

A REPORT ON OUR COMMITMENT TO
SUSTAINABILITY & SOCIAL RESPONSIBILITY



DF
RETAIL GROUP

Serving Communities
Sustaining the Planet
Sourcing Responsibly

2022 EDITION



Raising Funds for Children in Need
GUARDIAN INDONESIA

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ABOUT DFI RETAIL GROUP

DFI Retail Group is a leading pan-Asian retailer that covers food (grocery and convenience), health and beauty, home furnishings, restaurants and other retail businesses. The Group has interests in 13 countries and territories, operates over 10,500 outlets, and employs more than 216,000 team members.

At DFI, we endeavour to always put our customers' interests first. We strive to provide quality that our customers will enjoy; we go the extra mile to give them a service that makes them feel appreciated; and we constantly work hard to deliver the value we believe our customers deserve by keeping prices low. We know that if we truly live up to our values, our customers will put their trust in us and return to us every day. Given the number of lives we touch, we are aware that we have a responsibility not just to serve our customers in our stores, but also broader social responsibilities to our customers, to our team members and to the communities where we operate.

Our retail interests are diverse, covering food retail from small convenience stores under the 7-Eleven franchise brand in Hong Kong, Macau, Singapore and Southern China to large-scale hypermarkets under the Giant brand in Singapore. The Group also holds the franchise for the IKEA home furnishings brand in Hong Kong, Macau, Taiwan and Indonesia, as well as operating over 1,500 health and beauty stores across Asia, trading under the Mannings and Guardian brands. The Group also has a 50% interest in Maxim's, the largest restaurant group in Hong Kong, which also operates the Starbucks franchise in Hong Kong, Macau, Vietnam, Cambodia, Singapore and Thailand, and expanded into Laos in 2022.



Our Team Members
CS FRESH SINGAPORE

A MESSAGE FROM GROUP CHIEF EXECUTIVE



“Sik Tak Fan La” Volunteering - Preparing Meal Boxes for the Homeless and Elderly
7-ELEVEN HONG KONG

We also believe that a socially conscious enterprise would attract the right talent. Indeed, a lot of our team members feel just as passionately as I do about CSR, many of whom sacrificed their personal time to help their community. They are the reason for the success of our CSR programmes and how we ended up building a stronger, more conscientious business.

Our customers, too, trust that we are an enterprise that operates with a social conscience. When disaster strikes, we are there with food, water and helping hands. When their budgets are tight, we make it a part of our duty of care to deliver the best value products at the most affordable prices.

Amongst some of the highlights in 2022 have been seeing our initial Hong Kong campaigns now being adapted and embraced in our other markets; the acceleration in the roll out of cage-free eggs across our retail network has also been a big milestone when it comes to lifting animal welfare. But above all, I was heartened to see that we have made tremendous progress in energy reduction, which could lead us to reaching our goal of net-zero carbon emission by 2050. It is an especially daunting target in Asia, where we have a lot of catching up to do.

We are enormously proud of the progress we made in CSR this past year, but we know there’s more to be done. As the Chinese proverb goes, “the journey of a thousand miles begins with one step”. Even though there is a lot of catching up to do, we are committed to making a difference and facilitating change.

At a time when the world faces considerable challenge—whether it is climate change, diversity, or the overall welfare of the people—I believe that Corporate Social Responsibilities (CSR), including environmental sustainability, are more important than ever. At DFI, CSR is not something that is just about ticking off boxes or added as an afterthought—we strive to create environmental and social progress in ways that strengthen our business and also benefit the community at large.

But we recognise that real changes take time and we need to make them a higher priority for us. There are no quick fixes to global warming and hunger crisis, so we are investing more time and effort into our CSR campaigns more than we have done before. As the leading retailer in Asia, we believe that we have the responsibility to support change for the greater good. We are not perfect, but we are committed to trying harder for the good of our customers, our people, our communities and the planet.

Ever since we started reporting on our CSR progress in 2021, we have set tangible goals – some short-term and some longer-term – and held ourselves accountable by measuring and reporting that progress. We are grateful that our shareholders have been supportive in advocating change even as we were navigating the impact of the pandemic in the last few years. Like us, they believe that investing in a healthy planet does not conflict with delivering strong financial performance.



“Sik Tak Fan La” Volunteering - Sending Meal Boxes to the Homeless and Elderly
7-ELEVEN HONG KONG

Ian McLeod
GROUP CHIEF EXECUTIVE
DFI Retail Group

OUR CORPORATE SOCIAL RESPONSIBILITY FRAMEWORK

Our Corporate Social Responsibility Framework is built on our passion to do the right thing for our customers and the communities that we serve. We express this in three key ways: Serving Communities, Sustaining the Planet and Sourcing Responsibly. Under each area we focus on 10 priorities that promote and protect the welfare of all.

OUR MISSION

Provide the communities we serve with benefits that help them and help the environment too.

OUR APPROACH

Build change that matters, harness our team members’ passion and strive to make a difference.

OUR FOCUS AREAS

SERVING COMMUNITIES	SUSTAINING THE PLANET	SOURCING RESPONSIBLY
Reducing Hunger	Reducing Plastic Usage	Improving Animal Welfare
Reducing the Cost of Living	Reducing Food Waste	Improving Human Welfare
Raising Self-esteem	Reducing Energy Usage	Improving Land Welfare
	Eliminating Harmful Refrigerants	

OUR FOUNDATION

We put our customers first always. We respect each other.
We care passionately. We do the right thing.

A HISTORY OF CORPORATE SOCIAL RESPONSIBILITY AT DFI RETAIL GROUP



The Old Pokfulam Farm Being Graded as a Historic Building in 2009
HONG KONG

Hong Kong's First Dairy Farm Bears Witness to DFI's Commitment to CSR

DFI Retail Group was born out of the mission of providing the people of Hong Kong – rich or poor – with a ready supply of clean and affordable fresh milk. In the 1880s, Sir Patrick Manson first came to Hong Kong and found that locals were drinking milk that had been taken from cattle living in their basements. Not only were there no sizable local dairy farms, but worse, the milk was often unsanitary. To that end, he imported a herd of cattle from North America and set up a dairy farm on a hill in Pokfulam, Hong Kong. That farm became the birthplace of the first milk production in Hong Kong and what later became known as Dairy Farm.

That timeless principle is still what guides us today. DFI has made it the cornerstone of our business to create environmental, social and economic progress in ways that not only creates values for the company but also the world at large. Throughout our journey, we have set goals, measured progress and held ourselves accountable. We have continually pushed ourselves to be a company that puts its people – which includes our team members, suppliers and customers – and the environment at the centre of our business practices.



Cattles imported from North America for Clean and Affordable Milk
HONG KONG

Back then, Manson brought in modern equipment and expertise from overseas and recruited local farm workers, providing them with on-the-job training and accommodation. We have continued with that tradition by creating equitable opportunities for our team members and suppliers.

Moreover, we have not wavered from the goal of providing clean and fresh food at affordable prices. Even when inflation has hit our shoppers hard, we worked tirelessly with our suppliers, expanding the category of our Own Brand products to deliver the most price competitive options to help them get through these tough times.



Life in Old Pokfulam Village
HONG KONG



Hong Kong's First Milk Production
HONG KONG

Manson's commitment to the community came full circle in 2022 when the formerly Old Dairy Farm Senior Staff Quarters, which is now the Pokfulam Farm, was opened to the public, offering guided tours, workshops, and display artifacts to depict the history of this heritage and its connection with the surrounding settlement culture.

The Farm received its Grade I Historic Building Status from the Antiquities and Monuments Office in 2009. Through the help of Non-Governmental Organisation (NGO) Caritas Hong Kong and a group of Pokfulam villagers, the Farm revitalisation project began a decade later. Thanks to the subsidies from a government scheme to conserve heritage buildings, the project was finally completed in 2022.

Just as DFI has worked hard to support communities and protect the environment, we hope that the Farm could serve as a platform to educate people on the need to respect nature, to achieve our vision of preserving the past, conserving the community and promoting sustainable development.



Exterior of the Pokfulam Farm after its Restoration
HONG KONG



Tractor of the Former Pokfulam Farm
HONG KONG

1.1

SERVING COMMUNITIES

REDUCING HUNGER

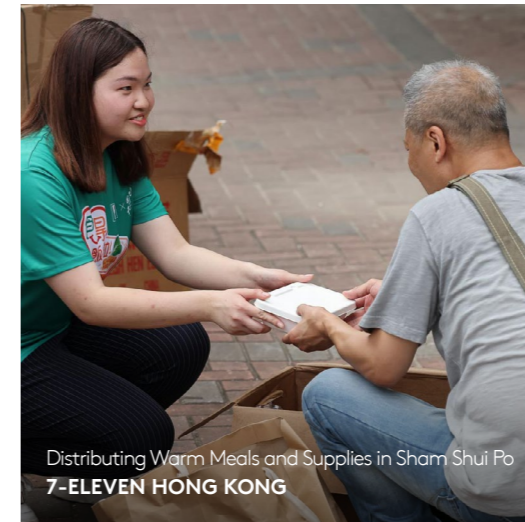
There is an old Chinese saying *mun yi sik wai tin* (民以食為天), which means food is the primary need of the people. That is why many of our campaigns – like “Sik Tak Fan La” 「食得飯啦」, our charity programme – that aimed to alleviate hunger problems in Asia have to do with “eating”, which means “sik” in Cantonese.

The scale of food crisis — exacerbated by war, the economic devastation of the COVID-19 pandemic and extreme weather worsened by climate change — has expanded over the past year. As many as 349 million people in 79 countries are teetering on the brink of famine, the most severe phase of a hunger crisis, according to the United Nation’s World Food Programme. Asia is especially vulnerable, where over a billion people already do not have access to adequate food.

As a leading food retailer in Asia, we wanted to raise public awareness on this issue. Our responsibility was not just to simplistically raise funds to feed those in need. We wanted to leverage our extensive store network and the enthusiasm of our team to help those who had trouble meeting life’s most basic need.



Partnering with Ming Gor for “Sik Tak Fan La” The Meal is Ready
7-ELEVEN HONG KONG



Distributing Warm Meals and Supplies in Sham Shui Po
7-ELEVEN HONG KONG



Bringing Warmth and Care to the Community
7-ELEVEN HONG KONG



Team Members Preparing Meal Boxes at Pei Ho Counterparts for the Needy
7-ELEVEN HONG KONG

“SIK TAK FAN LA” 「食得飯啦」 CHARITY PROGRAMME

As of 2020, the number of elderly who live alone in Hong Kong reached 210,000, up more than 40% from 2016. The figure has also been steadily climbing over the years as the population ages. With little spare cash and mobility, many seniors live by themselves in small housing units in poor condition, getting by with canned food and cold rice. How to care for the elderly has become a major topic of public concern.

Through our large network of 7-Eleven stores, we have been working closely with social enterprise Pei Ho Counterparts, that supplies hot lunchboxes to the elderly and homeless in the Sham Shui Po area, one of the lowest-income districts in the city. Pei Ho Counterparts was founded by restaurant owner Mr. Chan Cheuk Ming, who funds the organisation through his own restaurant profits and donor’s support without any funding from the government.

This past year, the “Sik Tak Fan La” campaign, meaning “the meal is ready to serve” was successfully launched in September, and we donated HK\$0.5 for every 7-SELECT meal box sold at 7-Eleven, aiming to raise over HK\$2 million within a year, which was enough to supply 80,000 meal boxes and supporting five months of food assistance to those in need. While Pei Ho Counterparts has been distributing free boxed meals to mainly one district, in going forward, we want to help to expand the distribution network to other parts of the city and support more people beyond the Sham Shui Po community.

Many of our 7-Eleven team members volunteered to help pack the meal boxes. “The whole process may have looked straightforward, but it was challenging. We were racing against the clock as we wanted to pack and send the meal boxes while they were warm. It really required teamwork!” one team member said.

“SIK JOR FAN MEI”「食咗飯未」 RICE DONATION CAMPAIGN

The “Sik Jor Fan Mei” campaign, which means “Have You Eaten Yet?”, is a rice donation programme in partnership with a local food charity, Foodlink, which collects safe-to-eat surplus food from F&B outlets around the city and delivers to those in need. Our supermarket chain Wellcome, acting as a conduit, donates HK\$0.5 for every kilogramme of our Own Brand Yu Pin King rice sold. On top of that, we also distribute goodie bags to the underprivileged families during important Chinese festivals - Chinese New Year, Mid-Autumn Festival and Winter Solstice.

Thanks to the enthusiastic response from our customers, in less than six months, we were able to reach our one-year donation target of HK\$5 million. The donation was put into a fund that allowed Foodlink to fulfil its mission. Given how much rising food costs affect lower-income households, for 2022, we have set a new target of HK\$8 million, which is equivalent to 25.6 million bowls of rice to the community and hope to be able to make an even bigger impact in the new year.

