – ESG Initiative of the Year
- ESG Business Award 2024 – Healthcare Services Award
- FMCG Asia Award 2024 – ESG Initiative of the Year, Health & Wellness Initiative of the Year

Mannings Hong Kong: Health Pod & AI Wellness Scan

Our newly renovated Mannings store at Hong Kong’s International Finance Centre (ifc) provides innovative healthcare service through our Health Pod, which provides smart wellness assessment for preventive care and self-health management. The Health Pod measures over twenty health metrics, including blood oxygen, body composition, skin condition, and teeth shade. The service includes a personalised wellness consultation by a professional nutritionist who also provides tailored recommendations.

By the end of December 2024, we served over 1,200 customers, and are working to expand the new concept to more locations.

Our selected Mannings stores have also introduced an innovative AI service that assess key vital signs with a short facial scan, measuring heart rate and variability, blood pressure, respiration levels, oxygen saturation, and stress. The service is supported by the Hong Kong University of Science and Technology, which found the test was more than 90% accurate in hospital clinical trials.

Mannings Hong Kong: PharmaCare

Mannings’ pioneering PharmaCare Programme, launched in March 2023, helps address the rising pressure on Hong Kong’s medical system by providing pharmacist consultations and medication for minor health issues. In 2024, we established a partnership with Bupa Hong Kong to provide their members with more convenient access to healthcare services, and by November last year our programme had supported over 25,000 people. The innovative service was recognised by the Retail Asia Award 2024 for Health and Wellness Initiative of the Year and the ESG Business Award 2024 for Workplace Wellness Programme Award.

Mannings Hong Kong: Wellbeing Check-in

Like many major cities, Hong Kong has experienced a long-term challenge with rising mental health pressure. In April 2024, Mannings launched the ‘Wellbeing Check-in’ service in collaboration with Mind HK, becoming the first pharmacy chain to offer free mental health consultations. As of November 2024, the service received over 250 bookings and follow-up interventions along with over 150 check-in consultations, with our customers recognising the service’s supportive offering and convenient locations.

Protecting customers’ interests

Cybersecurity

Cybersecurity is one of the most fundamental ways we act to safeguard our business, our team members, and our customers. A well-informed community is a critical component in defending against cyberattacks as threat actors increasingly target individuals to gain access to IT systems. Our cybersecurity programme ensures robust protection of our digital assets through comprehensive cybersecurity policies and processes. Key measures include regular risk assessments, endpoint and mobile data protection, and prompt data breach monitoring and response. Cybersecurity awareness training is provided to our team members, and there is an established escalation process for reporting potential threats. The company also maintains an updated business continuity and incident response plan, conducts regular internal and external audits, and performs annual third-party vulnerability and penetration tests to identify and mitigate security risks. For more details, please refer to Appendix 1.

Data privacy

DFI is committed to protecting the privacy of its customers and team members through a robust data privacy programme. The company has appointed Data Protection Officers to oversee compliance and address privacy concerns. DFI integrates privacy risk assessments into its Enterprise Risk Management framework and conducts regular internal audits to ensure adherence to privacy standards. Mechanisms for data access, correction, and complaint resolution are in place, with strict disciplinary actions for policy breaches. Our comprehensive practices reflect DFI’s dedication to safeguarding personal data while maintaining transparency and accountability throughout our operations. For more details, please refer to Appendix 2.

Responsible marketing communications

At DFI, we are committed to responsible marketing practices that ensure the safety and reliability of our products and services. We regularly review and update our marketing practices to align with evolving industry standards and customer expectations. Our goal remains to empower customers to make informed decisions while maintaining integrity and responsibility. Our Responsible Marketing Policy emphasises honest, accurate, and ethical communication with our customers. We uphold principles such as appropriate expression, legal compliance, and providing valuable information on health, environmental issues, and sustainability.



Curtis Liu, Chief Executive Officer, Food and Darren Chan, Managing Director, Food, Hong Kong & Macau at 'Sik Jor Fan Mei' charity programme Kids Fun Day

Community Giveback

At DFI, we believe that giving back to the community is integral to our mission of fostering a better future. Our 'Community Giveback' initiatives span a wide range of meaningful projects aimed at improving the lives of those around us.

In 2024, we continued growth in our community investments, with contributions rising from US\$2.32 million in 2023 to US\$2.76 million (2022: US\$1,907,000) this past year. Our programmes underscores our dedication to social responsibility, fostering community engagement, and promoting sustainable development.

Wellcome Hong Kong: 'Sik Jor Fan Mei' rice donation & surplus food donation

The 'Sik Jor Fan Mei' rice donation programme in Hong Kong, initiated in 2021, aims to enable customers to purchase rice for a good cause. This initiative is in partnership with Foodlink, a local NGO dedicated to alleviating hunger and reducing food waste. For every kilogram of Yu Pin King rice sold, we donate HK\$0.5,

with donations doubled to HK\$1/kg on the first day of each month. During the 'Festive Feast-up' periods, including Chinese New Year, Mid-Autumn Festival, and Winter Solstice, we double the rice donations and match every selected Yu Pin King item purchased with an additional donation. In 2024, we donated HK\$1.46 million, equivalent to approximately 980,000 bowls of rice, to those in need.

Additionally, Wellcome used surplus food to provide nutritious meals to those in need while reducing landfill waste. This initiative is conducted in partnership with Foodlink and Feeding Hong Kong, focusing on donating safe-to-consume surplus food. In 2024, a total of 139 stores participated, resulting in the donation of 232,000 tonnes of food, equivalent to 553,000 meals.

7-Eleven Hong Kong: 'Sik Tak Fan La' charity programme

The 'Sik Tak Fan La' charity programme, launched in collaboration with local social enterprise Pei Ho

Counterparts in 2022, aims to provide hot meals to the underprivileged, including elderly people living alone, the homeless, and low-income families. We fund this initiative by donating HK\$0.5 to Pei Ho Counterparts for each designated 7-SELECT meal box sold at 7-Eleven's stores across Hong Kong. This programme leverages our strong store network to connect donors with beneficiaries, enabling the public to provide ongoing support to Pei Ho Counterparts. As of December 2024, the programme has raised over HK\$2.3 million, equivalent to 92,462 meal boxes, for those in need.

IKEA Indonesia: Instellar and IKEA Social Entrepreneurship Indonesia Accelerator (I-SEA)

Bringing together IKEA Social Entrepreneurship and Supply Area Southeast Asia together with local partner Instellar, the IKEA Social Entrepreneur Accelerator (I-SEA) in Indonesia aims to enhance the impact of social enterprises for marginalised communities, focusing on livelihood, equality, and inclusion.

The programme involved capacity building, mentorship, and consultation for 10 social enterprises. The initiative attracted 371 registrants, with 40 IKEA team members serving as mentors and volunteers, and was covered widely by national media. Beneficiaries of these social initiatives cover over 220 local communities, impacting over 3,800 smallholder farmers and 3,500 waste pickers, 690 small-scale farms and 1,300 small businesses. The programme aligns with IKEA's vision for a better everyday life and promotes sustainable and inclusive growth.

#guardiancares

Guardian Vietnam: Scholarships and CSR All Hands Campaign

Guardian Vietnam has donated approximately US\$3,500, funding ten scholarships for disadvantaged elementary students in Hau Giang and organised a Mid-Autumn Festival event at Tan Phuoc Hung Primary School. Furthermore, the team contributed 6,000 personal care products to support youth groups in need.

Through its CSR All Hands Campaign, Guardian Vietnam supported over 150 students at La San Tan Hung Charity School by distributing scholastic supplies, clothing, and toys. The 'Draw Your Dream' activity engaged students, fostering creativity and encouraging them to express their aspirations.

Guardian Brunei: 'Together, Keeping Kids Clean & Healthy'

Guardian Brunei's hygiene initiative donated over 1,600 litres of bath products, providing approximately 470,000 baths to underprivileged children. Partnering with local NGO YAKSA, the programme supports children with cancer, emphasising the importance of hygiene for recovery and overall wellbeing.

Guardian Malaysia: 'Together, Keeping Kids Clean & Healthy'

Guardian Malaysia is driving initiatives to support underprivileged children with personal hygiene products. During the year, its programmes provided RM370,000 in bath care items and other hygiene essentials,

including over 37,500 litres of body wash (approximately 10.8 million baths), to thousands of children from low-income families. This effort contributes to the overall Southeast Asia goal of 40 million baths this year.

Cold Storage & Giant food contributions

As of October 2024, Cold Storage and Giant's 'Better Together' initiative has contributed over 378,700 kg of food — equivalent to more than 1 million meals — supporting The Food Bank Singapore's network of over 300 beneficiary organisations, reaching over 100,000 families and 300,000 people since 2020. Additionally, rice and cooking oil were distributed to 3,000 low-income residents in Kembangan-Chai Chee district under the 'Have you Eaten' initiative.

