ESG Disclosure Contents

Environmental, Social, and Governance (ESG) Disclosure 2024

Basis of preparation

Introduction

The purpose of this Environmental, Social, and Governance disclosure (ESG Disclosure) is to highlight DFI's efforts in quantifying our impact on the economy, environment, and society, along with our targets and progress made to date. We disclose all relevant performance indicators for material ESG issues (refer to page 44 for ESG Materiality Assessment) with the aim of improving the transparency of our businesses.

This ESG Disclosure has been prepared in accordance with the Global Reporting Initiative (GRI), with reference to the index also published online on our website www.DFIretailgroup.com. This ESG Disclosure has also considered information from sustainability reporting standards (including, but not limited to, International Sustainability Standards Board (ISSB), Corporate Sustainability Reporting Directive (CSRD), Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD), Carbon Disclosure Project (CDP)), ESG rating agencies (S&P, Sustainalytics), and industry initiatives.

Disclosure Scope

This ESG Disclosure covers ESG data for the year ended 31 December 2024. Where feasible, data from the two previous years is also provided, and any comparative figures from prior years have been adjusted to comply with updated DFI ESG accounting policy.

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

Outcome uncertainties and estimation

In preparing the ESG-related information contained in this ESG Disclosure, DFI has made a number of key judgements, estimations, and assumptions. The processes and issues involved are complex with the ESG data, models, and methodologies constantly evolving. In addition, not all ESG data are of the same standard as those available in the context of other financial information, and they are not bound by the same disclosure requirements, historical benchmarks, or globally accepted accounting principles. Reliance on historical data as a reliable predictor of future trends is limited. The quality of underlying data can significantly impact the outcomes of models, processed data, and methodologies. We expect industry guidance, market practice, and regulations in this field to continue to change. There are also challenges faced in relation to the ability to access data on a timely basis and the lack of consistency and comparability between data that is available. This means the ESG metrics discussed in this ESG Disclosure carry an additional degree of inherent risk and uncertainty.

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

Restatement

If an error or change in methodology leads to a change in total figure that exceeds the materiality threshold of 5% of the original figure before such change, the Group's total figures will be restated. The reason for changes, revised comparative figures, and the differences would be noted in the Methodology section where practical. Any errors or changes below the threshold are considered not material and therefore not restated. The metrics impacted by any restatement are also disclosed in the GRI Index available online at www.DFIretailgroup.com.

DFI revised its approach in accounting for divestments and acquisitions to align with the composition of the Group financial statements reporting in 2024. This approach also aligns with upcoming ISSB sustainability reporting standards. Prior years' numbers are now restated where practicable and material in this disclosure. For details, please refer to Methodology section.

In terms of target performance tracking on Scope 1 and Scope 2 emissions, the impacts of divestments and acquisitions have been incorporated in tracking the performance against targets, and the baseline emissions for target setting have been recalibrated. This is in line with the Greenhouse Gas Protocol (GHG Protocol). Further details on the recalibrated figures can be found in the Climate Change section of the ESG disclosure.

ESG data limited assurance

Selected ESG data have been subject to limited assurance by PricewaterhouseCoopers. Their limited assurance report outlines the specific scope of the assurance provided and the conclusion. The appointment with PricewaterhouseCoopers was made by the Audit Committee. For further details, please refer to the Limited Assurance Report on page 70.

ESG Governance

As we continue our journey towards sustainable practices, ESG governance framework serves as a guidepost for our commitment to integrating ethical, social, and environmental considerations into our decision-making process.

Board of Directors

Audit Committee | **Risk Management Committee** | **Sustainability Committee**

ESG Reporting Team | **Sustainability Team** | **Sustainability Working Groups**

Board of Directors

The Board oversees significant ESG risks, opportunities, and impacts by ensuring that relevant sustainability and ESG considerations are integrated into DFI's purpose, governance, strategy, decision-making, and risk management processes. The Board also provides an oversight of our risk management framework, including risks related to ESG and climate change.

Additionally, the Board receives training materials or direct training annually. Several members of the Board have also received external training on ESG issues.

Risk Management Committee

The Risk Management Committee is chaired by the Group Chief Executive and the members are the whole Management Committee. It is responsible for risk management activities of DFI's operations and oversight of its risk management framework including DFI's ESG risks. This includes those associated with climate change. This committee plays a crucial role in assessing DFI's risk appetite and determining appropriate responses to identified risks. By integrating ESG considerations into its risk management framework, the committee ensures that DFI proactively addresses potential ESG risks and aligns its strategies with sustainability goals.

Audit Committee

The Audit Committee is responsible for overseeing ESG and sustainability-related data, ensuring that DFI maintains data integrity and accuracy while also ensuring compliance with reporting regulations. Additionally, the committee reviews the assurance provided by external auditor on DFI's ESG metrics and assesses the effectiveness and alignment of these metrics against the overall business strategy.