WELLCOME RICE BANK NEW DONATION TARGET

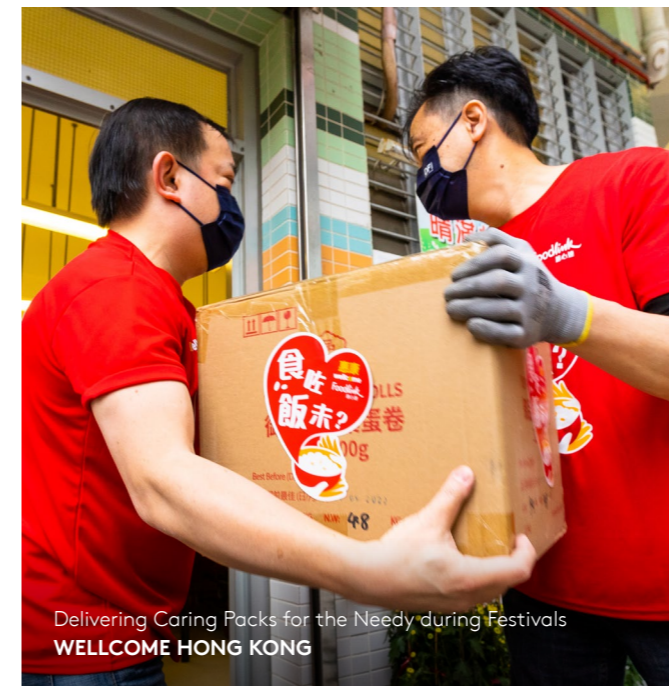
 **\$8,000,000** ▲

which is equivalent to 25.6 million bowls of rice to the community



Delivering Food for the Needy during Mid-Autumn Festival
WELLCOME HONG KONG

Thanks to the enthusiastic response from our customers, in less than six months, we were able to reach our one-year donation target of HK\$5 million.



Delivering Caring Packs for the Needy during Festivals
WELLCOME HONG KONG



Volunteering for “Festive Feast Up”
WELLCOME HONG KONG



「吃饭了吗？」
“Have You Eaten?” Rice Donation Programme
GIANT SINGAPORE

FEEDING THE NEEDY IN SOUTHEAST ASIA

With the success of “Sik Jor Fan Mei” in Hong Kong, we launched similar charity programmes in Southeast Asia markets in Singapore and Malaysia. Working with The Food Bank Singapore, which is a non-profit organisation that provides free meals and dry rations to families in need, we spearheaded the campaign “Chi Fan Le Ma?”, which means “Have You Eaten?”, in August 2022, which again, saw us matching donation SG\$ 10 for every kilogramme of our Own Brand Meadows rice sold. The goal was to provide a million meals to help those in hardship over the next two years.

FOOD ESSENTIAL DELIVERED

4,000KG

which was equivalent to 11,430 meals, to support 200 families that were struggling.



「吃饭了吗？」
“Have You Eaten?” Launch
GIANT SINGAPORE

Meanwhile, in Malaysia, “Sudah Makan?”, which literally translates to “Have You Eaten?”, was launched the same month in collaboration with The Lost Food Project. To kick start the campaign, we delivered 4,000 kg of food essentials, which was equivalent to 11,430 meals, to support 200 families that were struggling. They also received shopping vouchers for our Giant outlets so they could purchase whatever they needed.

“The company is acutely aware that there are those in our community who are not able to afford to have a proper meal a day, let alone three,” Chris Bush, CEO of Southeast Asia said. “So, if our mission is to provide customers with what they need, we must also go one step further and help those who

are less fortunate and are unable to afford meals. Our aim is to reduce the hunger gap.”

In Indonesia, Hero Supermarket has continued to expand its KASIH programme, which can be translated as “Hero’s Healthy Mothers and Children’s Commitment,” by donating healthy and nutritious food as well as baby food to support over 20 local healthcare centres with the aim to improve and raise the awareness of community health.

While we have made enormous headway over the last few years in reducing hunger in Asia, we feel like we have just scratched the surface, and there is still much more to be done.



"Lower Prices That Last" Price Reduction Campaign
GIANT SINGAPORE

1.2 SERVING COMMUNITIES REDUCING THE COST OF LIVING

At a time when inflation is at a 40-year high and consumer prices are showing no signs of coming down, consumers have to cut back on expenses and find ways to stretch their budget, sometimes by choosing unhealthy items to save money.

However, as a leading retailer in Asia, DFI did not wish to sit on the sideline. It has been our ongoing commitment to provide our customer households with access to safer, healthier, more affordable food and products. To that end, we have made tangible progress to help our customers weather these challenging times.



Meadows Over 230 Awards Won
GIANT SINGAPORE

OWN BRANDS DELIVERING VALUE

DFI has worked hard to keep our product prices low across businesses and markets. In 2022, our price adjustment was 1.3% while inflation was 2.3%. In total we delivered US\$16 million savings to our customers in food and US\$62 million savings in health and beauty products with our low prices campaigns.

In the past year, we also expanded the product range of our Own Brands, which included Meadows, Yu Pin King, Giant, Guardian and Mannings, from 3,200 to over 4,000 SKUs, to cover almost all categories to serve our customers' everyday needs. Meadows, in particular, expanded its portfolio from largely food, non-food and fresh products to health and beauty and general merchandise. Mannings and Guardian also launched their own branded cotton, paper, shampoo, body wash and hand wash to offer customers another great value option.

With continuous disruption in logistics, our merchandising team expanded sources of local supply to minimise transportation costs and keep the produce fresh. We doubled up on our sourcing efforts by increasing supply regions from 26 to more

than 40 to ensure the best suppliers can deliver both quality and price stability, building a balance between enhanced local supply as well as dependable products sourced from overseas.

We even managed to source new products from places we had never imported before. At Wellcome, our customers were pleasantly surprised to find white asparagus all the way from Peru, which is more flavourful than the green variety, and better yet, without a big price tag. Our sourcing team also introduced oranges from Morocco, which are not only juicy and sweet but also easy to peel.

"To keep our fresh food's price low while retaining good quality, we have been implementing contract farming with reputable global fresh food suppliers for several years to ensure that we have constant food supply from them throughout the year. With this effort, we can avoid unanticipated surges in cost whenever food shortages or other unexpected supply chain issues occur, so that we can offer our customers the lowest price we can," said Yvonne Lee, Commercial Director, North Asia Fresh and Food.



Over 4,000 Own Brand Products So Far



“Low Prices Locked” Price Reduction Campaign
WELLCOME HONG KONG

HELPING CUSTOMERS TO FIGHT INFLATION

We understand that for many people, inflation is not felt equally. Retirees, in particular, are especially vulnerable. Giant has started offering a 3% senior citizen discount in Singapore since June 2021. This summer, the discount went up to 5% on weekdays. We wanted to make sure that our customers could rely on us when purchasing high-quality daily essential food and household products at affordable prices.

Together with Singapore, Giant in Malaysia has also offered a 3% off nearly all items every Wednesday for senior citizens aged 60 or above in 2022. On top of the “Lower Prices That Last Campaign”, they could save even more when they shop at Giant Malaysia Hypermarkets, Supermarkets and TMC stores for all their in-store purchases.

“Despite the current economic situation and the rising price of goods, I can now save more money by shopping at Giant Hypermarket on Wednesdays. My daughter will take me there for shopping that day. I’m so happy because not only do I get to spend time with my daughter, but also I get to

save money too!” a 61-year-old Giant customer gushed.

In Hong Kong, Wellcome launched the “Low Prices Locked” campaign back in 2020 and has continued to offer 10% off on selected items, including our Own Brand products, every Wednesday for senior citizens. Throughout the two years of the campaign implementation, the products included in the programme have their prices locked and held, and thus, providing customers with stability, transparency, and protection against price fluctuations.

Mannings has joined in the effort with their “Keep Prices Down” campaign, with over a thousand health, beauty, personal care and Own Brand products included in this long-term price reduction programme. Similarly, Guardian’s “Low Prices Locked to Stay Low” campaign is also extended across its markets to help customers stretch their dollar by keeping hundreds of prices for daily essentials low. Customers can enjoy long-term savings of up to 30% on popular health and wellness products under this initiative, helping families get their favourite essentials at great value in face of the rising cost of living.



“Low Prices Locked” Price Reduction Campaign
GUARDIAN INDONESIA
Untuk Kekayaan

Giant has started offering a **3%** senior citizen discount in Singapore since June 2021.



Customers Enjoying Extra 10% off on Wednesday
WELLCOME HONG KONG

1.3 SERVING COMMUNITIES RAISING SELF-ESTEEM

Historically, education was considered a great equaliser, capable of lifting less advantaged children and improving their chances for success as adults. As one of the leading retailers in Asia, DFI, too, wants to help narrow the social disparities by advancing underprivileged children through daily needs and education.

In Vietnam, for instance, not only do we aim to improve the hygiene of children, we also contribute to improving their access to education. For every Guardian bath gel item sold, we donated VND5,000 to an educational scholarship fund to support Vietnamese children in remote areas, so they could afford better education opportunities. To ensure that children could study with good health amid the pandemic, we also distributed personal healthcare kits, including Guardian bath gels and anti-bacterial hand sanitisers to 2,000 primary school kids.

Our customers could also help by purchasing our charity plush toy, Guardiancares Bear, online and in-store, with all the proceeds contributed to the bath care needs of underprivileged children in Cambodia, Indonesia, Singapore, Malaysia and Vietnam.



Helping Children to Stay Clean and Healthy
GUARDIAN

TARGETING TO PROVIDE
20 MILLION
baths to underprivileged children



Showing Care to the Children
GUARDIAN SINGAPORE



Donation of Bath and Essential Products
GUARDIAN MALAYSIA

HELPING CHILDREN TO STAY CLEAN AND HEALTHY

We believe that everyone deserves to feel clean and healthy. It is a basic human right and should not be a luxury or privilege. However, children from low-income families may not be able to afford everyday hygiene items given their living conditions and limitation in resources. The rising cost of living further exacerbates these difficulties, jeopardising not only children’s physical well-being but also their self-esteem.

With this in mind, Guardian has launched a community service programme “Guardiancares” across its Southeast Asian markets, together with the support of local NGOs to make our contributions and support reach the intended

children. Under this initiative, for every one litre of Guardian bath care product sold, money will be donated to supporting bath care needs for underprivileged children and we target to provide 20 million baths in total.

“We would like to inspire our customers to make healthy and sustainable choices when it comes to choosing the health and beauty brands they trust at Guardian. We want our customers to care about what they buy and by choosing to care, we can make a difference,” said Anna Ng, Brand Marketing Director, Southeast Asia Guardian.



Visiting Children in Rural Primary School
GUARDIAN VIETNAM



Creating a Workplace with Equal Employment Opportunities
7-ELEVEN HONG KONG

CREATING EMPLOYMENT OPPORTUNITIES FOR PEOPLE WITH SPECIAL NEEDS

At DFI, we have long cultivated a culture of inclusivity. By giving opportunities and skills to thrive in the workplace, we could engage with those who may be challenged by special needs or learning difficulties.

7-Eleven has been spearheading the effort by offering equal employment opportunities for people with special needs since 1995, working closely with Rehabilitation Alliance Hong Kong and Youth Outreach for more than two decades. In 2022, through the partnership with MINDSET, a mental health charity founded by Jardine Matheson, we expanded our collaboration network by working with MentalCare, to give those who were recovering from mental difficulties the opportunity to reconnect with the community by working at 7-Eleven stores. In Singapore, more than twenty team members have been offered a job with 7-Eleven and Guardian through MINDSET.

"7-Eleven provides employment opportunities for people across communities. With this new collaboration with MINDSET, we will provide extra support for both people with special needs and franchise in the future. I believe an equal and diversified working environment is created in 7-Eleven," said Alex Liu, Managing Director of 7-Eleven Hong Kong and Macau.