Singapore National Day & Welcome New Tengah Residents Block Party

Giant marked Singapore's 59th National Day with a block party, distributing Own Brand core essentials, including Giant oil, Meadows milk, assorted biscuits and chips, to 590 new residents in the Tengah district.

IKEA Taiwan: Hualien earthquake relief donation

In response to the April 2024 Hualien earthquake, IKEA Taiwan donated essential furniture to two heavily impacted families, aiding their home reconstruction efforts. The donations, valued at over NT\$80,000, included bedding, desks, chairs and lamps, provided through the Chinese Christian Relief Association.

7-Eleven Singapore: Kids party with Children's Wishing Well

7-Eleven Singapore organised a party for 20 children with local NGO Children's Wishing Well ahead of the



school season, featuring interactive games, goodie packs, 7-SELECT meals, and a magic show. Additionally, a Christmas party was organised, distributing 100 gifts to children, to celebrate youth in Singapore.

7-Eleven South China: Supporting children with special needs with YangAi

7-Eleven South China has continued its partnerships with Guangzhou YangAi Parents Club for over two decades. Together, they have established donation boxes, QR code and in-store advertisements at every checkout counter in Guangdong stores. In 2024, more than CNY200,000 in customer donations was raised to support children with mental disabilities and their families.

DFI Lucky: Donations and initiatives for local children

During 2024, DFI Lucky donated US\$20,000 each to the Red Cross and Kanthabopha Children Hospital, alongside short-expiry products worth US\$26,000 to local organisations benefiting over 5,000 children. DFI Lucky also held cooking events at Takmao Special Education High School and LRDE, impacting thousands of children through meals and educational support.

Mannings Hong Kong: ‘Helping Kids Grow Happier, Healthier, and Stronger’ charity campaign

To date, Mannings has donated HK\$5 million to The Hub Hong Kong, benefiting over 8,000 children and families through health supplements, workshops, and sports programmes. Every Mannings Own Brand Health Supplement sold contributes HK\$2 to the initiative. During 2024, our PharmaCare service has also been provided to over 2,000 children and their families, and our initiatives have been recognised with the 2024 SERA Outstanding Social Caring Brand Award.

Walk Up Jardine House

DFI Retail Group is committed to promoting physical and mental wellbeing among our team members and the community. Our teams in Hong Kong participated in the annual Walk Up Jardine House fundraising event for mental health charity MINDSET, with our 7-Eleven and Mannings & GNC teams securing first and second place respectively.

yuu Give Back members engagement initiative

The yuu Give Back initiative actively engages our members in efforts to reduce hunger and minimise food waste. This includes year-round yuu Points donation and events in collaboration with our Charity Partners, the Foodlink Foundation and The Conservancy Association. In 2024 we raised over 85 million yuu Points, equivalent to HK\$426,000, to support local beneficiaries and underprivileged families with children.

Maxim’s Hong Kong: ‘Silver Hair Yum Cha O2O’

Maxim’s Group has continued to expand on its ‘Silver Hair Yum Cha’ events from the pandemic period, engaging elderly participants in Chair-Based Dance to enhance physical health, and fostering a sense of community through shared dim sum experiences, benefiting over 250 participants including volunteers and elderly families.

Team Member Success CEO Awards and Living Our Values Awards

At DFI, we are dedicated to recognising and celebrating the outstanding contributions of individuals and teams that drive our success. Our quarterly CEO Awards celebrate exceptional contributions across our markets, helping inspire our teams to exceed expectations while fostering healthy competition. Our annual Living Our Values Awards (LOVA) embodies our strategic framework: ‘Customer First, People

Led, Shareholder Driven’, recognising individuals and teams who exemplify these values in their daily work. These initiatives exemplify our commitment to empowering excellence in our business and supporting the continued development of our team members.

Embracing sustainability: Today, Tomorrow, Together

During Sustainability Awareness Month in November 2024, DFI engaged over 1,800 team members in over 30 activities including training sessions, workshops, tea chats, beach clean-up, tree-planting, site visits, green challenge, and more, to deepen team members’ understanding of sustainability and empower us to integrate sustainable practices into daily life. For instance, the DFI Lucky team successfully engaged 200 team members to plant 1,000 mangrove trees in Cambodia to directly benefit the local community and coastal environment, reflecting our commitment to environmental stewardship. These initiatives, under the theme ‘Today, Tomorrow, Together’, reflect the company’s dedication to sustainability and supporting our communities.

Team members’ development programme

DFI is committed to fostering a learning organisation by creating learning possibilities every day. We actively gather insights on business priorities and analyse team member performance to deliver targeted learning programmes that enhance continuous skill development and career growth. Highlighted below are some of our key initiatives for 2024:

Values Reinforcement Training

This interactive training programme includes all DFI team members across all markets. Through this training, team members can build a stronger connection between their personal motivations and DFI’s values, ultimately enhancing team member engagement.

Reimagining Retail for the Digital Era Professional Certificate Programme

This is the first programme accredited at Hong Kong Qualification Framework (QF) Level 6 in the retail sector, aimed at equipping our store operations leaders with the essential skills needed to drive business results in the digital age.

Team Leader Skills Programme

This initiative focuses on developing essential people management skills and behaviours. This year, over 230 team members have enrolled in the programme. For further details, please refer to Appendix 3.

Team members benefits and retentions

DFI offers comprehensive team member benefits and retention programme. We conduct regular reviews of our employment, remuneration, and benefit policies to ensure market competitiveness. Our transparent and objective performance evaluations assess individual and team performance, recognising and rewarding strong

contributors. This ensures fairness and motivates team members to achieve their goals, fostering a culture of accountability and excellence. The combination of competitive compensation and comprehensive benefits helps us retain talented team members and supports our commitment to being an employer of choice. For more details, please refer to Appendix 4.

Team members support facilities

DFI’s Hong Kong office features wellness rooms designed to provide team members with a dedicated space to de-stress, pray, meditate, or unwind. These wellness rooms can also serve as lactation rooms for mothers. We prioritise wellness by creating a supportive environment for our team members.

Team members health and safety

DFI prioritises health and safety through rigorous risk assessments, emergency response training, and internal audits. Our Health and Safety team and ISO 45001-compliant system ensures a safe workplace by addressing hazards, promoting

awareness, and continuously improving safety practices. We strive to protect our team members’ wellbeing and uphold high safety standards. For more details, please refer to Appendix 5.

DFI wellbeing initiatives Wellbeing expos and Awareness training

We prioritise wellbeing and invest in comprehensive wellbeing programmes, equipping our team members with resources in building resilience and in leading active, balanced lifestyles. As part of our Health & Wellbeing Awareness Month, DFI organised a Physical Wellbeing Expo to promote proactive health management through free assessments. Additionally, we held a Mental Wellbeing Expo to raise awareness and encourage our team members to take charge of their mental health through engaging workshops and discussions. In line with our commitment to openness and support, we provide Team Member Assistance Programme that offers free 24-hour hotline and face-to-face consultations.

DFI has expanded mental health awareness training to Store and Distribution Centre leaders, growing participation from 21 in 2022 to over 220 in 2024. By equipping our leaders with essential mental health skills and tools, we support everyone to prioritise wellbeing.

Guardian Malaysia: ‘Pinktober Campaign’

Guardian Malaysia launched its ‘Pinktober Campaign’ this year in partnership with the National Cancer Society to raise funds and educate women about breast self-examination, offering free health screenings, while distributing 10,000 Pink Glove Kits. With Malaysia’s five-year survival rate significantly lower than other Asian countries, breast cancer awareness and early detection remains crucial.



Diversity, equity, and inclusion
Inclusion training for leaders & team members

We believe a diverse and equitable workplace starts with leadership, and take active steps to equip them with tools to become inclusivity champions. In support of this, we introduced in-person inclusion training engaging over 400 leaders in workshops to adopt inclusive practices. We extended this learning to over 2,200 team members through the 'Conscious Inclusion' online programme, featuring dynamic real-life scenarios.

AI technology promoting inclusivity

DFI utilises AI software to ensure bias-free language in our communication materials, including job descriptions. We also monitor diversity metrics among job applicants to ensure an inclusive hiring process.

DFI's first Cross-Company Diversity Internship Programme

DFI launched its first Cross-Company Diversity Internship Programme, partnering with Hongkong Land and Maxim's Group, to offer a 5-week rotational programme for students from diverse backgrounds. This initiative supports underrepresented students by providing real-life work experience and networking opportunities, reflecting our efforts to provide advancement opportunities for our communities.

Mentorship Programme for women leaders

We are committed to empowering women by endorsing the UN Women's Empowerment Principles and aiming for 40% female leadership. To advance female talent within our teams, we implemented initiatives like Mentorship Programme, pairing women leaders with senior mentors for career development.