Sustainability Committee

The Sustainability Committee is a sub-committee of the Management Committee. The sub-committee is chaired by the Group Chief Executive Officer, and its members include the Group Chief Financial Officer, Group Chief Legal, Governance and Corporate Affairs Officer, and Chief Executive Officer of Food. This committee is actively involved in developing and implementing our sustainability strategy and targets while monitoring progress. In alignment with the terms of reference, the responsibility of the Sustainability Committee includes but not limited to:

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

Results and progress are reported to the Board semi-annually along with other matters through the Management Committee.

The Group Chief Executive Officer reviews the composition of the Sustainability Committee periodically to ensure a balanced representation of expertise and experience. Additionally, the Group Chief Executive Officer may appoint individuals from within or outside DFI as deemed appropriate.

ESG Reporting Team

The ESG Reporting Team is dedicated to ensuring compliance with ESG reporting regulations while managing ESG data to meet stakeholders' expectations. This team plays a critical role in tracking performance on ESG data, overseeing data control, and implementing automation processes to enhance efficiency and accuracy in reporting. Additionally, the ESG Reporting Team supports in reporting decision-useful information to the Audit Committee, Risk Management Committee, and Sustainability Committee, ensuring that all relevant stakeholders are informed.

Sustainability Team and Sustainability Working Groups

The Sustainability Team and Sustainability Working Groups are responsible for the implementation of sustainability initiatives and assisting the Sustainability Committee in realising DFI's sustainability objectives.

Each working group focuses on a specific topic, such as Scope 3 emissions reduction, waste diversion, gender pay gap, etc. These working groups comprise cross-functional teams consisting of experts from relevant departments across our Group, and report progress directly to the Sustainability Committee monthly.

Sustainability-linked remuneration

DFI has integrated sustainability Key Performance Indicators (KPIs) into the evaluations of team members. We have established a connection between sustainability performance in emission reduction and team members' promotions. This mechanism is designed to align the efforts of individual divisions in emission reduction with the broader sustainability goals of DFI.

ESG risk management

DFI has adopted a double materiality approach to assess ESG risks and opportunities. We evaluated the materiality of both internal and external impacts associated with these risks and opportunities, using the DFI Group's risk management methodology as its foundation. A consistent rating scale for financial risks and opportunities is adopted to measure the likelihood of events and the scale of the financial impact. ESG risks identified are then integrated into the overall Enterprise Risk Management and prioritised based on the same scale. The results of the risk assessment with ESG risks included are communicated to the Risk Management Committee and the Audit Committee. Details on the input parameters and methodology used for the materiality assessment to identify ESG risks are discussed in the Double Materiality Assessment section in this disclosure.

ESG due diligence

ESG due diligence is a key component of risk management and is applied to major capital allocation. In the fourth quarter of 2024, we launched shadow carbon pricing assessment, where we assessed the emissions impact related to significant real estate transactions of new stores or leasing contract renewals by implementing a simulated carbon tax. This assessment and associated potential financial impact are then considered by the Real Estate Committee for decisions on new store expansions and the renewals of existing stores.

ESG policies

Governance policies

DFI established the following policies and guidelines among the others that govern the actions and behaviours of all team members:

- Code of Conduct
- Anti-Corruption Policy
- Data Privacy Policy
- Speak Up Policy
- Information Security Policy
- No Gift and Entertainment Policy
- Personal Data Protection Policy

Furthermore, we have separately adopted a Supplier Code of Conduct setting out the requirement for our suppliers. By upholding these policies, DFI aims to conduct business with integrity, transparency, and accountability, thereby aiming to safeguard the interests of our stakeholders and upholding our reputation as a responsible corporate entity.

Sustainability policies

Our parent company, Jardine Matheson group, also established a comprehensive range of sustainability policies that outlines its commitment to responsible and sustainable business practices:

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

ESG materiality assessment

Double materiality assessment

In 2024, DFI engaged an independent party to enhance our stakeholder engagement and materiality assessment exercise based on the principle of 'double materiality'. We evaluated materiality based on impact to DFI's financial performance (financial materiality) and DFI's impacts on the economy, environment and society (impact materiality). This allows us to reshape our sustainable development strategy and effectively address current and anticipated risks and opportunities across the DFI.

1. Identification

We conducted a comprehensive review to identify key ESG issues. With reference to DFI's previous material ESG topics, and leveraging insights based on peer benchmarking, industry trends, international reporting standards including GRI, ISSB, European Sustainability Reporting Standards (ESRS), and material issues identified by ESG rating agencies, we have updated the list material ESG issues.