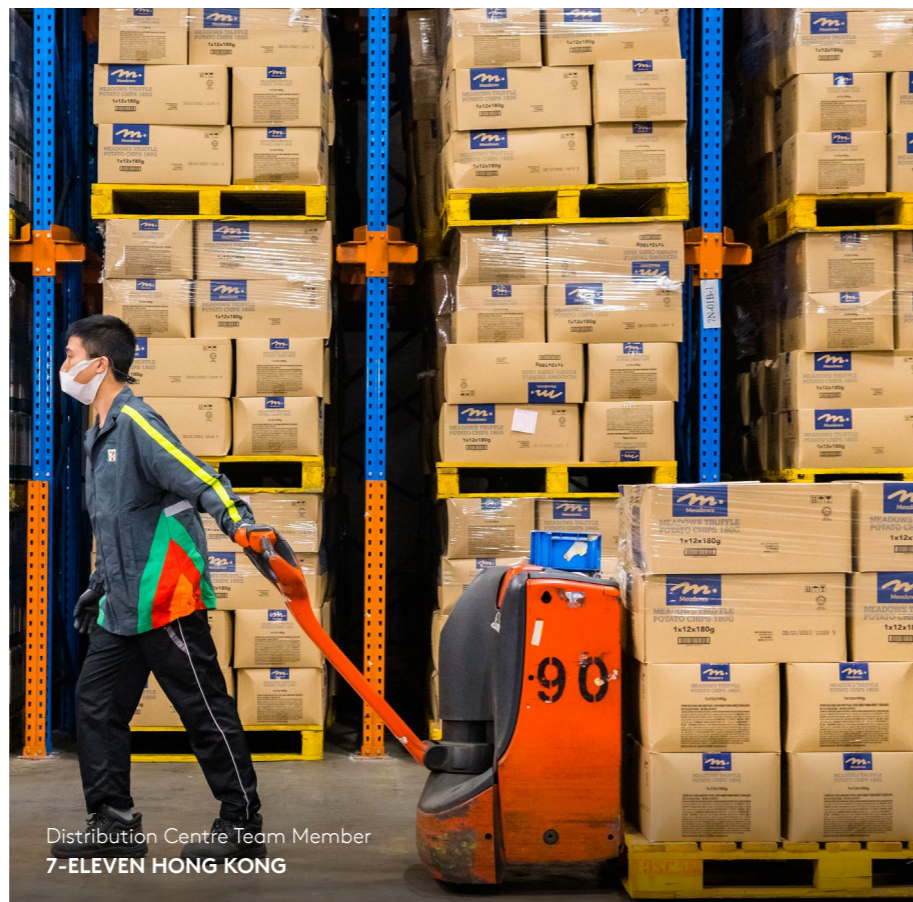
Separately, we also partnered with four NGOs in Hong Kong – Hong Chi Association, Baptist Oi Kwan Social Service, New Life Psychiatric Rehabilitation and Shine Skills Centre. The initiative, which was founded in December 2021, was to empower those who struggle with intellectual impairment or are recovering from mental illnesses. Their job responsibilities include shelf cleaning, stock replenishment and date code checking. Even though the programme only started at the beginning of 2022, we have successfully trained 54 team members and 33 of them are still actively working as of the end of December 2022.

"I feel satisfied when keeping our store clean and tidy... The moment that I'm most proud of is when my efforts contribute to the team and bring values to our customers," Tsz Pang, a 7-Eleven part-time sales assistant, shared.

IKEA Macau, too, was a proud sponsor of the 15th Vocational Skills Competition, organised by the Macau Special Olympics (MSO). The goal of the event was to give those with intellectual difficulties a chance to be integrated into society at large through education, training and work opportunities.



Cultivating a Dynamic Culture
IKEA



Distribution Centre Team Member
7-ELEVEN HONG KONG

LIFTING THE ETHNIC MINORITIES

Despite Hong Kong being widely known for its diversity, the city is still largely homogenous, with the majority almost 92% of the population being Chinese. Ethnic minorities, many of whom are Indian, Nepalese and Pakistani, not only face a lack of support in learning Chinese at school, but they also suffer from racial discrimination in the workplace.

To help ethnic minority advance equity within the community, in 2022, we joined the EMerging Talent Internship Programme ("EM" meaning Ethnic Minority) in collaboration with The Zubin Foundation, a Hong Kong-based charity that aims to improve the lives of ethnic minorities in the city, to offer internship opportunities for those who may be marginalised.

"My internship at DFI has been fantastic. I absolutely appreciate how supportive everyone is of one another here. I'm glad to be surrounded by people that are approachable and fun to work with. I especially enjoyed a lot on the team-building day," said Zoya, an HR intern from the Resourcing Team.

"My internship at DFI has been fantastic. I absolutely appreciate how supportive everyone is of one another here. I'm glad to be surrounded by people that are approachable and fun to work with. I especially enjoyed a lot on the team-building day"

Zoya
HR Intern from Resourcing Team



Helping Children in Need
LUCKY & GUARDIAN CAMBODIA



Children Receiving Stationery and Treats!
LUCKY & GUARDIAN CAMBODIA

MINIMISING SOCIAL INEQUALITY IN ASIA

In Cambodia, we have sponsored more than 160 students living in rural areas through KHEN, a local NGO that focuses on providing education to children with special needs or difficulty in learning, girls, minorities and children living in extreme poverty, by providing them access to desktop computers, laptops, and printers. The electronics drive was a gateway for the children to gain access to knowledge and learning.

Our team was more than excited to contribute. Those at Lucky Supermarket and Guardian worked together to raise funds for KHEN to purchase stationery such as notebooks, pens, pencils, and whiteboards. To make it more meaningful, Lucky was happy to match 30% of the total funds raised, as well as donating 340 packs of biscuits to keep their hearts and bellies full. Lucky also donated US\$20,000 to Kantha Bopha Children Hospital to support its provision of free and quality check-ups and treatments for children.

7-Eleven also launched a similar initiative in China. Since 2004, we have set up donation boxes in stores to support the Guangzhou Yang Ai Special Children Parent Club, which helps children with special needs and their families. With the donations, the Club helps build a support platform for families in need, providing consultations, lectures and training.



Fundraising for Family in Need
7-ELEVEN SOUTHERN CHINA



Donating Supplies to Children in Need
LUCKY & GUARDIAN CAMBODIA



Supporting Children to Build Confidence
7-ELEVEN SOUTHERN CHINA

We were heartened to hear about some of the success stories from Yang Ai Special Children Parent Club. Xiao Yu was diagnosed with autism when he was three years old. Upon learning the news, his parents were overwhelmed and devastated. They did not know how to help him because Xiao Yu could not articulate his needs. His mother heard about the Special Children Parent Club and became

involved. She enrolled in classes at the Club to learn how to take care of her son and his emotional needs. The Club also offered help and support so Xiao Yu could be integrated into society and was able to reach developmental milestones. We were happy to learn that Xiao Yu has completed nine years of complimentary education and is now receiving training to be a painter.



New PET Bottles Reducing Plastic Usage
MANNINGS HONG KONG

沐浴護理

DFI has formulated five workstreams to reduce plastic usage across our Own Brand product Health and Beauty lines, starting with body and hand wash bottles.

The five workstreams include:

1. Replace HDPE plastic with PET plastic
2. Recycle, replacing virgin plastic with RPET using RPET bottles
3. Refill, offering refill pouches to replace repeat purchase of single use plastic bottles
4. Reduce bottle weight
5. Remove plastic shrink wrap

For instance, Mannings and Guardian re-launched their anti-bacterial and 24-hour moisturising body and hand wash products with new look packaging in early 2022. HDPE bottles were replaced with lighter-weight PET bottles, which are more easily recyclable compared to HDPE bottles and deliver more than 15% savings in total plastic from the reduced weight. Customers can also buy refillable pouches across Guardian's bath and hand wash products.

Our effort in plastic reduction was also reflected in dental care accessories, in which selected products and packaging were converted from 100% virgin plastic to 50% recycled plastic. We also eliminated individual plastic wraps on our Own Brand tissue rolls in selected Wellcome stores.

"We are pleased to have launched these initiatives as part of DFI's Own Brand Health and Beauty Plastic Reduction Strategy. Moving forward, the Own Brand team will be developing a pipeline of exciting new product development initiatives in more categories, providing more sustainable

product and packaging solutions to help customers save plastic on their favourite Own Brand Health and Beauty products, so our customers can continue to enjoy quality products with less plastic at a great value," said Debbie Ferguson, Commercial Director of Own Brand Health and Beauty.

We also made a substantial effort to reduce plastic packaging waste at the Wellcome Fresh Food Centre (WFFC) in Hong Kong. Since September 2022, the WFFC team has started the plastic wrap and Styrofoam box sorting and collection, facilitating the recycling process by separating waste correctly.

In Singapore, 7-Eleven revamped its burger packaging in November, changing from a two-components packaging—a wrapper and box—to just a wrapper with a sticker label. That one simple redesign alone could save about 0.3 tonnes of paper a year.

Replacing HDPE bottles with lighter-weight PET bottles delivers more than 15% savings in total plastic from the reduced weight.

2.1

SUSTAINING THE PLANET

REDUCING PLASTIC USAGE

According to the United Nations, the world produces around 460 million tonnes of plastic a year, 85% of which ends up in our natural environment or landfills. That is an enormous economic and environmental cost for communities, governments, and businesses. And while plastic-protectant products significantly reduce food waste and has a lower overall environmental footprint than paper and other materials in terms of carbon emissions, increased plastic use, including single-use and non-recyclable plastics, often means more will end up in our natural environment.



New Packaging Reducing Paper Usage
7-ELEVEN SINGAPORE



New Uniforms Made with Recycled Materials
MAXIM'S HONG KONG

MAXIM'S GETS A NEW LOOK

At Maxim's MX outlets, we launched a new initiative to achieve zero single-use plastics for dine-in in July 2022. To that end, we only serve reusable utensils for dine-in at all outlets; complimentary water is offered to all dine-in customers to reduce the usage of disposable bottles and cups.

Apart from reducing the use of single-use plastic, Maxim's MX also unveiled new uniforms ahead of its 50th Anniversary in 2022. The uniform is made of REPREVE, a new sustainable material made with an equal part of polyester and recycled polyester. Recycled polyester is made solely from plastic bottles upcycled after consumption. Each Maxim's MX uniform represents the contribution of seven upcycled plastic bottles.

Each Maxim's MX uniform represents the contribution of seven upcycled plastic bottles.

EDUCATING OUR CUSTOMERS TO REDUCE AND RECYCLE

To reach our goal of waste reduction, customer education and engagement are critical. We have re-designed our recycling logos for the packaging of Own Brand products, providing a better readability and clarity of the recyclability of materials. The goal is to educate our customers the importance of resource recovery and the appropriate way of clean recycling.



Bargain Corner Giving Used Furniture a Second Life
IKEA HONG KONG

IKEA GIVING PREVIOUSLY-OWNED FURNITURE A SECOND LIFE

Adhering to our sustainability commitment, IKEA Hong Kong has been experimenting with selling display items and discontinued models and encourage customers to give IKEA furniture a second life on Carousell, a popular resale platform in Asia. The account is updated every week with 200 items at great bargains, including lightly used IKEA products from other customers, as well as a variety of discontinued or limited stock items and display items from the IKEA Kowloon Bay store's special selection. The initiative has given lightly used furniture that is in good condition a second life, while raising public awareness of recycling and avoiding over-consumption.

"As consumers become more open to previously-owned goods, we are committed to developing the previously-owned furniture market over the next 12 months. Not only to contribute to the environment, but also to offer practical products at a bargain price to buyers, presenting a win-win situation," said Adrian Worth, Managing Director of IKEA North Asia.

"As consumers become more open to previously-owned goods, we are committed to developing the previously-owned furniture market over the next 12 months. Not only to contribute to the environment, but also to offer practical products at a bargain price to buyers, presenting a win-win situation"

Adrian Worth
Managing Director of IKEA North Asia

2.2

SUSTAINING THE PLANET

REDUCING FOOD WASTE

At a time when global hunger and the chronic inability to access food have worsened dramatically, with 2.3 billion people facing moderate or severe food insecurity around the world, food waste is not only a waste of resources but also produces methane gas in landfills, which eventually adds heat to the planet. Worldwide, food waste accounts for 8 to 10% of global greenhouse gas emissions, at least double that of emissions from aviation.

To that end, DFI has worked hard to reduce food waste by partnering with suppliers upstream and empowering our own team to implement food rescue measures.



Fresh Produce Quality Check before Donation
HONG KONG

TECHNOLOGICAL INNOVATION IN FOOD WASTE RECYCLING

We have achieved significant milestones and innovations in food waste recycling. DFI has been working closely with Hong Kong's Environmental Protection Department by sending damaged and expired produce from the Fresh Food Production Centre and selected Wellcome stores to the O·PARK1 recycling facility for treatment. O·PARK1 is Hong Kong's first organic resources recovery centre that turns food waste into biogas, which is used for generating renewable energy, along with compost. We are excited to help spearhead such a worthwhile initiative.

Maxim's also partnered with Breer, an innovative start-up founded by four Hong Kong university students that utilises unused bread from the chain to make beer. Since bread contains many ingredients that are used to make beer – such as grains like wheat, barley and rye – they could be used to replace at least one-third of the malted barley and yeast that are typically used in traditional beer-making.

The upcycled beer, "Bottle of Bread," is a 5% alcohol pale ale, with each bottle containing 25 grams of dairy-free surplus bread supplied by Maxim's. Not only does Breer repurposes surplus bread, but the vision and determination to make good use of technology to reduce food waste is something that have struck a chord with us. We believe this campaign sets a role model for the food and beverage industry in reducing food waste and promoting circular economy. For every six bottles of "Bottle of Bread" sold, Maxim's would plant a tree through its impact partner EcoMatcher, which tackles climate change through AI-tracked reforestation and sequesters carbon with high traceability and transparency.

REDISTRIBUTING UNEATEN FOOD

In Hong Kong, in addition to the "Sik Jor Fan Mei" rice donation campaign which raised money to support food donation for Foodlink, we deepened our collaboration with 20 Wellcome stores giving away both their dry and fresh products approaching the end of shelf-life to Foodlink for distribution to those in need between April and September of 2022. These stores donated over HK\$2 million worth of products, amounting to 28,893 kg of food, which is equivalent to almost 68,793 meals. The campaign was so successful that we added 17 more Wellcome stores to the network in October, and we expect to add more in the coming year.

It's not only Wellcome, 7-Eleven has also tapped into the network, donating bread and cakes to support the food donation programme with Foodlink. 102 stores participated in the effort, and in just half a year's time, we have donated over HK\$1.2 million in value to the beneficiaries.