7-Eleven Singapore: Beyond the label – inclusive employment for Persons with Mental Health Condition

7-Eleven Singapore has been committed to hiring Persons with Mental Health Condition (PMHC) for many years. Through our collaboration with the OcTAVE Outpatient Rehabilitation Centre at the Institute of Mental Health, we offer work opportunities at our 7-Eleven training store, supporting patients on their journey to recovery.

Employment of senior citizens

DFI values age diversity and has been actively recruiting senior citizens since 2023. Welcomed over 100 senior team members, we leverage on their experience in supporting our growth and success.

Ethical Sourcing

DFI is dedicated to ethical sourcing and supply chain management. Our policy includes pre-qualification assessments to ensure no forced labour, a categorisation system for risk-based supplier evaluation, and BSCI standards-based inspections. DFI emphasises continuous

improvement, providing suppliers with performance benchmarks, technical support, and monitoring. Regular supplier briefings ensure understanding and compliance with DFI's Supplier Code of Conduct. This comprehensive approach ensures ethical practices are upheld throughout our supply chains and operations, ensuring transparency and accountability within our business and with our partners. For more details, please refer to Appendix 6.

In 2024, we achieved 100% of DFI's Own Brand production facilities located in high-risk countries being audited against amfori BSCI or equivalent ethical standards, an enhancement from 94% in 2023. This milestone met our target of ensuring all Own Brand supplying factories adhere to DFI's ethical requirements by 2024. We will continue to ensure that new factories producing Own Brand products meet these requirements.

Our supply chain management is overseen by the Sustainability Committee and is the responsibility of DFI's Technical team. To maintain high standards, DFI has implemented measures to set goals, monitor key indicators, and share best practices with our teams and suppliers. It is critical for DFI's team members to recognise social and environmental issues in the supply chain. To this end, DFI offers a range of social and sustainability-related training for team members engaged in supplier assessment activities. Regular assessment standard training is provided to continuously enhance the competencies of our team members in assessing suppliers.



Products



Our Own Brand — Meadows MSC-certified canned tuna range

The products we provide across our operations are at the heart of our customers' daily lives. For each of our 13 markets, customers demand diverse assortments of products and brands that best address their personal needs. Fundamentally, consumers want more sustainable products in their lives at accessible price points, while also want to ensure their needs for product quality and safety are met. Sustainable products should be both better for the planet and better for customers, contributing to better livelihoods while minimising environmental impacts of both DFI and our customers.

DFI can deliver on this primarily through our Own Brand strategy, which positions us to better manage the complexity of Asia's retail industry environment and fragmented supply chains. We also continue to work the many other brands on our shelves to introduce new sustainable product features and alternatives.

This year, we advanced our initiatives in offering sustainable choices, adopting sustainable packaging, and safeguarding product quality and safety. We would continue to strengthen customer engagement, communication, and education.

By helping our customers understand the impacts they can make through more sustainable consumption, we inform and incentivise them to make positive changes. Through these efforts, we can redirect consumer trends to amplify sustainable impact.

As we deliver more sustainable products across our retail formats and maintain our deep commitment to protect customers' interests, DFI serves the needs of millions of people throughout Asia sustainably.

Sustainable Choices

We are helping to inform consumer behaviour and meet the rising demand for sustainable choices by increasing the depth and breadth of products that have certifications and programmes addressing important sustainability priorities. The percentage of DFI's Own Brand products with sustainability certifications by SKU increased from 24% in 2023 to 28% in 2024, reflecting our growing sustainable product assortment.

7CAFÉ sustainable coffee

Since its launch in October 2022, 7CAFÉ Hong Kong and Macau, followed by Singapore in 2023, has adopted 100% Rainforest Alliance-certified Arabica coffee beans for every cup of coffee brewed across our 1,022 stores. The Alliance is the leading international organisation promoting sustainable agriculture and forestry.

We have also started offering oat milk as an alternative choice at 7-Eleven, as plant-based milks emit significantly less greenhouse gases compared to conventional dairy milk. We are also reducing environmental impact by sourcing less impactful Forest Stewardship Council (FSC) certified paper cups and lids for 7CAFÉ.

Meadows: MSC-certified sustainable seafood

First launched in August 2021, Meadows has expanded its sustainable seafood range, offering more Marine Stewardship Council (MSC) certified products across its canned seafood lines. MSC certifies that seafood products have been procured while conserving fisheries, many of which are overfished around the world. The certification also helps monitor and



reduce impact of seafood sourcing on other marine species, including dolphins, turtles and seabirds, as well as natural ecosystems.

Meadows offering choices of cage-free eggs

Eggs are an essential low-cost protein for millions of our customers across the region, making them a particularly price-sensitive everyday food item. To address this need, we have been selling 100% cage-free and free-range eggs under our exclusive Meadows brand since its launch in 2021. To date, we have successfully launched six SKUs of cage-free and free-range eggs in our stores, making sustainable and responsible options more affordable for our customers.

Additionally, we have continued to scale production while partnering with animal welfare organisations, including the Humane Society International (HSI) and our suppliers, to improve the welfare of laying hens that produce 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.

IKEA: MSC-certified seafood & 'Better Chicken Programme'

Aligned with our MSC certification programme for seafood products, all of our IKEA stores use MSC-certified wild-caught fish and shrimp. All IKEA salmon comes from farms that are certified to the Aquaculture Stewardship Council (ASC) global standard for responsibly farmed seafood.

Since April 2023, our Hong Kong stores have also joined IKEA's global Better Chicken Programme. The global initiative focuses on animal welfare at supplier farms to ensure broiler chickens are raised sustainably, providing high-quality chicken with reduced environmental impact.

The programme ensures well-managed living conditions for chickens and sources feed that does not contribute to deforestation. Participating chicken farms must also adopt manure management plans that reduce environmental impact.

FSC-certified paper adoption for Own Brand paper products

We transitioned 55% of our Own Brand paper products to sustainable source including FSC-certified or recycled paper during 2024. Our initiatives remain on track towards our goal of 100% FSC-certified paper sourcing for Own Brand paper products by 2028.

Meadows: Recycled aluminium cookware

Meadows launched its first line of recycled aluminium cookware in December 2023, offering saucepans made from at least 90% recycled aluminium. By using recycled aluminium, we are able to provide the same level of product quality with reduced energy intensity and emissions compared to newly sourced and manufactured aluminium products.

IKEA: Healthy and sustainable living products

IKEA has also been introducing products with reduced resource usage. The MITTZON sit and stand desk in our stores uses higher strength steel, allowing for a reduced volume of thinner, lighter but stronger materials that maintain product quality and helps reduce emissions.

IKEA: Expanding the use of bio-based glues

Following IKEA's breakthrough with bio-based glues last year, the use of these glues in manufacturing have continued to expand. During 2024, IKEA tested various alternative glue systems through large-scale factory trials to identify the most suitable product options.

Sustainable Packaging

The global and regional cosmetic industry remains highly fragmented. While we continue to work with brands in our stores on reducing plastics use, we maintain the most control over supply chains, distribution networks, product design and packaging through our Own Brand lineup. We also achieved 57% recyclability for our Own Brand products with plastic packaging by SKU, on track with our target of 100% by 2030.

For our own Health and Beauty product strategy, we have been able to develop, implement and evolve our in-house initiatives to reduce, reuse and recycle plastics across our operations. We have done this while always ensuring we deliver high-quality, affordable products for our customers.

Our Own Brand offering combines great products and value together with sustainable impact, providing a strong driver for shifting consumer preferences towards more sustainable products. To drive our plastics reduction strategy, DFI has alternative solutions and adopted five key workstreams designed to minimise plastic use:

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

Several key initiatives that we undertook during the year align with this strategy included:

Reducing single-use plastic materials

DFI is also working to reducing single-use plastics in our Own Brand products. For example, Mannings in Hong Kong and Macau, along with Guardian in Singapore and Malaysia, introduced multi-surface anti-bacterial cleansing wipes that are made from 100% natural plant-based fibres, which biodegrade much more rapidly than traditional plastic fibre-based wipes.

Adopting reusable plastic packaging

In addition to our goal of making all Own Brand product packaging recyclable by 2030, we are also implementing initiatives to promote the use of reusable packaging. Guardian Malaysia introduced refill pouches for popular Own Brand body



Own Brand Health and Beauty introduces refill pouches for body and wash products

and hand wash products, offering up to 11 different options. Guardian stores in Singapore and Malaysia also expanded this initiative by introducing refill pouches for our Own Brand Kids Head-to-Toe Wash. These refill pouches significantly reduce plastic usage by up to 79% compared to their original bottles.

Leveraging recycled plastics and minimising packaging

Since 2022, DFI has utilised 50% recycled plastic for selected Own Brand dental care accessories, reducing our reliance on 100% virgin plastic. We have also reduced virgin plastic use in outer packaging of these products by using recycled plastic and paper packaging where feasible.

Product Quality and Safety

At DFI, we are committed to upholding the highest standards

of quality, safety, and compliance across all aspects of our operations. In 2024, 85% of our Own Brand food factories were third-party audited against globally recognised food safety approved schemes, under the Global Food Safety Initiative (GFSI), showing an improvement from 81% in 2023. GFSI-recognised certification is a mark of the highest standards in food safety. The remaining 15% of food factories, which do not hold a globally recognised certification, were audited by a nominated third-party according to the DFI audit scheme. As a prerequisite, all Own Brand production facilities must acknowledge compliance with DFI's Supplier Technical Standard.

Before the launch of any Own Brand product, each item undergoes internal assessment and validation by a third-party accredited laboratory to ensure quality, safety, and legal

compliance. While the launch phase is critical for introducing a product to the market, ongoing post-launch surveillance is also essential. Our post-launch surveillance programme includes monitoring manufacturing and product compliance, allowing DFI to continuously identify and address emerging issues and opportunities for improvement. In the event of a product recall or withdrawal, our procedures outline the necessary steps to minimise potential risks and swiftly remove the product from the market.

We are especially focused on our comprehensive safety practices for Own Brand products, which deliver high-quality, affordable goods with increasing levels of sustainability standards and solutions for our customers. Please refer to Appendix 7 for additional details on our approach to quality and safety.



Planet



DFI's Group Technical team member, Dorothy Au, collaborates with P. Wan Nee, a farmer from the Pa Sa Kae Group, on the Low-Carbon Rice pilot programme in Thailand

DFI remains committed to making continued strides in reducing our environmental impact. Our planet-focused initiatives centre on two critical areas: carbon footprint reduction as well as waste recycling and reduction, reflecting our efforts to support a sustainable future for our planet.

Carbon footprint reduction progress overview

As one of the world's largest economic regions that supports global supply chains, Asia accounts for a majority of the world's Greenhouse Gas (GHG) emissions. Efforts need to be continuously made among a board range of stakeholder to reduce the region's overall carbon footprint, while improving livelihoods and meeting consumers' daily needs. Through targeted initiatives across our formats and markets, DFI remains

focused on reducing our Scope 1, 2 and 3 GHG emissions both within our operations and across value chains.

Scope 1 and Scope 2 emissions

DFI's primary sources of Scope 1 and 2 emissions are refrigerants and electricity usage. Our efforts to reduce emissions include transitioning to more environmentally friendly refrigerants and refrigeration systems, enhancing energy efficiency, and adopting energy-saving measures. We remain on track with our targets to achieve a 50% reduction by 2030 (compared with a 2021 baseline) and achieve net zero by 2050. To support this progress, DFI has invested over US\$30 million into climate initiatives since 2022 and has allocated an annual investment of US\$15-20 million on relevant projects for 2025-2027.

Scope 3 emissions

DFI has identified 'Category 1 — Purchased Goods and Services' as the most significant category of our Scope 3 emissions. As we operate in the world's most populated region and prioritise customer needs, we rely on a vast, global, and diverse supplier network to provide cost-effective daily necessities to our customers. Unlocking emissions reductions with this complexity requires comprehensive planning, effective implementation, and multi-stakeholder partnerships with a focused, collaborative, and balanced approach across our fragmented supply chains.

In 2024, we developed a structured transition plan for Scope 3 emissions, concentrating on four priority categories: rice, dairy, beef, and coffee, based on their emission levels, availability of feasible decarbonisation

levers, and their central role in many consumers' lives. We will first focus on our Own Brand products in these categories where we have more direct control or significant influence. Our strategies focus on collaborating with suppliers to implement decarbonisation initiatives and transitioning to lower-emission sourcing regions. We will also foster coalitions with retailers, manufacturers, distributors, farmers, governments, banks, and industry associations to develop cost-effective industry-wide solutions that can drive sustainable impact at scale.

Alongside partnerships within industry, we understand the critical role of effective communication and behaviour change with consumers. By engaging and educating our customers while supplying affordable goods, we aim to inspire the adoption of more sustainable products in support of our broader climate efforts.

Reducing Scope 3 emissions is a complex and challenging task, and we remain committed to addressing this through ongoing collaborations and continuous refinement of our strategies. By bringing together partners and encouraging customers to support sustainable living, we aim to make steady, incremental progress with our decarbonisation efforts over time.

Waste recycling and reduction progress overview

Waste remains a critical environmental challenge across Asia. The region features some of the highest levels of population density anywhere on the planet, which place immense pressure on both urban and natural ecosystems. To help address this, DFI has set an ambitious waste diversion target of 80% by 2030.

While we are well-positioned to manage waste from our own operations, we face broader systemic challenges that include the absence of enabling regulations such as landfill taxes, limited access to local recycling infrastructure, and the need to balance operational feasibility. Despite these external constraints, we continue to progress towards our target through innovative solutions and working within our industry to support common efforts around waste reduction.

In line with our target, we prioritise addressing critical types of waste where substantial progress can be made, including food waste, plastic waste, and paper waste.

In 2024, DFI's waste diversion rate increased to 61%, up from 56% in 2023, demonstrating steady progress towards our 2030 target. Our initiatives are designed to improve recyclability, reduce total waste, and promote circular economy practices such as upcycling.

Carbon Footprint Reduction

Successful Low-Carbon Rice Pilot Programme in Thailand

With 85% of the world's production grown in Asia, rice is a fundamental part of people's daily lives in our region. Thailand ranks as the 6th largest rice producer globally, and the country's jasmine rice exports are popular throughout Asia. Rice is also one of DFI's top Scope 3 categories, accounting for around 6% of our Scope 3 emissions (based on 2023 data), and represents an industry in need of greater collective efforts towards emissions reduction.

To address this, DFI led a successful sustainable rice cultivation pilot programme in Thailand in 2024. During the year, we assisted local

farmers in implementing sustainable farming techniques, which included:

Alternate wetting and drying (AWD)

With the support of industry partners and the Thailand government, we trained 30 farmers in AWD techniques. By periodically allowing rice paddies to dry, rather than keeping them continuously flooded, AWD reduces methane-producing anaerobic conditions. This practice can lower methane emissions by up to 50% while conserving water and rice production yields.

Straw burning prohibition

Farmers were supported in eliminating open-field burning of rice straw, reducing carbon dioxide emissions and air pollution.

Soil & fertiliser management

Soil quality and fertiliser application were monitored closely, with guidance from agricultural academic experts. Soil samples were analysed to optimise nutrient use and reduce nitrous oxide emissions.

With the support from third-party agricultural experts and emissions data, the programme in 2024 produced 110,000 kg of certified low-carbon rice with a minimum 30% reduction in GHG emissions compared to conventional cultivation.

Building on this success, DFI established its Low-Carbon Rice Standards in November 2024 to support broader industry adoption of practical and sustainable farming methods.

In 2025, we would continue with the programme and target to launch 200,000 kg low-carbon rice under our Yu Pin King brand in the Hong Kong market to raise public awareness. We will also explore further partnerships

and other low-carbon sourcing opportunities to expand our impact and promote sustainable agriculture across our supply chains.

Converting to lower GWP refrigerant gas

Refrigerants are crucial for keeping food fresh and safe for our customers. The majority of DFI's Scope 1 emissions stem from refrigerant gases, which leak from refrigeration systems during everyday use. In 2024, DFI continued to upgrade refrigeration systems in its stores with advanced technologies designed to minimise gas leakage and enhance refrigeration efficiency. In total, DFI converted 58 Wellcome stores to lower Global Warming Potential (GWP) refrigerant gases in Hong Kong. In addition to this, we incorporated innovative solutions and completed trials of natural gas and ultra-low GWP refrigeration systems through our Research and Development Centre in Chung Hom Kok, Hong Kong. With the more efficient and less impactful refrigerant systems we put in place during the year and with the advanced solutions that we have in development, we expect further reductions in Scope 1 emissions in 2025 and subsequent years.

Improving energy efficiency

To reduce energy use across our operations, DFI is investing in smart refrigeration, smart air conditioning, electrical and lighting technologies and systems, including cloud-based AC and energy monitoring, and AC inverter units. These technologies enable a more data driven approach for the monitoring of energy usage by providing visibility to facilities managers to guide management actions. These systems also identify inefficiencies in our engineering systems allowing for intervention and

proactive maintenance to optimise efficiency. During 2024, our teams continued to install more energy efficient EC fans, LED lighting systems, motion activated lighting sensors and submetering. These projects resulted in a reduction of approximately 6,000,000 kg of carbon dioxide equivalent, supporting an overall reduction in Scope 2 emissions.

DFI's efforts to reduce Scope 2 emissions also include team member engagement. By providing energy efficiency training to team members and promoting eco-conscious behaviours, the Group fosters a culture of environmental responsibility, contributing to decarbonisation through collective action and behavioural change within the workforce.