In Indonesia, Hero Supermarket collaborated with FoodCycle, which redistributes unopened packaged food items that are at least four weeks prior to expiration directly to those in need, many of which were underprivileged families, children and the elderly. Between July and October 2022, Hero donated 1,054 kg of food items to 1,180 beneficiaries in Jakarta.

FRESHER FOR CUSTOMER

Meanwhile, the continuation of the "Fresher for Customer" campaign, which we launched back in 2018, has already made a big impact on reducing upstream food waste. By partnering closely with our suppliers, we can better forecast demand and manage inventory, which helps minimise waste.

We also streamlined our operations with the goal of reducing waste as much as possible. These changes, which include inventory management and offering targeted sales and in-store discounts, have helped speed up inventory clearance for high-value items, such as wine and abalone. As a result, we were able to save 12,500 tonnes of food waste between 2017 and 2022.



"Bottle of Bread" Upcycles Surplus Bread to Beer
MAXIM'S HONG KONG



"Light Up Hope" Energy Saving Campaign
IKEA TAIWAN

IKEA LIGHT UP HOPE

As the climate crisis continues to worsen, it is not just the environment that is impacted; human well-being is at stake as well. IKEA cares about environmental and sustainability issues and actively works with local community partners to make a positive impact on people and the planet.

IKEA Hong Kong and A Plastic Ocean Foundation jointly organised the "Light Up Hope" campaign to help the families in Hak Pak Nai. They replaced old appliances with energy-efficient ones, including lighting, and conducted electrical

BUILDING 'SMARTER' STORES

We are actively looking into building more sustainable stores. Through completing a baseline study in 2022 to understand the emissions profile at our retail outlets, we are exploring how to build environmentally sustainable stores with low-embodied carbon materials and recycled elements. We plan to incorporate successful energy reduction strategies into new and older stores.

In 2022, we finished installing LED lighting across our retail networks, covering almost 1,000 stores in Hong Kong, Singapore and Malaysia. LED lights emit less heat than traditional fluorescent lighting and are more energy efficient, thereby helping us reach our energy reduction targets.

In the same year, we began the roll-out of aerofoil shelf-edge technology to our Hong Kong food outlets where possible. The cutting-edge technology helps guide cold air more efficiently down the front of the fridge, which results in substantially less cold air being spilled from the unit. Not only does it keep a cooler temperature in our refrigerators, but it also allows a longer shelf life and reduces shrinkage.

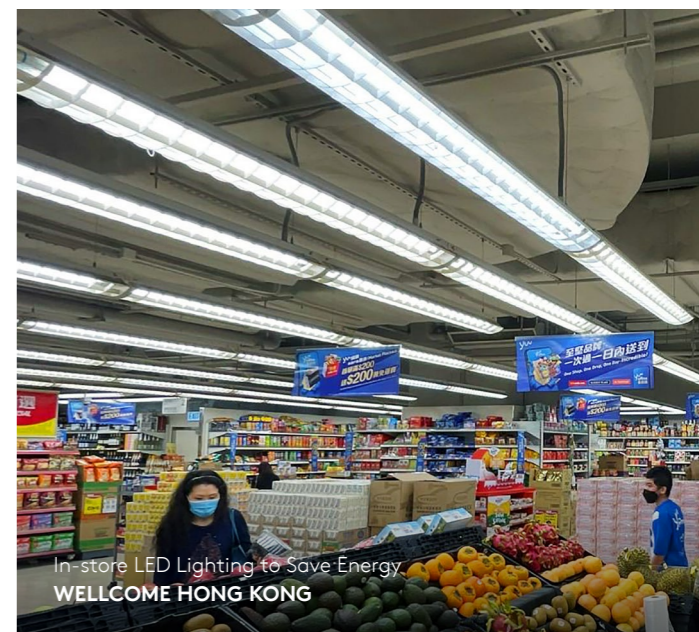
We retrofitted our supermarket refrigeration systems with a host of technology. Compressor management allows the systems to run more optimally and only provides the required cooling load to match changing conditions, in turn reducing energy consumption. Gas leak detectors are ultra-sensitive devices that can detect tiny quantities of refrigerant gas. This allows technicians to identify, isolate and rectify gas leaks in stores earlier, reducing gas loss to the atmosphere and our carbon emissions.

ENERGY MONITORING SYSTEMS IN STORES TO REVIEW PERFORMANCE

At Wellcome Hong Kong, we have started remote temperature monitoring at three selected stores, where we could aggregate data for better monitoring of energy use, improve efficiency and better temperature control, with the goal to roll out this monitoring technology across all our food stores in Hong Kong by the end of 2023.

safety inspections for around 120 households in the area. We also encouraged our customers to join us in donating to the less fortunate.

Similarly, IKEA Taiwan also collaborated with World Vision Taiwan to support low-income families, providing them with energy-efficient lighting, environmental education and knowledge of disaster prevention. This is the third year that IKEA has worked on this project to raise funds for those families in need.



In-store LED Lighting to Save Energy
WELLCOME HONG KONG

In addition, we have adopted a host of technology in our existing refrigeration systems, all designed to optimise energy use including lead compressor variable speed drives, a defrost-on-demand system to move from a scheduled defrost cycle to a requirement-based de-icing based on the actual ice buildup. We converted fluorescent tubes inside the refrigeration cases to LED bulbs and also added electrically commutated fans as an upgrade to our cases. To link all the technology together, we will be operating and monitoring these systems from a central cloud-based remote monitoring system.

Energy submeters are installed in pilot sites to monitor the energy consumption within our stores more precisely. The meters provide granular data on our refrigeration and air-conditioning systems, allowing the team to monitor consumption in almost real-time, while ensuring that all the equipment is running in optimal condition and as efficiently as possible, thus reducing energy waste.

2.3 SUSTAINING THE PLANET

REDUCING ENERGY USAGE

Global fossil fuel emissions were forecasted to reach record highs in 2022, a trend that will continue to hinder the world's progress in fighting global warming. To help mitigate climate change, DFI, as a group, is committed to a 50% reduction in its emissions by 2030 (from a baseline of 2021) and achieving net zero greenhouse gas emissions (Scope 1 & 2) by 2050.



Solar Panel Installation at Kaohsiung Store
IKEA TAIWAN

EXPANDING SOLAR PANELS INSTALLATION

In Taiwan, we have made enormous headway in expanding the use of solar energy. The 740kWp solar panel on the rooftop of the Kaohsiung IKEA store was finally completed last year. The system has the capacity to generate about 900,000kWh of electricity annually, which is equivalent to the electricity usage of 220 households for a year in Taiwan. Together with our three EEWL-labelled stores, the total output of those solar panels has reached 1,700 kWp, which is equivalent to reducing nearly 1,000 tonnes of carbon emission.

In April 2022, we have completed the installation of 2,000 solar panels at our Wellcome Fresh Food Centre in Hong Kong. The solar panel system – one of the largest in Hong

Kong from a retailer – was installed on the 14,000-square-metre rooftops of the centre, which processes, packs and delivers energy to power over 300 Wellcome and Market Place supermarkets in Hong Kong. It has the capacity to generate over 1 million kWh of energy annually, which reduces our greenhouse gas emissions at an equivalent rate to what 16,000 trees could remove in a year.

We are proud that our hard work has been recognised. For two consecutive years, we have won the CLP Smart Energy Grand Award in Hong Kong – a first for any organisations. Through our experiences and learnings, we hope to lead the industry in decarbonisation and energy efficiency for climate action.

SPEARHEADING ENERGY-SAVING BEHAVIOURAL CAMPAIGNS

We have also been engaging our team members to adopt more sustainable office practices by launching our first ever “Green Week” in 2022. Our team members were encouraged to enhance recycling practices such as going paper-less as much as possible and switching off computers at the end of the day.

At the store level, we are constantly engaging with our operations team, encouraging energy-saving practices, monitoring continuous improvements on behavioural changes and ensuring our teams are adopting the best practice across all banners. Ensuring good optimal temperature control, zoned and tiered lighting control management and consistent use of night blinds and air curtains are all critical steps in maximising energy efficiency of all our stores.



Team Members Joining the Coffee Ground Upcycling Workshop
HONG KONG



Shifting to Electric Trucks

GOING ELECTRIC

Shifting our fleet to electric vehicles is another way to reduce energy consumption. We have already increased the penetration of electric trucks used for delivery through partnerships with third party transportation providers in China and Singapore. In fact, currently 22% of our trucks in the Dongguan distribution centre are powered by electricity. We are also actively looking for opportunity to our first purchase of electric trucks in the Hong Kong market, with the goal of electrifying the rest of our fleet in the medium to long term. An investment in one electric truck in Hong Kong will result in approximately 262,172 litres of diesel saved over ten years, which leads to around 410 tonnes in CO₂ emission reduction.

SAVING OVER

262,000 LITRES

of diesel

3.1

SOURCING RESPONSIBLY

IMPROVING ANIMAL WELFARE

For well over a decade, overfishing has wreaked havoc to the environment. Nearly one-third of the world's fish stock is being "overfished," that is, harvested at biologically unsustainable levels. Similarly, egg-laying hens were housed in cages that are no bigger than a shoe box. While affordability remains a major concern, DFI is committed to providing food that address animal welfare concerns.



Meadows Sustainable Canned Tuna Range



Meadows Cage-free Eggs

Sales of Meadows cage-free and free-range eggs went up from an average of 82,300 eggs a month in 2021 to 224,000 per month in 2022.

SAFE AND SUSTAINABLE SEAFOOD RANGE

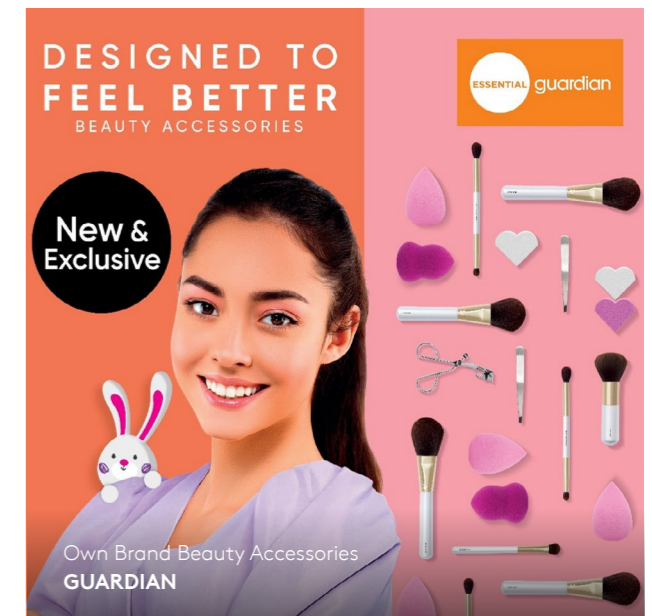
Meadows has been working tirelessly to expand the sustainable seafood range, ensuring our products adhere to the standards set by the Marine Stewardship Council (MSC), a third-party organisation that sets the best practices for sustainable fishing.

But it's not just us, our customers, too, have shown enormous support for seafood products that do not hurt the ocean habitat. Meadows' sustainable canned tuna products, which were launched back in 2021, gained enormous traction in 2022, with sales increasing by 50% in less than a year. These tuna chunks were certified by the MSC and come with the dolphin safe label, which means that the tunas were caught without harming or killing dolphins. Dolphins were often killed in tuna fishing because they tend to swim with schools of yellowfin tuna and the MSC makes sure that fishing vessels certified by the organisation are sustainable and well managed.

Along the same vein, we have continued to accelerate the sales of cage-free eggs across all of our supermarkets. As more customers opted for cage-free eggs, allowing chickens more room to move around and are thus healthier, over conventional eggs, we were able to improve their affordability. Sales of cage-free eggs, together with free-range eggs went up almost threefold, from an average of around 82,300 eggs a month in 2021 to 224,000 per month in 2022.

OUR COMMITMENT TO QUALITY

Product safety and quality are always our priority. Our Own Brand Health & Beauty products are not tested on animals on finished products unless required by national regulations. Upholding the value of providing our customers with great value without compromising quality, we are committed to improving our formulations of our products. We also make sure that our Own Brand Health and Beauty products comply with local safety requirements. In the absence of local standards in certain markets, we refer to EU standards to ensure that the products are safe to use.



3.2

SOURCING RESPONSIBLY IMPROVING HUMAN WELFARE

People are always at the heart of our business. While there are many different factors that determine our business performance, our team members have always been a significant contributor to our success. To that end, we provide our team members with competitive benefits to support their wellness and encourage them to grow their skillset and knowledge at DFI.



Recognising Long Service Team Members' Contribution
7-ELEVEN HONG KONG

WE VALUE OUR PEOPLE

The construction of the water facility, which was completed in late 2022, could benefit over 230 families in the Ciapus village.

Every year, we host an award presentation to honour the team members who have helped create value beyond our business. In Hong Kong alone, over 800 team members across different banners and functions, including those in the front line and at store support centres, received Long Service Awards in 2022.