Our efforts to enhance energy efficiency extend across different formats and markets with key examples highlighted below:

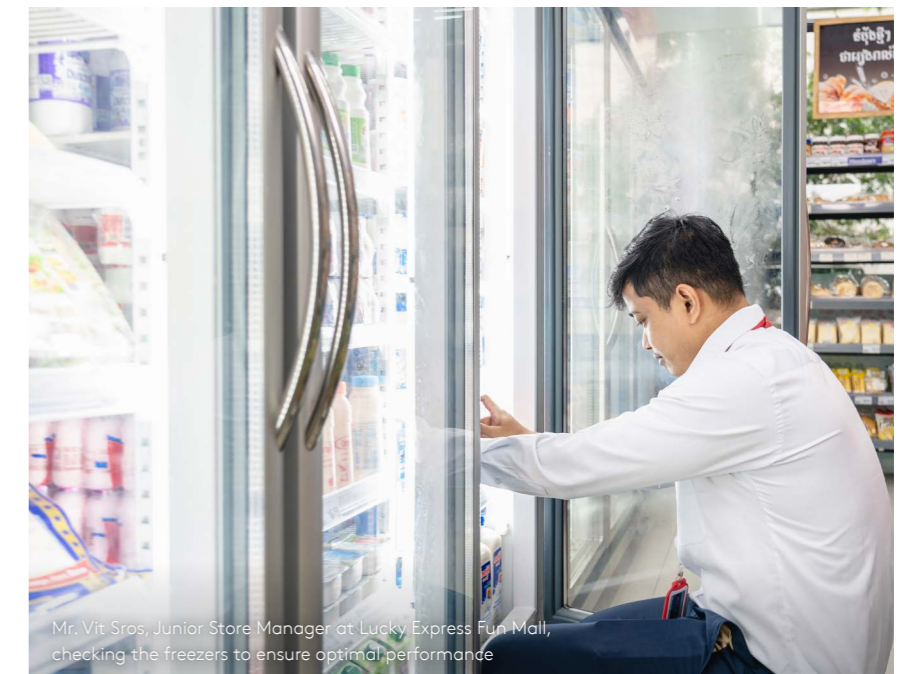
DFI Lucky Cambodia: Energy saving initiative in Cambodia

DFI Lucky in Cambodia has continued to carry out its energy saving initiative to optimise air conditioning systems, cooling systems for chillers and freezers, and exterior lighting schedules. The business has empowered team members to take action, while demonstrating its commitment to emissions reduction with customers.

The initiative led to an 800,000 kWh reduction in energy consumption during the year, coupled with a 6.2% reduction in power costs that provided over US\$220,000 in savings.

Guardian Vietnam: Benkon smart air conditioning system project

Starting in early 2024, Guardian Vietnam began installing new intelligent air conditioning systems that are able to reduce energy usage by 10% in our stores.



Mr. Vit Sros, Junior Store Manager at Lucky Express Fun Mall, checking the freezers to ensure optimal performance

Maxim's Hong Kong: Energy reduction campaign

In Hong Kong, Maxim's has been promoting energy reduction efforts across stores, driving an internal campaign that recognises individual stores for significant reductions in energy use. Maxim's Hong Kong has also adopted its greener store guidelines that will support sustainable operational practices and continued improvement through daily monitoring. The campaign has encouraged all of Maxim's business units to achieve a 5% reduction in energy use in 2024 compared to 2023, and more than 130 stores achieved an average energy savings of 18.2%.

Waste Recycling and Reduction

Waste-to-energy partnerships with O-PARK

During 2024, we made notable progress on waste recycling and reduction at our Wellcome distribution centres in Hong Kong, where diversion rates rose from 73% to 85%. Wellcome extended our partnership with the Hong Kong Government's Organic Resources Recovery Centres ('O-PARK1 and O-PARK2'), converting food waste into biogas for power generation and compost for agricultural and landscaping use. From February 2024, we have been diverting potential food waste from our Wellcome Fresh Food Centre and Dry Distribution Centres to O-PARK facilities, with a total volume of 1,375,400 kg being diverted during the year.

Innovative waste solutions in Distribution Centres to boost diversion

We initiated a recycling programme at our Wellcome Fresh Food Centre in Hong Kong to upcycle 3,217 kg surplus beef fat into biodiesel for essential power generators, supporting a local

circular economy and reducing food waste across our store operations. We have programmes in place to track and measure food waste reduction. Please refer to ESG Disclosure for details.

Like all businesses involved in goods logistics, DFI uses plastic wrap to secure and protect products during shipping, reducing the volume of damaged goods that can occur when goods are in transit. We are actively adopting sustainable alternatives to single-use plastic wraps. This includes using recyclable materials like transparent plastic wraps and wraps with reduced plastic content. We are also exploring reusable options, including textile pallet wraps and textile doors for roll cages. Starting in June 2024, we began exploring opportunities to reuse plastic pallets in Hong Kong, minimising our demand for new pallets. These initiatives collectively reduced our plastic usage by 17,090 kg annually.

Our paper and cardboard recycling programmes are advancing through partnerships with waste collectors and third-party contractors. This ensures that paper and cardboard waste from our distribution centres, stores, and offices are diverted from landfills and recycled for new uses. We have further increased the frequency of cardboard recycling collection and are separating out paper from unclassified waste to raise recycling levels, with recycled volume of our Wellcome Distribution Centres increased by 87,385 kg, equivalent to a 30% increment year-on-year.

To support our landfill diversion efforts, DFI also partnered with Hong Kong's EcoPark in March 2024 to recycle and repurpose 431,000 kg damaged wooden pallets, 8,480 kg plastics straps and food trays back into reusable materials for the local industry.

Upcycling 7-Eleven coffee grounds

Everyday, major cities around the world throw away large volumes of food. With the right process, however, many foods and ingredients can be upcycled for important new uses. With our 7CAFÉ brand, our 7-Eleven stores have become Hong Kong's largest coffee retail network. Leveraging this scale, our teams have pioneered upcycling for coffee grounds in Hong Kong for the over 1.25 million cups of coffee that we brew annually, and successfully upcycled 8,000kg used coffee grounds in 2024.

Our 'Grounds to Green' partners with the Foodlink Foundation turns 7CAFÉ coffee grounds into organic fertiliser at a local charitable organic farm, which is projected to yield approximately 4,000 kg of fresh organic produce annually. The produce is then donated to ten local NGOs in Hong Kong, providing nutritious meals to around 10,000 underprivileged people in the city.

The combined impact of our upcycling process helps reduce GHG emissions by an estimated 19 tonnes of carbon dioxide equivalent in a year.

7-Eleven and Maxim's Hong Kong: BOB 'Bottle of Bread' upcycled coffee beer

Maxim's 'Bottle of Bread' upcycling project has continued to divert potential waste by using unused bread as a barely substitute for beer production and was recognised by the 'BEST of the BEST' in HKDA Brand Design Awards and the 'IF Design Awards' in 2024.

This year, we developed a cross-format initiative by using coffee grounds from 7CAFÉ to introduce a new coffee canned stout beer, producing 24,000 cans out of 870kg of surplus bread and 589kg of 7CAFÉ coffee grounds in this collaboration.



7-Eleven Hong Kong's 'Grounds to Green' Coffee Grounds Upcycling Programme

Wellcome and 7-Eleven Hong Kong repurposing surplus food to alleviate food poverty

In Hong Kong, about 3,300 tonnes of food waste are sent to landfills daily, while many people struggle to afford basic necessities. By partnering with local non-profit organisations, we transform surplus food into resources to reduce waste and alleviate food poverty at the same time. The number of our 7-Eleven Hong Kong stores participating in the surplus food donation programme has expanded from 148 in 2023 to 237 in 2024. Similarly, Wellcome Hong Kong has increased its participating stores from 89 in 2023 to 139 in 2024. These expansion reflects our commitment to having a significant impact in the fight against food waste and hunger.

Guardian Vietnam: Creating partnerships for consumers to increase recycling

To help develop industry partnerships and provide access to recycling for consumers, Guardian Vietnam became the first retailer to have refill stations for personal care products in over 20 stores. The Refill Stations are in exclusive partnership with Cocoon, encouraging the reuse of containers. Customers can bring empty bottles or aluminium containers to refill with selected shampoo or shower gel, and the initiative is set to expand to over

125 Guardian stores nationwide in the future.

Guardian Vietnam: Innovative waste management

Guardian has partnered with INSEE Ecocycle in Thailand to upcycle expired cosmetic products into ash is to produce more sustainable concrete. Our collaboration to date has helped upcycle 7 tons of waste. The initiative not only reduces waste but also helps build a more circular economy across industries.

IKEA Hong Kong: Hang Hau Bistro: Consumer education waste reduction pilot programme

IKEA's Hang Hau Bistro successfully concluded its 'Less Garbage Bag Pilot' from April to November 2024. By inviting customers to stack their paper cups after refreshments, the Bistro used fewer garbage bags, reducing the carbon footprint from transportation and waste handling.

This initiative showcases IKEA Hong Kong's growing efforts to educate consumers and reduce environmental impact.

DFI Lucky: Sustainable alternative to plastic shrink wrap

With a growing network of stores and delivery volumes, DFI Lucky was faced with an increased need for plastic

shrink wrap or an alternative solution for securing goods on roll cages during shipping. To address this, DFI Lucky has initiated the use of reusable and recycled elastic fabric covers. This has reduced both plastic shrink wrap usage and costs since Q3 2023.

Maxim's & Starbucks Hong Kong: 'Borrow-A-Cup' campaign

To help shift consumer behaviour towards greater reusability, Starbucks Hong Kong launched the 'Borrow-A-Cup' campaign in collaboration with Muuse to offer a free reusable cup service at 35 stores across Hong Kong. To encourage adoption, Starbucks provides a \$1 discount on beverages when using a Muuse cup. Borrowed cups are free to use when returned within 30 days.

Environmental management system

To achieve our environmental objectives, DFI has established a comprehensive Environmental Management System to address environmental issues. This system assigns clear roles and responsibilities across the organisation, ensuring accountability at all levels (see ESG Governance in ESG Disclosure 2024). DFI actively monitors compliance with environmental regulations and implements corrective actions to foster continuous improvement when non-compliance is identified. Additionally, we provide training and awareness programmes to team members on environmental issues, enhancing their engagement and capability to support our sustainability goals. In 2024, DFI recorded no material non-compliance with environmental regulations.

Governance

Robust governance is crucial to fostering trust among customers, team members and partners. It serves as a cornerstone of our Sustainability Framework, ensuring we drive our sustainability priorities forward while maintaining a strong compliance system. As we advance our sustainable practices, our governance programme integrates ethical, social and environmental considerations and regulatory requirements into our business decision-making process.

Governance structure

Sustainability Committee

The Sustainability Committee is a sub-committee of the Management Committee and is chaired by the Group Chief Executive, and its members include Group Chief Financial Officer, Group Chief Legal, Governance and Corporate Affairs Officer, and Chief Executive Officer of our Food format. Their responsibilities of the Sustainability Committee include but are not limited to:

- Leading and overseeing the strategic direction of DFI's sustainability initiatives.
- Ensuring cohesive governance and execution of sustainability efforts across all company divisions.
- Overseeing the execution, monitoring, and reporting of sustainability-related programmes by working groups, ensuring these align with DFI's sustainability framework and goals.
- Facilitating, developing and adjusting action plans to achieve or surpass ESG performance indicators.

Ethics & compliance

Code of Conduct

DFI's Code of Conduct and Supplier Code of Conduct clearly prohibit any form of corruption or bribery, including illicit payments. It also provides guidance on political contributions. Mandatory Code of Conduct training is introduced during onboarding and refreshed each year for all team members.

For details of our Code of Conduct initiatives in 2024 and our control procedures to mitigate corruption risks, please refer to Appendix 8.

Speak Up programme (whistleblower programme)

DFI's Speak Up programme empowers team members, suppliers and our business partners to raise their concerns without fear of retaliation, ensuring potential issues are identified and addressed promptly. The channel is publicly accessible 24/7 via the company's website, email, or telephone. A dedicated helpdesk and hotline are available for all our operating locations and are available in local languages. Our programme ensures that all team members can communicate their concerns comfortably, effectively, and on a protected confidential basis.

We remain steadfast in our commitment to ensure all reports are fully assessed. Report submissions initiate an in-depth investigation into verified claims of unethical conduct or wrongdoing. If any incidents of wrongdoing, discrimination or harassment are confirmed, appropriate disciplinary and corrective actions will be implemented.

For details of our reporting system, please refer to Appendix 9.

Discrimination & harassment prevention policies

DFI maintains a strict zero-tolerance policy towards discrimination and harassment in any form, encompassing both sexual and non-sexual harassment. To promote an ethical and diverse work environment, DFI offers comprehensive training programmes for team members focused on anti-discrimination and anti-harassment. These training sessions are designed to raise awareness, educate team members on recognising inappropriate behaviour, and provide them with the tools to foster a respectful workplace culture. Our Speak Up channel allows team members to report incident without fear of reprisals, and allow DFI to investigate and initiate disciplinary actions in cases of discrimination and harassment. During performance appraisals, adherence to the Code of Conduct is integrated into the overall evaluation of team members' compliance and contributions. Discrimination and harassment constitute a breach of the Code of Conduct and team members would face disciplinary action as outlined in the Code.



Appendix

1. Cybersecurity

At DFI, we believe that a well-informed community is our best defense against cyber threats. Everyone plays a crucial part in cybersecurity as it is one of the most foundational and critical ways to safeguard our business, our team members, and our customers. DFI has developed a cybersecurity programme with below features to implement measures and protocols that safeguard our digital assets:

- **Cybersecurity governance:** DFI has a cybersecurity structure that governs its operations. The Chief Information Security Officer is responsible for managing cybersecurity issues and implementing cybersecurity programmes. The Group Chief Technology and Information Officer formally reports cybersecurity-related issues and programmes implementation to the board-level Audit Committee on a regular basis.
- **Cybersecurity Policy:** DFI has established a cybersecurity policy to protect the company's information assets from events that could jeopardise their confidentiality, integrity, or availability. This information security policy applies to all areas of the business and is accessible internally to all Store Support Centre team members.
- **Endpoint and mobile data protection:** We have implemented preventive measures such as endpoint protection, including ransomware protection and antivirus software, as well as mobile data protection practices like two-step verification to enhance security on mobile devices.
- **Data breach monitoring and response:** DFI has measures in place to monitor and respond promptly to data breaches and cyber-attacks, including incident response plans designed to minimise the impact of potential breaches.
- **Cybersecurity awareness training:** DFI has awareness training to team members to ensure the security of devices and data in public places, providing guidance on how to avoid security threats and phishing scams, and maintain a secure workplace. We promote everyday practices that enhance the protection of corporate digital devices, data, and systems. Additionally, we conduct IT-led phishing campaigns to assess associates' awareness and understanding of how to avoid phishing scams, reinforcing our commitment to cybersecurity.
- **Escalation process:** DFI has established an escalation process for cybersecurity concerns to ensure the safety of our information systems. If team members are uncertain about any emails, links, or attachments they receive, they can easily report their concerns by clicking the 'Report Phish' button in Outlook. This action alerts our cybersecurity team, who will then investigate the situation to determine if it poses a threat.
- **Disaster recovery and incidents response plan:** DFI have implemented a company-wide disaster recovery plan to ensure that our core operations can continue during emergencies. In the event of an emergency, we prepare recovery plans based on business priorities to maintain ongoing operations and facilitate the recovery of our information systems. The incident response plan provides a structured framework for identifying, addressing, and mitigating security breaches or unexpected disruptions effectively. Additionally, we conduct regular response drills at least twice a year and continually update the IT Incident Response Plan to enhance our preparedness.
- **Regular internal information security audit:** We conduct regular internal security audits of the company's systems and procedures that affect user data to ensure compliance with security standards and identify potential vulnerabilities. These audits involve a comprehensive review of our data management practices, access controls, and data protection measures. By systematically evaluating our security protocols, we can pinpoint areas for improvement, implement necessary changes, and mitigate risks associated with data breaches.
- **External cybersecurity audits:** DFI's cybersecurity infrastructure and information security management systems have undergone thorough audits conducted by external auditors. This independent assessment evaluates the effectiveness of our security measures, policies, and protocols in safeguarding sensitive information and mitigating potential risks.
- **Third-party vulnerability analysis:** DFI conducts third-party vulnerability analyses and penetration test annually to enhance our understanding of potential security threats. These analyses provide the Group with essential knowledge, awareness, and a comprehensive risk background, enabling us to identify and assess vulnerabilities in our environment. As part of the analysis, we conduct simulated attacks to mimic potential hacker activities, enhancing our preparedness for real-world threats. For instance, in 2024, we executed ransomware simulated attacks to test our response capabilities and identify any vulnerabilities in our systems.
- **ISO 27001 alignment:** The cybersecurity infrastructure in our operation aligns with ISO 27001 requirements, demonstrating our commitment to maintaining the highest standards of information security. This internationally recognized standard offers a framework for information security management system (ISMS) meets rigorous requirements for establishing, implementing, maintaining, and continually improving our security practices.