Similarly, in Singapore, around 360 team members received the award across various business units. Over a third of them had been with the company for a decade or more

and two for half a century! We firmly believe that their long tenure is a testament to the positive workplace culture DFI has worked so hard to cultivate.

Jennifer, one of the frontline team members who has been with DFI for 50 years, shared, "We work as a team like family; we treat customers as family and we work together. We smile, we talk, we mix around, we greet each other – that's the reason I have been here for 50 years!"



In Indonesia, Guardian worked with Save The Children Indonesia in the WASH project, which is the construction of clean water facility to provide clean water access to vulnerable communities in Desa Ciapus, a village within the Bandung city. The construction of the water facility completed in late 2022 could benefit over 230 families in the Ciapus village. It is expected to offer those in the village a stable and reliable access to clean water, giving them a better and healthier life for many generations to come.

Meanwhile, in Taiwan, IKEA was excited to unveil the newly renovated team member restaurant at Taiwan Power Company (Taipower). The whole renovation project, which was designed based on the circular economy concept, features furniture that adhere to the concept of circular supply chain, so nothing is thrown away. Instead, used furniture will be returned to IKEA for creating new materials out of low value waste. It is estimated that about six tonnes of furniture waste can be reduced, which is equivalent to a reduction of about 20 tonnes of carbon emissions – the annual carbon absorption of 2,000 trees.

mannings
萬寧自家品牌

每日 全方位照顧你健康
STRONGER EVERY DAY

於歐洲*，英國，美國，
澳洲**及新西蘭**製造
MADE IN EUROPE*, UK, USA,
AUSTRALIA** AND NEW ZEALAND**

Own Brand Vitamin Range
MANNINGS HONG KONG

新登場
NEW

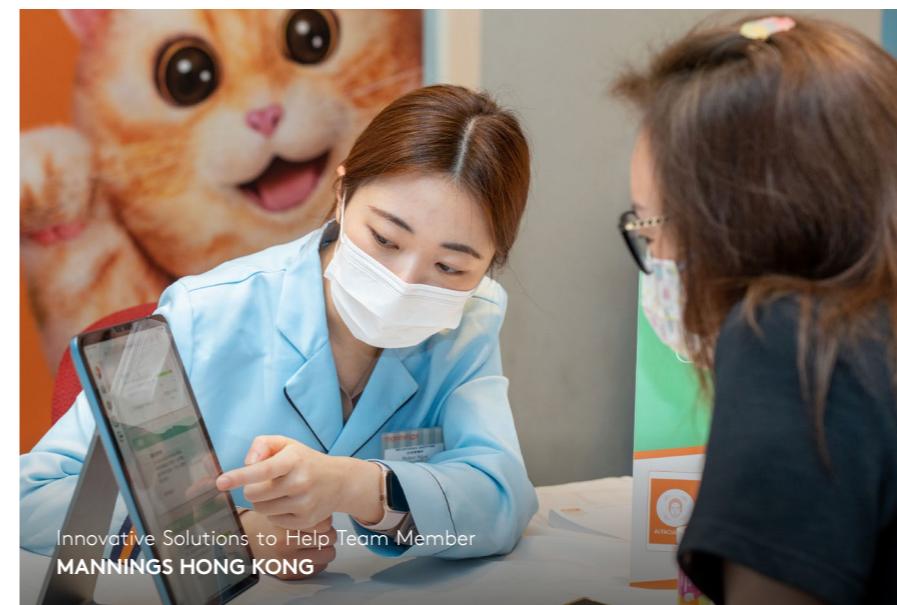
MANNINGS' OWN BRAND HEALTH AND BEAUTY PRODUCTS

In our commitment to bringing high quality food to our customers, we have improved our selection of vitamin supplements. Mannings' Own Brand vitamins range now has over 50 SKUs and encompasses five major categories, including Vitamin C and Immunity, Multivitamins, Probiotics, Kids, and Bones and Joints. To ensure product quality, they were sourced from reliable manufacturers in Germany, Spain, the US, Australia and New Zealand with GMP certification.

We have also made tremendous improvement on our vitamin products. As our customers become increasingly health conscious, we introduced the second generation of low-sugar vitamin gummies in China in 2021. Replacing white sugar with

xylitol, a sweetener with lower calories than white sugar, the vitamin gummies came in four SKUs (Vitamin C, multi-vitamin, DHA algal oil and milk calcium). Shortly after the launch, we sold almost 80,000 units of products within six months. In 2022, our team continued to develop and launch the third generation with two extra SKUs: Blueberry Lutein Ester Gummies and Sodium Hyaluronate Gummies.

Recognising our innovative efforts, these low-sugar vitamin gummies received the Top 10 Product Innovation Award for snackable health supplements at the Annual Conference of Guangdong Chain Store and Franchise Association, the largest trade organisation in the Guangdong Province.



Innovative Solutions to Help Team Member
MANNINGS HONG KONG

As many as 300 team members participated in trying out two new homegrown health scan technologies: Gense Mediscan (body scan) and PanopticAI facial scan.

BOOST TEAM MEMBERS' WELL-BEING THROUGH INNOVATION

We believe mental well-being is just as important as physical. To that end, Mannings Hong Kong has partnered with two local health tech start-ups to bring technological innovation and wellness together for our team members.

In October 2022, Mannings held our first DFI Wellness Day in our Hong Kong offices in support of Jardines Mental Wellness Month. As many as 300 team members participated in trying out two new homegrown health scan technologies: Gense Mediscan (body scan) and PanopticAI facial scan. Both technologies, which are non-invasive and require no physical contact, instantly analyse their health conditions like stress level, blood pressure as well as saturation of oxygen and overall health of the vital organs. The success of DFI Wellness Day has also inspired Mannings to partner with Hong Kong Broadband Network to offer PanopticAI scans to their team members.



Surabaya Store Opening - Supporting Local Businesses
IKEA INDONESIA

IKEA INDONESIA SUPPORTING THE LOCAL COMMUNITY

Committed to helping lift the local economy, IKEA Indonesia has started the programme "Teras Indonesia," which offers free exhibition space at all of the seven stores around the country to over 900 micro, small and medium-sized enterprises (MSMEs) to promote their brands.

Local businesses can apply to set up pop-up stores within the IKEA outlet to sell their wares. The IKEA team will also

lend their expertise to help the business owners make their store display more compelling to customers. The space can also be used for organising other community activities, such as workshops, seminars and talk shows, reinforcing IKEA's mission of "creating a better everyday life for the many people".

3.3

SOURCING RESPONSIBLY IMPROVING LAND WELFARE

Even though coffee can bring us health benefits, coffee growing also comes with climate consequences. First, growing more coffee beans results in deforestation; second, emissions from freight transportation to markets; and third, packaging requires resources. Given that 7CAFÉ, our 7-Eleven's Own Brand, is the largest coffee network in Hong Kong, we take our role in supporting sustainable coffee beans seriously.



“When enjoying our 7CAFÉ coffee, I hope that our customers will support our new initiative while also paying attention to the issue of ecological balance”

Alex Liu
Managing Director of 7-Eleven Hong Kong and Macau

7CAFÉ LAUNCHING SUSTAINABLE COFFEE BEANS

Since October 2022, 7CAFÉ has switched to using 100% of our Arabica coffee beans that are certified by Rainforest Alliance, an international organisation that promotes sustainable agriculture and forestry.

We have also started offering oat milk as a dairy-free alternative at 7-Eleven. Oat milk emits significantly less greenhouse gases than conventional dairy milk. Our team has also found ways to reduce environmental impact by sourcing paper cups and lids that are made with more environmentally friendly materials. The new coffee cup lids are made from bagasse, which is 100% biodegradable, and the paper cups are made with trees that were grown on plantations which do not contribute to deforestation.

“7-Eleven has been developing a lot of new products such as the newly launched 7CAFÉ coffee made with sustainable coffee beans and paper cups and lids that are made with materials less harmful to the environment. When enjoying our 7CAFÉ coffee, I hope that our customers will support our new initiative while also paying attention to the issue of ecological balance, understand the concept behind ‘Good Coffee. Now Greener’, and support our new initiative to protect the earth”, said Alex Liu, Managing Director of 7-Eleven Hong Kong and Macau.

To reduce carbon emissions generated by imported produce, we have also been working hard to source as much as we could locally. In Hong Kong, we introduced three varieties of mushrooms that are cultivated in Yuen Long. We were able to minimise the carbon emission in transportation by also adding soybean sprouts and organic corn from Yuen Long.

At Wellcome Hong Kong, we began sourcing vegetables from Sustenir Agriculture, which pioneers an indoor farming system that recirculates water for reuse, using 95% less water than traditional farming methods. The indoor system does not require arable land and can be employed for other earth-friendly measures like tree planting. Moreover, the yield per area of vegetables produced by vertical farming could reach up to 112 times compared with conventional farming.





Caring Passionately Award to Recognise Team Members' Outstanding Service and Support
WELLCOME HONG KONG

WE CARE PASSIONATELY

Businesses thrive in strong communities. To that end, one of the foundations of our CSR framework is "We Care Passionately". In 2022, DFI team members across different banners and markets volunteered, cumulatively, over 2,500 hours to help underserved communities. Their selfless spirit of putting others first has created lasting value within our communities and is what defines DFI as an organisation.



GUARDIAN VIETNAM



Presenting Caring Passionately Award
STORE SUPPORT CENTRE HONG KONG



7-ELEVEN SOUTHERN CHINA

SUPPORTING OUR COMMUNITIES

We recognise that all of these CSR initiatives would not have been possible if it wasn't for the support and contribution of our team members. To show our gratitude for their participation, we launched the Caring Passionately Award, which was named after one of our core values - Caring Passionately - in 2022. The goal of the award was to appreciate and recognise those who went above and beyond the call of duty with kindness, care and empathy in the workplace.

Take Stephen Yu, a store manager at Wellcome Chuk Yuen Store, as an example. During the pandemic, he received a phone call from an elderly customer asking for help because he had tested positive for COVID-19. Since he lived alone, he had trouble securing groceries and other daily necessities. Not only did Stephen help order the items in store, he even delivered the products to his home. His act of kindness not only helped a customer that was desperately in need, but also defined what it means to be a part of the community.

Similarly, when an NGO referred a new team member to join the 7-Eleven store managed by Mei Chun Wong, the assistant

manager was quick to embrace him. Even though the team member had received prior training, it took him time to adapt to a new environment. But Chun was patient and kind, explaining the "ins" and "outs" tirelessly until the team member fully understood them. After months of guidance by Chun, he could clean the store, check the product expiration dates and organise the shelves independently.

Meanwhile, in Malaysia, the week before Christmas 2021 saw such heavy rain that one of our Giant stores was severely flooded. At one point, water reached almost four feet high on the ground floor and around 400 customers sought shelter in our store. S. Santhanam Sundram, the store manager, quickly brought all customers to the second floor to ensure their safety. He even provided food and drinks for them as they waited for the rescue squad, which arrived the next morning.

These are just a few shining examples of our team members stepping up, unprompted to help support those less fortunate than themselves.



Joining Hands for MINDSET Fundraising
HONG KONG



Walk Up Jardine House for MINDSET Fundraising
MANNINGS HONG KONG

WALK UP JARDINE HOUSE

Walk Up Jardine House is a fundraising event aimed to support MINDSET, a charity founded by Jardine Matheson Group to support the underserved community who needs mental health support. Our team members completed 6.1 million steps, which is equivalent to 6,533 Jardine Houses. Our Mannings and GNC team won first place with 1.8 million steps, doubling last year's record, while our Store Support Centre team was a close second with 1.58 million steps, which was almost 10 times last year's record. Their hard work raised a total HK\$592,000 for MINDSET. Their enthusiastic support for MINDSET has not only helped the organisation raise awareness of mental health, but also demonstrates how our team members are always looking for ways to support their communities and make a positive impact.



Cheering for the Team
7-ELEVEN HONG KONG



Showing Support for Our Team Members
WELLCOME HONG KONG



Completing the Steps with Teamwork
7-ELEVEN HONG KONG

LEADING FROM THE HEART

Since the launch of the "Sik Jor Fan Mei" rice donation campaign, we have received an overwhelming amount of positive response from both customers and our team members. As the programme came to its first anniversary, over HK\$6 million had been raised, which was enough to buy 20 million bowls of rice.

Our team members were big contributors to the success of the campaign. In the first year of "Sik Jor Fan Mei", over 300 of our team members volunteered a total of over 1,500 hours to pack rice and other surplus food into goodie bags, which were then delivered to 3,000 grassroots families in the Kwun Tong, Chuk Yuen and Kwai Chung districts in Hong Kong, providing over 34,000 meals to the needy. Festive Feast Up, which is also part of the "Sik Jor Fan Mei" programme, saw our team members delivering these care packages to the underserved to spread warmth and care on important holidays like the Winter Solstice and Mid-Autumn Festival.

Meanwhile, with the launch of the "Sik Tak Fan La" campaign, 50 volunteers from various functions within 7-Eleven partnered with Pei Ho Counterparts to pack over 750 goodie bags and meal boxes for the homeless and elderly in Sham Shui Po, one of the poorest districts in Hong Kong according to government data.