2. Data privacy

To ensure customer and team members privacy and data security, DFI has a data privacy programme, with the below features:

- **Data privacy governance:** DFI has a governance structure with a formalised system of policies, processes, and oversight mechanisms designed to ensure the effective handling of privacy and security responsibilities. DFI has appointed designated Data Protection Officers whom customers and team members can contact regarding any privacy issues or concerns. These officers are responsible for maintaining the data protection policy and ensuring that it is adhered to throughout the Group. Their role includes overseeing compliance, addressing inquiries, and implementing necessary measures to safeguard personal data and uphold privacy standards. The Group Data Privacy Officer manages the data privacy programme and reports directly to the Group Chief Legal Officer. The Group Chief Legal Officer is responsible for data privacy management and formally reports data privacy matters to the board-level Audit Committee regularly.

- **Regular risk assessment and Enterprise Risk Management (ERM) integration:** Integrated in the ERM framework, privacy systems and procedures are identified as top and principal risks within DFI, categorised under cybersecurity and technology risk. Recognising the critical importance of protecting personal data, DFI conducts regular risk assessment and internal audits to assess compliance with the technologies and practices that involve the handling of personal data. These audits evaluate the effectiveness of our privacy practices, ensuring that we adhere to established standards and regulations.
- **Regular privacy awareness communication and mandatory privacy training:** DFI actively promotes a culture of privacy awareness and accountability among its workforce. This includes implementing regular privacy awareness communications to team members for privacy protection practice, such as newsletters. Additionally, the company reinforces this commitment by requiring mandatory privacy training for all team members. This training is designed to equip team members with the knowledge and skills needed to comply with DFI privacy policies.
- **Disciplinary action for breaches:** The Group respects the privacy of all team members, customers and business partners. Personal data should only be collected, used, held and processed for legitimate business purposes in accordance with applicable laws. Failure to comply with the Policy could result in disciplinary action, including termination of employment.
- **Data subject access:** DFI provides mechanisms for data subjects to access their personal data and exercise their rights to erase, rectify, or amend their personal data as required by law.
- **Concerns and complaints:** We have established channels for data subjects to raise concerns or lodge complaints regarding data privacy, ensuring that issues are addressed promptly and appropriately.

3. Team members development programmes

The team members development programme is designed to nurture talent and enhance leadership skills, preparing participants for impactful careers and fostering organisational growth.

Values Reinforcement Training

- **Delivered by internal volunteers:** This initiative provides a platform for dedicated individuals to contribute to and shape the future of DFI. A total of 71 team members have become Values Ambassadors to facilitate the Values Reinforcement Training.
- **Connecting DFI values with personal motivations:** The training focuses on aligning DFI's core values with team members' personal motivations, fostering a deeper sense of purpose and engagement.
- **Demonstrating strong values in daily work:** Participants are encouraged to exhibit exemplary values-driven behaviour in their everyday tasks, reinforcing a culture of integrity and collaboration.

This year, over 200 Values Reinforcement workshops have been conducted, with more than 40,000 team members attending the training.

Reimagining Retail for the Digital Era Professional Certificate Programme

- **Recognised qualification body:** The Hong Kong Qualification Framework (HKQF) is a recognised qualification standard established by the Education Bureau of Hong Kong. This programme achieves QF Level 6, which is equivalent to a master's degree.
- **Fostering a lifelong learning culture:** This programme promotes continuous improvement and professional development within DFI.
- **Commitment to professional development for store operations:** This programme demonstrates DFI's commitment to developing team members at all levels, regardless of location or position.

A total of 33 operational talents are enrolled in this six-month programme.

Team Leader Skills Programme

- **Enhanced leadership quality:** Developing skilled leaders improve decision-making and strategic execution.
- **Stronger team performance:** Leadership alignment with organisational goals boosts overall team effectiveness and productivity.
- **Talent retention:** Investing in leadership development can lead to higher employee retention rates, reducing recruitment costs.

The effective feedback and coaching contribute to higher morale, as team members feel valued and supported in their development. A focus on coaching and development also raises overall performance expectations, driving teams to achieve higher results. There is a total of 230 team members that joined this programme and contributes to reducing turnover rate in 2024.

4. Team members benefits and retentions

Performance evaluation and reward principle:

DFI conducts regular reviews of our employment, remuneration, and benefit policies, allowing us to make necessary adjustments and enhancements so that the policies continue to be market competitive. Our evaluation process is transparent and objective, measuring team members against their individual and team goals, ensuring fairness while recognising and rewarding strong performance. To do so, DFI adopts the below means of appraisal:

- **Management by Objective (MBO):** This method focuses on setting specific, measurable goals collaboratively between management and team members. By aligning individual objectives with organisational goals, MBO fosters accountability and motivation, enabling team members to understand how their contributions impact the overall success of the company.

- **Multidimensional performance appraisal:** This approach considers multiple aspects of a team member's performance, including technical skills, interpersonal relationships, and adherence to company values. By gathering feedback from various sources — such as peers, supervisors, and subordinates — DFI gains a well-rounded perspective on team member performance, facilitating more informed development discussions.
- **Team-based performance appraisal:** Recognising the importance of collaboration, DFI incorporates team-based performance evaluations. This method assesses both individual contributions and team dynamics, encouraging a collective sense of responsibility and highlighting the importance of teamwork in achieving organisational objectives.
- **Agile conversations:** DFI embraces agile conversations as a dynamic appraisal method that fosters ongoing dialogue between team members and managers. Rather than relying solely on formal annual reviews, these regular check-ins promote real-time feedback, allowing for adjustments in performance and goals as needed. This approach enhances adaptability and ensures that team members remain aligned with the company's evolving objectives.

Regular salary benchmarking is conducted to keep our compensation competitive. Performance evaluations are critical in determining pay increases, with high-performing team members receiving greater consideration.

Other team members benefits

DFI provides a comprehensive range of competitive benefits to support and engage our team members while actively seeking their feedback to enhance workplace satisfaction.

Comprehensive benefits:

- Medical coverage
- Life insurance
- Discounts at DFI outlets
- Retirement plans
- Time-off and flexible work arrangements for office-based team members

Team member feedback:

- Annual 'Your Voice Counts' engagement survey to assess team member satisfaction and gather feedback
- Insights are used to understand team member needs and expectations
- Analysis of survey results to identify areas for improvement and inform decision-making
- Implementation of targeted initiatives to enhance satisfaction and engagement

Recognition:

- Long service awards presented at various service milestones to acknowledge team member commitment and contributions.

5. Health and safety

Managed by DFI's Health and Safety team, our Health and Safety Management System includes the following key activities:

- **Health and safety risk assessment:** DFI emphasises risk assessment and prevention to minimise workplace accidents and safeguard the health and safety of our team members. We specifically address the risks associated with working in stores and warehouses. For instance, in our distribution centres, risks may arise from loading dock access and machinery operations.
- **Risk prioritisation and action plan:** Identified health and safety risks are prioritised and assigned to the appropriate individuals to develop a project action plan. This plan includes setting project objectives, establishing quantitative goals. The action plans may encompass a range of initiatives, from educational programmes to process improvements, all aimed at reducing injuries linked to the prioritised risks through measurable targets.
- **Response to emergency situation:** Programmes are conducted to equip team members with the knowledge and skills necessary to react effectively in emergencies, covering topics such as evacuation procedures, first aid, and crisis communication. We also conduct routine drills to familiarise our teams with these procedures, ensuring that everyone knows their roles and responsibilities in the event of an emergency.
- **Internal audit and inspection:** DFI has established a systematic internal audit process to ensure the continuous and effective implementation of our Occupational Health Management System and overall Group safety. This process involves regular audits that assess compliance with health and safety standards, identify areas for improvement, and verify that all safety protocols are being followed.
- **Awareness training:** To prevent workplace accidents, we initiate safety training during the onboarding process for new team members. Our goal is to ensure that they are familiar with the professional risks associated with their roles and understand how to protect themselves and whom to contact in hazardous situations.
- **OHS incidents investigation:** DFI has a procedure to investigate work-related injuries, ensuring a thorough and systematic approach to understanding the causes and preventing future occurrences. When an incident is reported, relevant information including witness statements, medical reports, and any available documentation related to the incident will be collected. The OHS team analyses the circumstances surrounding the injury, identifies underlying factors, and evaluates compliance with safety protocols. A report is generated, outlining findings and providing actionable recommendations for improvements.
- **Evaluation and review:** DFI regularly reviews the progress in reducing health and safety injuries against objectives and analyses injury rates and hotspots to enhance our health and safety practices. This data-driven approach allows us to identify areas for improvement and implement measures for continuous enhancement of our OHS system.
- **External verification on health and safety system:** DFI's Health and Safety systems in Singapore has undergone external verification to ensure compliance with the ISO 45001 standard.

6. Supply chain management and ethical sourcing:

Supplier assessments are conducted in the following order: pre-qualification assessment, desk or on-site assessment, and non-compliance monitoring and improvement.