Encouraged by the strong response in the Sham Shui Po district, the 7-Eleven team collaborated with two more restaurants and distributed 260 goodie bags to those in need in To Kwa Wan and Tuen Mun.

Inspired by the success of our campaigns in Hong Kong, our Giant Malaysia team launched a similar programme called "Sudah Makan?", meaning "Have You Eaten" in Malay. As many as 30 team members volunteered to serve over 250 beneficiaries.

In 2022, yuu also partnered with The Conservancy Association and The Conservancy Association Centre for Heritage in Hong Kong to raise awareness for nature as well as cultural conservation.

yuu organised two Lai Chi Wo eco-heritage tours, during which over 70 yuu members and yuu team members covered a wide range of conservation activities that included a visit to the UNESCO-awarded Hakka village built over 300 years ago and learning about the rich biodiversity of the fung shui woods and mangrove forest. Through the immersive farming experience, they removed invasive weeds and watered the soil, and the volunteers grew an appreciation for the way our food is produced.



Delivering Surplus Bread to Those in Need
HONG KONG



Showing Warmth and Care to the Elderly
7-ELEVEN HONG KONG



Cleaning Up Around the Jimbaran Area
IKEA INDONESIA



Organic Farming Experience
yuu HONG KONG



Sending Goodie Bags to the Elderly
WELLCOME HONG KONG



Delivering Meal Boxes in Sham Shui Po
7-ELEVEN HONG KONG



Children Receiving Guardiancares Bears with Happiness
GUARDIAN INDONESIA

"Volunteering in this Lai Chi Wo eco-heritage tour is a great way to get involved in local environmental and cultural conservation. It was a great opportunity for me to get hands-on eco-farming experience and to feel closer to nature. The visit to the Hakka village is a great cultural encounter," Julianna Chau, a yuu team member, said.

IKEA Indonesia hosted a river clean-up event to celebrate the launch of the KÅSEBERGA collection, which was made in collaboration with the World Surf League (WSL). Together with NGO Sungai Watch, our volunteers cleaned the river around the Jimbaran

area in Bali, collecting 657 kg of waste.

After a 5.6-magnitude earthquake struck the Cianjur town in West Java, Indonesia, which wreaked so much havoc that over 300 people lost their lives and homes, HERO Indonesia was quick to act, donating thousands of aid supplies, which included bedding, hygiene items and food, along with contributions from other local businesses to support the victims and relief work. Some thoughtful team members even personally donated clothes, shoes and toys for children who were victims of the earthquake.



Volunteering for River Clean Up
IKEA INDONESIA



"Sudah Makan?" Rice Donation Programme
GIANT MALAYSIA



Sending Aid Supplies to the Affected Community
HERO INDONESIA



Sending Goodie Bags to Children
GUARDIAN VIETNAM

DFI's ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) REPORT 2022



Solar Panel Installation
WELLCOME FRESH FOOD CENTRE HONG KONG

INTRODUCTION

The purpose of this ESG report is to highlight DFI's efforts in quantifying our impact on the environment and society, along with our targets and progress made to date. The report is guided by the international frameworks of the Global Reporting Initiative (GRI) and the United Nations Sustainable Development Goals (UNSDGs). The table below illustrates DFI's strategy in Environmental, Social, and Governance aspects

and their linkage with the UNSDGs. Material ESG issues are described under each topic, along with our key sustainability priorities. We disclose all relevant performance indicators for these material ESG issues with the aim of improving the transparency of our progress.

ENVIRONMENTAL

We strive to address climate change, protect biodiversity, and conserve natural resources through efficiency enhancement in our operations and the promotion of sustainable consumption. To that end, DFI focuses on five major areas to achieve the SDGs when it comes to the environment.

ESG TOPICS INCLUDE:

- 1 CLIMATE CHANGE
 - Reducing Energy Usage
 - Eliminating Harmful Refrigerants
- 2 TOTAL WASTE
- 3 FOOD WASTE
 - Reducing Food Waste
- 4 PLASTIC PACKAGING
 - Reducing Plastic Usage
- 5 SUSTAINABLE PRODUCTS AND BIODIVERSITY CONSERVATION
 - Improving Animal Welfare
 - Improving Land Welfare



SOCIAL

We believe that a sustainable business relies on the support from its team members, stakeholders, and the community it operates within. In view of such, we have adopted comprehensive policies to create lasting values for our customers and communities as well as our workforce.

ESG TOPICS INCLUDE:

- 6 COMMUNITY ENGAGEMENT AND SUPPORT
 - Reducing Hunger
 - Reducing the Cost of Living
 - Raising Self-esteem
- 7 DIVERSITY OF WORKFORCE
- 8 TRAINING AND DEVELOPMENT
- 9 HEALTH, SAFETY, AND WELL-BEING AT THE WORKPLACE
- 10 HUMAN WELFARE AND SOCIAL COMPLIANCE
- 11 PROMOTE HEALTHY AND CONSCIOUS EATING



GOVERNANCE

A robust and well-organised governance structure is instrumental in helping us achieve our ESG goals. We have a robust governance framework in place to effectively manage climate risk, ensure food and product safety, cultivate a culture of integrity, and protect our customers' information from cyber intrusion.

ESG TOPICS INCLUDE:

- 12 CLIMATE RISK MANAGEMENT AND GOVERNANCE
 - Reducing Energy Usage
 - Eliminating Harmful Refrigerants
- 13 PRODUCT SAFETY AND QUALITY
 - Improving Human Welfare
- 14 ETHICS AND ANTI-CORRUPTION
- 15 CYBERSECURITY AND DATA PROTECTION
- 16 TAX CONTRIBUTION AND GOVERNANCE



DFI's KEY ESG TOPICS

We have identified 16 key ESG topics, based on materiality to DFI and benchmarking with peers. For each of these topics we offer an overview of the current situation and performance, and methodology of data collection.

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UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UNSDGs)

DFI's sustainability strategy is interlinked with the United Nations Sustainable Development Goals (UNSDGs). The UNSDGs are part of the 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015. The UNSDGs were developed as a call to action by all countries to tackle climate change, reduce poverty, improve health and education, promote equal and inclusive growth, and preserve our oceans and forests.

SCOPE

The ESG Report covers ESG data in the financial year 2022 (from 1st January 2022 to 31st December 2022). Unless stated otherwise, calendar year 2021 was used as a baseline for comparison). For the scope of coverage, we included all brands and subsidiaries of DFI. Associates are out of scope unless stated otherwise.

GLOBAL REPORTING INITIATIVE (GRI)

Our ESG progress is reported with reference to the Global Reporting Initiative (GRI) standards. The GRI maintains comprehensive sustainability reporting standards generated from their independent multi-stakeholder process. While the GRI requirements are more detailed and extensive than the reporting obligations under existing regulations, we believe that reporting with reference to them reflects our commitment to be fully transparent with our shareholders and stakeholders. We apply the reporting principles specified in section 4 of GRI 1: Foundation 2021 standard.

NON-GRI/NON-UNSDG LINKED PERFORMANCE INDICATORS

For assessing the ESG performance of DFI, several performance indicators relevant to our business are used outside of the GRI and UNSDG frameworks. We strive to quantify those indicators as reliably as possible, drawing references from international protocols and best practices in the retail industry. The methods of measurement and assumptions are covered in the "Methodology" section of each topic.

ENVIRONMENTAL

1 CLIMATE CHANGE

DFI is committed to reducing our greenhouse gas (GHG) emissions to help tackle climate change. Most of our Scope 1 and 2 GHG emissions come from energy consumption and refrigerant leakages. To that end, we are investing US\$15-20 million per year – which represents around 15% of our total capital commitments each year – into climate initiatives related to energy efficiency, refrigerant management, and electrifying our fleet. With all these initiatives, we are committed to achieving our targets for Scope 1 and 2 emissions.

SCOPE 1 AND 2 GREENHOUSE GAS EMISSIONS

We have set ambitious climate targets and strategies that are aligned with The Paris Agreement to reverse the damage from climate change. We are committed to a near-term target of halving our Scope 1 and 2 emissions by 2030, and a long-term target of achieving net zero by 2050 (from a baseline year of 2021).

DFI is reducing refrigerant gas emissions (Scope 1) by installing leak detectors, deploying dedicated leak fix teams, replacing high global warming gases, and installing new systems which have a lower refrigeration gas charge. In 2022, DFI is the first retailer in Hong Kong to install a Water Loop refrigeration system, which reduces the refrigeration gas charge compared to a traditional centralised system by approximately 90%. Our medium-term target by 2030 is to reduce our leakage rate to global supermarket best practices.

Most of our electricity is used in DFI's Grocery Retail and Convenience Stores businesses. To help reduce energy consumption, DFI has implemented energy behavioural change campaigns, leading to a 2% energy consumption reduction on a like-for-like basis (locations that have had a full 12 months of electricity consumption in both 2021 and 2022). DFI also completed LED lighting roll-out across our retail networks, covering almost 1,000 stores in Hong Kong, Singapore, and Malaysia. We also began implementing technologies to improve refrigeration equipment efficiency.

Furthermore, as mentioned in the "expanding solar panels installation" section, Wellcome installed one of the largest solar panel systems in Hong Kong on the rooftop of its Fresh Food Centre, and IKEA installed a solar panel on the roof of its Kaohsiung store.

Fuel usage is a small part of our Scope 1 emissions, but no less relevant. Our priority is to improve fuel usage efficiency by optimising truck loads and where possible routing. In the Hong Kong market, we are actively seeking opportunities to purchase our first electric truck, with the goal of electrifying the rest of our fleet in the medium to long term.

Overall, DFI is progressing well towards its 2050 net zero target. From 2021 to 2022, we were able to reduce the Scope 1 GHG emissions by 24%. Scope 2 GHG emissions have increased 0.4% from 2021 to 2022, as the like-for-like energy consumption reduction has been offset by new store openings in China, Indonesia, and Cambodia. Moreover, several energy-saving initiatives were implemented in the latter part of 2022, which should reduce our energy consumption in 2023 and beyond.

SCOPE 1 AND 2 GHG EMISSIONS

PERFORMANCE INDICATOR	2021 KT CO ₂ e	2022 KT CO ₂ e	% CHANGE
Refrigerants	370	281	-24%
Fuel for own trucks	9	8	-10%
Total Scope 1	379	289	-24%
Electricity	486	488	+0.4%
Total Scope 2	486	488	+0.4%
Total Scope 1 and Scope 2	865	777	-10%
Scope 1 and Scope 2 Intensity Tonnes CO ₂ e per US\$M net sales	96	85	-11%

ENERGY CONSUMPTION

PERFORMANCE INDICATOR	2021 MILLION GIGAJOULES	2022 MILLION GIGAJOULES	% CHANGE
Energy consumption - fuel	0.12	0.11	-9.7%
Energy consumption - electricity	3.28	3.32	+1.3%
Total Energy Consumption	3.40	3.43	+0.9%
Energy Intensity Gigajoules consumption per US\$M net sales	376	374	+0.4%

SCOPE 3 GREENHOUSE GAS EMISSIONS

In 2022, we have managed to quantify the 2021 baseline for Scope 3 GHG emissions, and are now working on a plan to reduce our Scope 3 emissions. Achieving a significant emissions reduction in our value chain will require governments' intervention, substantive collaboration with suppliers, and communications with customers. As such, our ability to influence carbon reduction presents both a risk and an opportunity, and success will be decided by our relationships both upstream and downstream in our value chain.

SCOPE 3 GHG EMISSIONS BY CATEGORIES (2021)

PERFORMANCE INDICATOR	KTONNES	% OF TOTAL SCOPE 3
Category 1 Purchased goods and services – products	4,048	76%
Category 2 Capital goods	108	2%
Category 3 Fuel- and energy-related activities	148	3%
Category 4 Upstream transportation	63	1%
Category 5 Waste generation	35	1%
Category 6 Business travel	7	0%
Category 7 Team member commuting	65	1%
Category 9 Downstream transportation and distribution	3	0%
Category 11 Use of sold products	44	1%
Category 12 End-of-life treatment of sold products	56	1%
Category 14 Franchises	34	1%
Category 15 Investments	680	13%
Total	5,290	100%
Scope 3 as a percentage of total 2021 GHG emissions (Scope 1 + 2 + 3)		

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


METHODOLOGY

The above Scope 1, 2, and 3 reporting follows the methodology for the mapped GRI Indicators¹.

SCOPE 1 AND 2 METHODOLOGY

For energy consumption, actual electricity bills were collated across the majority of markets (accounting for 88% of our total energy consumption in 2022). For the remaining markets, an analytic based on electricity spend was used.

GHG emission conversion factors are used to convert energy consumption from kWh into carbon dioxide equivalent (CO₂e). The latest emissions factors are adopted for the calculation, which are location-based electricity emission factors provided by the International Energy Agency. Emission factors for Hong Kong, Macau, Mainland China, and Taiwan are based on Power Stations and Government website 2021 sources (as 2022 is not yet released). Emission factors for Brunei, Cambodia, Indonesia, Malaysia, Singapore are based on IEA 2022.

It is worth noting that the Asian markets in which we operate have relatively higher carbon intensity emissions factors compared with Europe and the US. Average emission factor for DFI is 0.53 (kg CO₂e per kWh, weighted by the consumption in the markets in which we operate), in contrast to 0.25 in the UK and 0.07 in France. As part of our net zero target modelling for Scope 2, we are incorporating the governmental reduction commitments across the markets that we operate in, for example the Hong Kong Government's Net Zero by 2050 plan.

For refrigerant gas, we collected invoices for all the gas purchased, and totalled the weight in kg by store, market, and by business. The Global Warming Potential emissions factors (sourced from Intergovernmental Panel on Climate Change's Sixth Assessment Report) were used to calculate the radiative forcing impact of each gas purchased, which equates to the degree of harm to the atmosphere of one unit the refrigerant gas relative to one unit of CO₂.

GHG emissions are measured at the store level, reported and discussed monthly. Progress against annual targets is tracked, with annual targets forming the pathway to net zero for GHG emissions. Where DFI has divested businesses, these are excluded from the baseline in this report. However, growth from store expansion is included in the calculation for total emissions.

SCOPE 3 METHODOLOGY

DFI follows the guidelines from the World Business Council for Sustainable Development (WBCSD), World Resources Institute (WRI), and Greenhouse Gas (GHG) Protocol. Since we work with more than 3,000 vendors, who also source their own materials and ingredients from different suppliers around the world, it is difficult to produce a precise figure for our Scope 3 carbon emissions. The majority of categories are calculated by multiplying spend data with Environmentally Extended Input-Output (EEIO) emission factors (EF). Some categories are calculated by multiplying weight by emission factors.

GRI INDICATOR

GRI 302-1 Energy consumption within the organisation, GRI 302-3 Energy intensity, GRI 305-1 Direct (Scope 1) GHG emissions, GRI 305-2 Energy indirect (Scope 2) GHG emissions, GRI 305-3 Other indirect (Scope 3) GHG emissions, GRI 305-4 GHG emissions intensity, GRI 305-5 Reduction of GHG emissions

¹ 305-1 Direct (Scope 1) GHG emissions, 305-2 Energy indirect (Scope 2) GHG emissions, 305-3 Other indirect (Scope 3) GHG emissions, 305-4 GHG emissions intensity, 305-5 Reduction of GHG emissions.

ENVIRONMENTAL

2 TOTAL WASTE

DFI is committed to the transition towards a circular economy by actively reducing and managing our waste streams. In addition to food waste reduction, we recycle various other types of waste where possible, including paper, plastic, aluminium materials. We target to increase the percentage of diverted waste – that is, waste that could be diverted away from landfills – to 50% by 2025, and to 80% by 2030.

PERFORMANCE INDICATOR	2021 TONNES	2022 TONNES
Disposed Waste		
- Product waste	21,855	20,580
- General	12,326	12,023
- Paper	10,460	10,187
- Plastic	716	770
- Hazardous	56	36
Diverted Waste		
- Product waste	336	678
- General	3,539	4,093
- Paper	19,424	19,600
- Plastic	684	730
Total Waste (% of Diverted Waste)	69,397 (35%)	68,696 (37%)

METHODOLOGY

For product waste, we have accounted for the net weight in addition to the primary packaging weight. Net weight is based on store shrinkage records and article master list. Primary packaging weight is estimated using a proxy data provided by our external waste consultant for Hong Kong and extrapolated for other markets.

Non-product waste includes secondary packaging and general refuse and has been calculated based on weighing selected sample products in Hong Kong and extrapolating to other markets. Furthermore, the recycled portion for each waste type has also been sampled in Hong Kong and extrapolated to other markets.

For distribution centre waste, disposal and diversion are calculated based on invoice data. Product shrinkage and non-product waste split were not available for IKEA distribution centre and IKEA store support centre.

GRI INDICATOR

GRI 306-2 Management of significant waste-related impacts, GRI 306-3 Waste generated, GRI 306-4 Waste diverted from disposal, GRI 306-5 Waste directed to disposal

ENVIRONMENTAL

3 FOOD WASTE

As a food retailer, food waste is a major source of waste we generate. Still, we recognise that food waste and loss are big drivers of global food shortage and climate change. In light of that, since 2018 DFI has adopted a holistic approach to reducing food waste through the Fresher for Customers programme.

The programme focuses on improving supply chain, warehouse, logistics, and operational management to deliver fresher produce to the customers, thereby reducing the ratio of food loss significantly. For surplus food that is safe for consumption, we are partnering with several NGOs and charity partners on food donation to minimise wastage. Meanwhile, food that is not safe for human consumption in our distribution centres and some of our stores is sent to recycling facilities to generate renewable energy and compost for organic farming. This is to minimise waste going to landfill or incineration. These food donation and recycling programmes are being regularly reviewed to explore expansion possibilities to further reduce our food waste.

PERFORMANCE INDICATOR	2017	2021	2022
Total tonnes of food waste (tonnes)	33,933	22,191	21,257
% change from 2017 baseline		-34.6%	-37.4%

METHODOLOGY

DFI defines food waste as the weight of the food product as well as the primary packaging in which it is sold. We are developing a methodology to accurately and efficiently measure food weight exclusive of packaging.

GRI INDICATOR

GRI 306-2 Management of significant waste-related impacts, GRI 306-3 Waste generated

ENVIRONMENTAL

4 PLASTIC PACKAGING

DFI is working hard towards transforming the way we source products, as well as looking for circularity opportunities across our businesses and value chains.

Our Own Brand products are now switching to more environmentally friendly materials, eliminating unnecessary packaging, and increasing the use of recycled content. We are using the Consumer Goods Forum Golden Design Rules as reference. We commit to using 100% recyclable, reusable, or compostable primary plastic packaging for our Own Brand products by 2025. We also focus on upstream intervention, such as policy advocacy. For example, we are working closely with Drink Without Waste, a coalition in Hong Kong that aims at reducing plastic waste from bottled beverages through supporting local initiatives on plastic reduction.

PERFORMANCE INDICATOR	2022
Own Brand plastic packaging sold (tonnes)	2,116

METHODOLOGY

Own Brand Plastic Packaging sold represents the weight of the top 100 Own Brand products sold per business.

GRI INDICATOR

Own indicator: weight of primary plastic packaging for the top 100 Own Brand products sold per business

ENVIRONMENTAL

5 SUSTAINABLE PRODUCTS AND BIODIVERSITY CONSERVATION

To safeguard animal welfare and protect biodiversity, we are collaborating with our suppliers and producers to offer products that are sourced ethically, sustainably and responsibly. We are committed to no animal testing in all our Own Brand beauty products, except where it is legally required. When it comes to limiting the scale of deforestation, we use paper that is sourced from sustainable forests and coffee beans that are endorsed by the Rainforest Alliance for our convenience business in Hong Kong. To protect marine life, 100% of our canned tunas received the Marine Stewardship Council (MSC) certification.

PERFORMANCE INDICATOR	2021	2022
Number of Own Brand products with sustainability certifications	27	48

METHODOLOGY

We take into account the number of Own Brand products (by SKU) that have received globally recognised sustainability certifications. The scope of these certifications covers a range of aspects such as protecting the environment, communities, human welfare and wildlife, and safeguarding animal welfare.

GRI INDICATOR

Own indicator: number of Own Brand products with sustainability certifications

SOCIAL

6 COMMUNITY ENGAGEMENT AND SUPPORT

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

There was a drop in community investment in 2022, mainly driven by a decrease in donation of physical assets and other resources for COVID-19 relief. The underlying community investments amount remained consistent between 2021 and 2022.

PERFORMANCE INDICATOR	2021	2022
Community Investment (US\$000)	10,158	3,558

METHODODOLOGY

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

GRI INDICATOR

GRI 201-1 Direct economic value generated and distributed

SOCIAL

7 DIVERSITY OF WORKFORCE

Diversity of the workforce is key to fostering growth and innovation within our organisation. DFI has long maintained a non-discriminative and inclusive hiring policy to ensure balanced representation of gender among our team members. To advance female leadership and promote an inclusive workplace environment, the DFI Women's Network was launched on the International Women's Day on 8th March 2022. Since its inception, we have hosted speaker series, workshops, and a mentorship programme, all with strong participation from our team members across different levels and geographies.

Team members turnover rate is reflective of the dynamic nature of the retail industry. Comprehensive retention policies have been put in place to attract and retain valuable talents.

PERFORMANCE INDICATOR	2021	2022
Number of team members (full-time equivalent)	39,930	40,566
% of male team members	37%	37%
% of female team members	63%	63%
Gender diversity in senior leadership	33%	35%
Team members turnover (full-time voluntary)	27%	30%

METHODODOLOGY

A thorough process is put in place to extract data from our Global HR system, which automatically calculates the metrics shown above. Senior leadership is defined as Global Grade 17 or above according to the Willis Towers Watson Global Grading System, which we have matched to the DFI grading system to direct comparison. Turnover includes only full-time team members that have chosen to leave the company voluntarily. Turnover percentage refers to the number of leavers as a percentage of the average number of employees within the calendar year.

GRI INDICATOR

GRI 405-1 Diversity of governance bodies and employees

SOCIAL

8 TRAINING AND DEVELOPMENT

We care deeply about human capital and the satisfaction of team members. To that end, we regularly offer training and upskilling opportunities for our team members to advance in their careers and help them cope with customer expectations and safety practices in the fast-moving retail industry.

Regular training is provided on a range of topics including, but not limited to, cybersecurity, information security awareness, code of conduct, competition law, leadership, health and safety, diversity and inclusion, and behavioural changes to conserve energy.

In 2022, we have streamlined the training process which has led to an overall improvement in learning efficiency and as a result, a reduction in average training hours spent per team member.

PERFORMANCE INDICATOR	2021	2022
Average training hours per team member	16.4	13.7

METHODODOLOGY

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

GRI INDICATOR

GRI 403-5 Worker training on occupational health and safety, GRI 404-1 Average hours of training per year per employee, GRI 404-2 Programmes for upgrading employee skills and transition assistance programs

SOCIAL

9 HEALTH, SAFETY, AND WELL-BEING AT THE WORKPLACE

The health and safety of our team members are of the utmost importance to us. We endeavour to provide a safe working environment where everyone can thrive. To that end, we have integrated safe working practices in our stores, store support centres and distribution centres; provided modern and well-maintained equipment and established good practices to ensure our team members' safety.

Besides physical safety, we have also put a lot of focus on the mental health of our team members in the workplace. Through establishing transparent systems and inclusive leadership practices, team members are encouraged to flag any potential hazard or suggest improvement areas at the workplace. We also provide training programmes to boost our team members' understanding of work safety and the importance of mental health.

PERFORMANCE INDICATOR	2021	2022
Number of fatalities	0	0
Number of high-consequence work related injuries	0	0
Number of recordable work-related injuries	696	636
Number of hours worked (million hours)	91.3	86.1
Fatality rate	0	0
High-consequence work-related injury rate	0	0
Recordable work-related injury rate	1.53	1.48

METHODODOLOGY

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

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

GRI INDICATOR

GRI 403-4 Worker participation, consultation, and communication on occupational health and safety, 403-5 Worker training on occupational health and safety, GRI 403-9 Work-related injuries

SOCIAL

10 HUMAN WELFARE AND SOCIAL COMPLIANCE

Respect and inclusion are the cornerstones of our culture. Our human resources policies also reflect that: all team members must be treated equally irrespective of their background, and have equal access and opportunity to learn, grow, succeed and thrive.

Through training and resources, we strive to develop our team members to be inclusive leaders who make decisions that guide this culture and drive accountability. Furthermore, DFI also respects our team members' right to join associations or unions, and to organise and negotiate collectively.

We have also demonstrated a continued commitment to drive appropriate ethical labour practices across our supply chains. We have been a member of Amfori Business Social Compliance Initiative (BSCI) since September 2022; we have expressed to our suppliers that we will not tolerate forced labour and other exploitative practices; production facilities for our Own Brand products in high-risk countries are expected to be audited against Amfori or other equivalent audit standards.

All of our suppliers must demonstrate a high standard of business ethics and regard for human rights and the well-being of the workers. Our suppliers are also guided by DFI's Supplier Code of Conduct, which is to treat all the workers with dignity, respect, fairness, and must foster a working environment free of discrimination, abuse, and harassment.

PERFORMANCE INDICATOR	2021	2022
% of DFI's suppliers (in high-risk countries) of Own Brand products audited	24%	44%
Number of DFI's suppliers (in high-risk countries) of Own Brand products audited	124	173

METHODOLOGY

"High-risk" countries are defined by the Amfori BSCI Countries Risk Classification, and other published country risk index on labour rights protection. For suppliers in "high-risk" countries, they are expected to be audited against Amfori or other equivalent ethical standards. Ethical audits include checking whether the suppliers have previously been caught or accused of using child labour, forced labour, and slavery.