- **Pre-qualification assessment:** We communicate clearly to our suppliers that we do not tolerate forced labour or any exploitative and inhumane practices. All our Own Brand suppliers must answer key ethical questions as part of the pre-qualification onboarding assessment. If any red flags are raised regarding issues like child labour or forced labour and fail to achieve minimum performance, we will not engage in business until a full investigation is conducted and we are assured that all potential problems have been addressed, and minimum requirements are met. DFI's Supplier Code of Conduct outlines our expectations for ourselves and our suppliers concerning business ethics, human rights, fair labour practices, and environmental respect.
 - **Desk or on-site assessment:** When conducting factory assessments on factories in high-risk countries, DFI categorises them based on turnover and number of employees which in turn determines the need for third party on-site ethical audits or a third-party desktop review, requiring suppliers to submit evidence for verification. Third party on-site ethical audits are conducted in accordance with recognised industry standards, such as BSCI (Business Supply Chain Initiative) or equivalent standards.
- Non-compliance monitoring and improvement:** Based on the assessment results, we assist factories in improving their performance. To enhance suppliers' understanding of DFI's Supplier Code of Conduct and the supplier assessment programme, we hold regular briefing sessions for key suppliers. These sessions provide essential information about our programme and requirements, fostering a relationship of trust and encouraging open communication. Additionally, suppliers will have access to performance benchmarks compared to other factories, helping them identify areas for improvement. We also offer remote technical support for the implementation of corrective actions, guiding and monitoring factories as they adopt appropriate remediation measures. This comprehensive monitoring and improvement process is designed to build the capacity of suppliers to effectively manage the identified issues. If a factory consistently fails to implement necessary measures in a timely manner, DFI may consider terminating the business partnership.

7. Product quality and safety

DFI operates several technical programmes and policies to ensure the quality, safety and legal compliance of our Own Brand products. The Quality and Safety programme includes the DFI Supplier Technical Standards. Suppliers are required to comply with all applicable aspects in these standards to protect DFI Retail Group product and brand integrity by ensuring compliance and consistency. In developing and manufacturing DFI Own Brand products, as a minimum, Suppliers must adhere to: Local regulations and relevant legislation in DFI operating markets, technical policies and guidelines as detailed in DFI's Product Quality and Safety Programmes, product specifications, and additional divisions standards established by DFI. In summary, our product quality and safety programme encompasses the below:

- **Product quality and safety objective:** The programme objective is to uphold the highest standards of quality, safety, and compliance across all aspects of our operations. This objective drives our efforts to design, manufacture, and deliver products that meet or exceed regulatory requirements and customer expectations.
- **Management responsibilities:** DFI's management is tasked with overseeing the implementation and compliance of quality and safety standards throughout the organisation. This includes setting strategic goals, allocating resources, and ensuring accountability at all levels. The leadership team, led by senior officers, regularly reviews performance metrics and compliance reports.
- **Regular product quality and safety training:** DFI provides ongoing training for team members to enable a culture of excellence in quality and safety. The training programmes are aimed at equipping team members with the applicable knowledge, skills, and best practices related to compliance, risk management, and operational standards.
- **Product quality and safety risk assessment:** DFI conducts systematic risk assessments to identify potential quality and safety hazards across the product lifecycle. This process involves pre and post launch supplier and production to mitigate potential risks whilst seeking to have fit for purpose controls are in place to ensure product quality and safety, and to protect customers.
- **Third-party audits:** Production facilities of Own Brand food products are required to be audited by third parties. The audits are certified by the globally recognised food safety certification programme, such as Global Food Safety Initiative (GFSI). Production facilities that are not certified by the GFSI must comply with DFI's Supplier Technical Standards.
- **Monitoring of safety and quality performance:** Our post-launch surveillance programme includes monitoring manufacturing and product compliance, allowing DFI to continuously identify and address emerging issues and opportunities for improvement where necessary.
- **Incident investigation and corrective action:** When an issue is identified—whether through customer reports, internal audits, or surveillance data—thorough root-cause analysis is conducted to establish the potential the underlying factors. Following this, corrective measures are developed and implemented to ensure compliance with the standards.
- **Emergency response and product recall procedures:** In the event of a safety or quality concern that poses an immediate risk, predefined protocols are activated. These protocols include overseeing the recall process, ensuring clear communication, efficient product withdrawal, and appropriate remedial actions. These procedures are regularly tested through mock recalls and updated where necessary to protect customer and organisation.

8. Code of Conduct

DFI regularly holds awareness, training and engagement sessions to strengthen ethics and compliance awareness. Our initiatives equip team members with the knowledge and tools needed to uphold ethical standards and mitigate the risk of improper conduct (such as bribery, embezzlement, fraud etc). At DFI, a breach of the DFI's Code of Conduct can result in a negative impact on the affected team members' performance rating, remuneration, and in severe cases, may even lead to termination of employment. During performance appraisals, adherence to the Code of Conduct impacts the overall evaluation of team members' compliance and contributions for the year in assessment. This alignment ensures that all team members are motivated to uphold our ethical standards and business practices. If any breaches of the Code are identified, disciplinary actions will be enforced.

In 2024, the Code of Conduct activities include:

- **Code of Conduct refresher training:** The training was relaunched to all team members during the campaign, which achieved a completion rate of 98%.
- **Ethics awareness month campaign:** The campaign aimed at fostering a deeper connection between ethical practices and team members' daily work. The campaign saw two virtual 'fireside chats', one of which included the Group Chief Executive along with over 20 live training and engagement sessions facilitated by various legal representatives. Over 3,000 team members in stores and support centres were in attendance.

To further mitigate corruption risks, DFI has implemented various control procedures, including reviews and audits conducted by our Internal Audit team. These assessments evaluate the effectiveness of our compliance programme across all countries in which we operate. Based on their findings, the Internal Audit teams provide recommendations to enhance DFI's ethics, compliance, and anti-corruption initiatives, thereby improving the overall integrity and effectiveness of the programme.

9. Speak Up programme

Speak Up programme is an important aspect to maintain the integrity and ethics of our operation. At DFI, we actively communicate our Speak Up channel and programme to our team members through internal newsletter. Our Speak Up Programme is founded on the following principles:

- **Available to suppliers, customers and other third parties:** The DFI Speak Up programme offers suppliers, customers, and other third parties a confidential platform to report concerns, share feedback, or raise issues related to the observance of ethical standards in DFI's operations.
- **Independence:** To enhance the Speak Up programme's independence and objectivity, certain aspects of the handling process — specifically the reception and pre-admission — are conducted by external experts. This approach reinforces the impartial and proper management of all reports and disclosures.
- **Roles and responsibilities:** The Speak Up programme is managed by a Speak Up operating team comprised of members from Group Legal, Group Risk Management, Group People and Culture, and headed by the Chief Legal Officer. In terms of reporting channels, whistleblowing reports can be made to the People & Culture Head or the Legal Head of a business unit/department or of the Group, to the independent channels operated by a reputable external third-party provider, or to the Jardine Matheson Group General Counsel, as outlined in the Speak Up policy.
- **24/7 availability in local languages:** The Speak Up programme is available 24 hours a day, 365 days a year through the internet portal, email, or telephone. A dedicated helpdesk and hotline are available for all our operating locations and are available in local languages. Details can be found in our Speak Up policy available online at www.DFIretailgroup.com.
- **Confidentiality:** The duty of confidentiality is established as a guiding principle for the management of all disclosures made within the confines of the Speak Up programme. Divulging any content of a Speak Up disclosure to third parties is strictly prohibited without the whistleblower/reporter's consent; only individuals directly involved in the handling process are permitted to be aware of the details of the disclosures made.
- **Non-retaliation:** DFI is committed to ensuring that anyone who reports in good faith a matter involving any wrongdoing, unethical behaviour or other potential violations of the Code of Conduct or any company policy, shall be protected from retaliation. Any act of reprisal on the reporting individual will be considered a serious breach of the Code of Conduct and will lead to disciplinary sanctions imposed on those responsible for such retaliation, including termination of employment.

The Speak Up programme ensures that reports of unethical behaviour or wrongdoing are promptly addressed through a structured process:

- Once a report is submitted, an alert is triggered for a thorough investigation of matters determined and validated to be legitimate claims of unethical behaviour or wrongdoing.
- After the conclusion of an investigation and upon confirmation of the occurrence of a serious misconduct, DFI takes appropriate measures to effectively address the issues involved. These measures include:
 - The imposition of the required disciplinary action; and
 - The formulation of remedial or preventive measures to discourage the reoccurrence of the matter reported.

At DFI, a breach of the DFI's Code of Conduct can result in a negative impact on the affected team members' performance rating, remuneration, and in severe cases, may even lead to termination of employment. During performance appraisals, adherence to the Code of Conduct impacts the overall evaluation of team members' compliance and contributions for the year in assessment. This alignment ensures that all team members are motivated to uphold our ethical standards and business practices. If any breaches of the Code are identified, disciplinary actions will be enforced.