GRI INDICATOR

GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour

SOCIAL

11 PROMOTE HEALTHY AND CONSCIOUS EATING

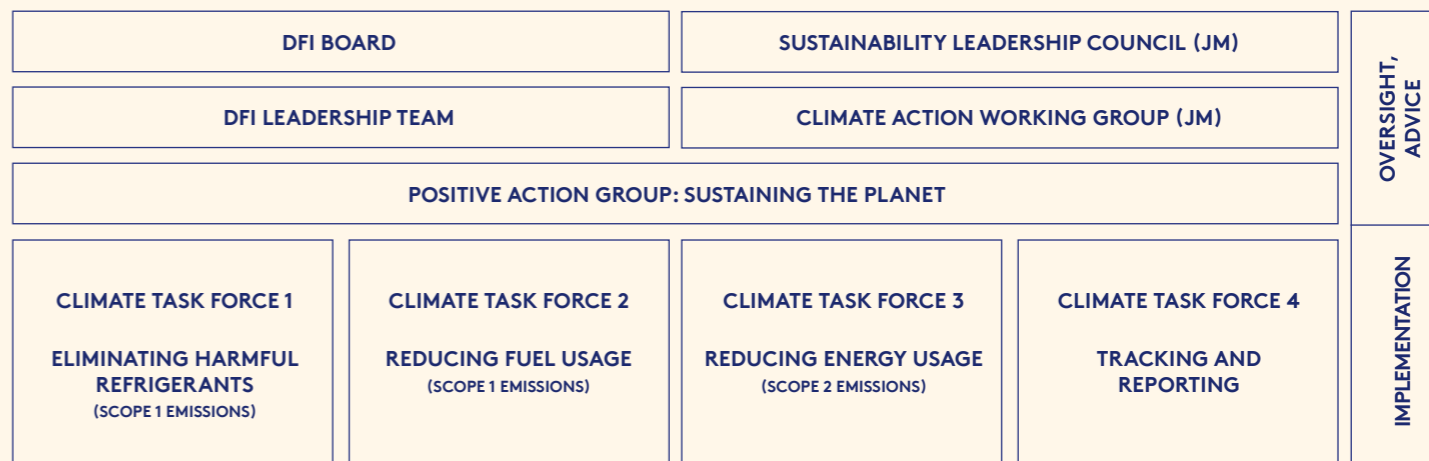
DFI was born out of a mission to provide safe and clean milk for our community. It is still the core of our business to help people save money and live better. We bring that vision to life by offering food products that have less sodium and low sugar in DFI's Own Brand catalogue. We have also added more plant-based products, low-mileage hydroponic vegetables and salad leaves at our retail stores to promote healthy eating without causing greater harm from carbon emissions.

We believe that by encouraging our customers to turn to more sustainable products, we can lower our carbon footprints collectively. We have also developed an internal healthy food standard to gauge the proportion of Own Brand products that promote healthy eating. We aim to disclose and set targets for this performance indicator in the near future to step up our target on promoting the health and well-being of our customers.

GOVERNANCE

12 CLIMATE RISK MANAGEMENT AND GOVERNANCE

To manage physical and transition climate risks proactively, DFI has completed a climate risk analysis as per the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). This report shows that our climate related financial disclosures are consistent with the TCFD recommendations. Further work is underway to enhance the assessment and the mapping of climate risks over the short, medium, and long term. Our governance framework for ESG and climate topics is illustrated in the diagram below. For more details about our climate governance structure, please refer to TCFD Report in DFI's Annual Report 2022.



GRI INDICATOR

GRI 2-12 Role of the highest governance body in overseeing the management of impacts, GRI 2-13 Delegation of responsibility for managing impacts, GRI 3-3 Management of material topics

GOVERNANCE

13 PRODUCT SAFETY AND QUALITY

As a leading pan-Asian food retailer, we strive to improve the lives of our customers by providing safe, healthy, and high-quality products. Our Own Brand vendors are governed by the 'three steps to quality,' a programme that ensures our cross-functional departments communicate their expectations effectively to the factories. It ensures that our Own Brands meet the applicable local standards and DFI's own quality, safety, and legality standards.

We also have in place a thorough supplier selection and approval process to ensure that our vendors meet our food safety requirements, which are benchmarked against the Global Food Safety Initiative (GFSI). Prior to launch of any Own Brand product, they are vigorously evaluated with a third-party accredited laboratory for quality, safety, and legal compliance.

We also monitor regularly to ensure that our suppliers' manufacturing operations, product quality, and safety are consistent with customers' expectations, legality, and DFI's defined standards. The overall performance of suppliers and products are evaluated annually to determine improvement opportunities. Should they fail to meet our standards, DFI will commission an audit to effectively manage product safety and quality.

Two-thirds of DFI's Own Brand production facilities have received globally recognised audit certification.

PERFORMANCE INDICATOR	2021	2022
% of production facilities of Own Brand products that have a globally recognised audit certification	61%	67%

Production facilities of Own Brand food and non-food products are certified by the Global Food Safety Initiative (GFSI). GFSI is a Consumer Goods Forum Coalition of Action that promotes continuous improvement of food safety management across the supply chain. Production facilities that are not certified by the GFSI must comply with DFI's Supplier Technical Standards, which are protocols set by a team of experts on product technology. They also have to be audited by a DFI appointed third-party auditing partner. We have taken into account the percentage of production facilities with GFSI or other globally recognised audit certifications.

GRI INDICATOR

Own indicator: percentage of production facilities of Own Brand food and non-food products that have globally recognised audit certifications; percentage of production facilities of Own Brand fresh food and ready-to-eat products that have globally recognised audit certifications

GOVERNANCE

14 ETHICS AND ANTI-CORRUPTION

ANTI-CORRUPTION AND BRIBERY

DFI is committed to conducting business in an ethically responsible manner and complying with laws and regulations in all locations where we operate. That includes compliance with laws relating to anti-corruption and bribery. DFI's Code of Conduct prohibits any form of corruption or bribery, including facilitation payments. There were no reports of corruption or bribery cases in 2021 and 2022.

WHISTLE BLOWING

DFI's Code of Conduct requires all business units and departments to comply with applicable laws and regulations and to maintain proper standards of business conduct. To that end, all of our team members are encouraged to speak up and report matters of serious and genuine concern that may affect the operation of DFI's business and its reputation.

As part of our whistleblowing policy, we have launched a "Speak Up" hotline that is accessible either by telephone or internet (portal or email). Every report will be handled with confidentiality and reviewed by appropriate internal department for investigation. DFI is committed to protecting the reporting person's identity and treating all disclosures with strict confidentiality and legal protection.

GOVERNANCE

15 CYBERSECURITY AND DATA PROTECTION

We take data collection seriously. DFI has established information security and personal data protection policies to safeguard the company's business sensitive and proprietary data as well as the personal data of our customers and team members against events that could compromise their confidentiality and integrity.

Still, it is paramount to us that these policies comply with applicable laws and regulations in the jurisdictions where we operate to ensure that we are safely collecting, creating, using, and sharing data. DFI has also put in place a strong and robust governance that helps build customer trust in our brands and products and helps mitigate the risks of improper data and technology practices.

To reinforce these policies, DFI routinely conducts training on information security and data privacy management for our team members. Our customers can also review our data policies on our websites for the use of their personal data in accordance with applicable laws.

GOVERNANCE

16 TAX CONTRIBUTIONS AND GOVERNANCE

As a socially responsible corporation, it is our duty to act responsibly in all tax matters. We work closely with tax authorities to ensure that we contribute to society by being fully transparent on all relevant tax information and paying the correct amount of taxes whilst balancing our obligations towards our shareholders.

Total tax contribution is a comprehensive measure of the tax payments that DFI makes to help facilitate government operations, public infrastructure, and essential services.

DFI has a specialised tax team that is consulted on all taxation related matters and ensures that we are fulfilling our tax responsibilities. All tax non-compliance matters are reported to DFI Tax Director to decide on the appropriate course of action.

PERFORMANCE INDICATOR	2021	2022
Tax Contribution (US\$M)	152	127

METHODOLOGY

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

GRI INDICATOR

GRI 201-1 Direct economic value generated and distributed, GRI 207-1 Approach to tax, GRI 207-2 Tax governance, control, and risk management

GRI CONTENT INDEX

DFI has reported the information cited in this GRI content index for the period of 1st January 2022 to 31st December 2022 with reference to the GRI standards. **GRI 1 used: GRI 1: Foundation 2021**

GRI STANDARD	DISCLOSURE	SECTION
GRI 2: General Disclosures 2021	2-12 Role of the highest governance body in overseeing the management of impacts	12. Climate risk management and governance
	2-13 Delegation of responsibility for managing impacts	12. Climate risk management and governance
GRI 3: Material Topics 2021	3-1 Process to determine material topics	DFI's key ESG topics
	3-2 List of material topics	DFI's key ESG topics
	3-3 Management of material topics	1. Climate change 2. Total waste 3. Food waste 4. Plastic packaging 5. Sustainable products and biodiversity conservation 12. Climate risk management and governance
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	6. Community engagement and support 16. Tax contributions and governance
GRI 207: Tax 2019	207-1 Approach to tax	16. Tax contributions and governance
	207-2 Tax governance, control, and risk management	16. Tax contributions and governance
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	1. Climate change
	302-3 Energy intensity	1. Climate change
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	1. Climate change
	305-2 Energy indirect (Scope 2) GHG emissions	1. Climate change
	305-3 Other indirect (Scope 3) GHG emissions	1. Climate change
	305-4 GHG emissions intensity	1. Climate change
	305-5 Reduction of GHG emissions	1. Climate change
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	2. Total waste 3. Food waste
	306-3 Waste generated	2. Total waste 3. Food waste
	306-4 Waste diverted from disposal	2. Total waste
	306-5 Waste directed to disposal	2. Total waste
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	9. Health, safety, and well-being at the workplace
	403-5 Worker training on occupational health and safety	8. Training and development 9. Health, safety, and well-being at the workplace
	403-9 Work-related injuries	9. Health, safety, and well-being at the workplace
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	8. Training and development
	404-2 Programmes for upgrading employee skills and transition assistance programs	8. Training and development
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	7. Diversity of workforce
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	10. Human welfare and social compliance

SDGs FOCUS

SDG FOCUS	SECTION
	6. Community engagement and support
	3. Food waste 6. Community engagement and support
	9. Health, safety, and well-being at the workplace 10. Human welfare and social compliance 11. Promote healthy and conscious eating 13. Product safety and quality
	8. Training and development
	7. Diversity of workforce
	1. Climate change
	16. Tax contributions and governance
	1. Climate change 4. Plastic packaging
	2. Total waste 3. Food waste
	1. Climate change 4. Plastic packaging 5. Sustainable products and biodiversity conservation
	1. Climate change 2. Total waste 3. Food waste 12. Climate risk management and governance
	4. Plastic packaging 5. Sustainable products and biodiversity conservation
	5. Sustainable products and biodiversity conservation
	14. Ethics and anti-corruption



"Sik Tak Fan La" Volunteering Event
7-ELEVEN HONG KONG

FUTURE OUTLOOK

With global inflation showing little sign of subsiding, we want to continue to deliver the best-value products to our customers, especially to those who live at or below the poverty line. To that end, we have worked hard in developing our Own Brand programme, which delivers not only quality but also making it much more affordable when compared with branded products.

We will continue to review our energy plan to position the organisation to be carbon neutral by 2050. Throughout last year, we eliminated harmful refrigerants and retrofitted our supermarket refrigeration systems; we added electric vehicles to our fleet; and expanded our solar panel installation. We will continue to take big strides in reducing our carbon footprint. The investments we made in turning our supply chain more efficient will also help us drive down our cost base, delivering further cost savings for our customers.

We also plan to reduce the amount of food waste for next year as the world continues to battle against the hunger crisis. Instead of food going to the landfill, we are now working with NGOs like Foodlink in Hong Kong to facilitate the redistribution of surplus food, so those in need can consume the food safely and constructively. In the coming year, we plan to continue reducing the amount of waste while also helping families in need.

In Hong Kong, our "Sik Jor Fan Mei" rice donation programme has brought enormous relief to families that live below the poverty line. The campaign was so successful that it inspired other markets like Singapore and Malaysia to launch similar programmes for their respective communities. We look forward to seeing more homegrown CSR campaigns reaching across borders and helping families near and far.

Last but not least, we will continue to push ourselves to improve our sourcing practices to ensure that human, animal and land welfare are met. The growth of our Own Brand ranges has given us an opportunity to make our own ethical sourcing requirements. We are proud to say that our sustainable canned tuna products were ethically sourced and caught without harming or killing dolphins. The percentage of cage-free eggs has also gone up significantly over the last year. Customers could now find oat milk at 7-Eleven in Hong Kong, which emits significantly fewer greenhouse gases than conventional dairy milk, to go with their morning coffee. Going forward, we expect to continue to introduce more ethically sourced products at affordable prices for our customers.

"Compared with Western countries we are coming from a long way behind, but we have made tremendous progress in recent years. We have a plan that we can commit to as an organisation, one that is well thought out and is achievable."

Ian McLeod
DFI Retail Group Chief Executive



THANK YOU

All the progress we made in CSR would not have been possible without the dedication of our team members as well as the participation of our customers and partners. Thank you for being on this journey with us to protect our environment and for working hard together to make the world a better place for all.

Guardian Fun Run Lifting Self-esteem
GUARDIAN MALAYSIA



We put our customers first always. We respect each other.
We care passionately. We do the right thing.