2. Evaluation

Our stakeholder engagement exercise comprises a two-part approach, via an online survey and interviews discussions, for relevant stakeholders to express their perspectives and concerns.

Employees and suppliers were invited to participate in our online survey focusing on impact materiality. Through this survey, respondents assessed and ranked ESG issues according to their understanding and perception on DFI's impact to the economy, environment and society.

To deepen our understanding of stakeholders' evolving expectations, we conducted interviews to explore both impact and financial materiality. We engaged a diverse range of stakeholders including Management Committee members, senior management, key suppliers and business partners, investors, and NGO partners. Interviewees provided their perception on the severity, scope, remediability and likelihood of DFI's impact on ESG topics, and considered the likelihood and magnitude on DFI's financial performance and enterprise value. Interviewees also shared perspectives on areas of opportunities, as well as their overall interest and concerns regarding potential material ESG issues relevant for DFI. To better understand the focus areas and priorities of customers, insights were also leveraged from DFI's internal documents on customers' consumption behaviour.

3. Validation
We utilised quantitative and qualitative inputs from stakeholders to develop the double materiality scorecard, representing the relative importance of ESG issues within a broader context. This further supports and informs our risk management framework, while guiding us to leverage opportunities that will arise from ESG topics in the future. A validation workshop was conducted with senior management to present and endorse the double materiality results.

Time horizon

In assessing ESG topics, the scope of assessment follows different time horizons, with a time horizon being assigned to each risk to assess the most relevant time scale. Short-term horizon (2027) to deal with immediate risks and within DFI 3-year planning cycle. Medium-term horizon (2030) to deal with more complex risks that aligns with targets set by DFI. Long-term horizon (2030-2050) to deal with long-term risk with highest level of uncertainties and contribute to global long-term goals such as Paris Agreement net zero by 2050.

Stakeholder engagement

DFI's stakeholders include both internal and external interest groups that could influence our business or are notably affected by our operations. We maintain regular engagement with these stakeholders through suitable channels.

Stakeholder	Engagement method
Customers	Customer surveys and customer sentiment research
Suppliers	Supplier assessments, supplier code of conduct, and regular communication channels
Investors and shareholders	Annual general meetings, result announcements, investor relations communications, and sustainability reports
Community and non-governmental organisations (NGOs)	Partnerships, community outreach programmes, stakeholder consultations, and collaboration on initiatives
Regulators and government authorities	Compliance with regulations, participation in industry consultations, and regular reporting
Industry associations and trade unions	Participation in industry forums, collaboration on industry-wide initiatives, and dialogue with trade unions
Academia and research institutions	Collaborative research projects and knowledge sharing
Media and public	Press releases, media interviews, social media engagement, and public events
Board of directors and executive leadership	Board meetings, executive briefings, and regular reporting

Double materiality assessment results

After conducting a comprehensive double materiality analysis, we have identified the following topics as having high financial and social impact.

Material issues

Climate change

Description	Climate change leads to extreme weather events, rising sea levels, and disruptions in natural ecosystems, resulting in challenges such as crop failures and increased frequency of natural disasters. The shift toward a low-carbon economy involves changes in regulations, market dynamics, and consumer behaviour.
Risk	• Increased costs resulting from physical damage to goods and properties caused by extreme weather events. • Decreased revenue as a result of business disruption caused by store closure during severe weather events; • Increased operating costs from higher energy expenses and consumption for cooling to maintain comfortable temperatures for customers and team members; • Increased costs due to supply chain disruptions, such as crop failures; • Increased costs associated with compliance with new climate-related regulations and carbon mechanisms.
Opportunity	• Cost savings benefited from successful investments in low-carbon technologies that enhance energy efficiency.
Value chain impacted	Upstream and own operations.
Time horizon	Short-, medium-, and long-term.

Waste

Description	Excess waste contributes to pollution, while also exacerbating climate change through greenhouse gas (GHG) emissions from landfills and waste incineration. Increasing regulations aimed at reducing waste and promoting recycling compel businesses to adopt sustainable practices, leading to potential tariff on waste disposal.
Risk	• Increased operating costs associated with adhering to environmental regulations and standards related to waste management, resource utilisation, and circularity practices.
Opportunity	• Cost savings related to the collection, processing, recycling, and disposal of waste, resulting from successful implementation of resource management practices.
Value chain impacted	Own operations.
Time horizon	Short- and medium-term.

Sustainable packaging

Description	Consumers are increasingly asking for eco-friendly packaging solutions made from biodegradable, recyclable, or reusable materials. Emerging regulations, such as producer responsibility schemes, can hold manufacturers accountable for the entire lifecycle of their products.
Risk	• Increased costs associated with potential compliance challenges with regulations, leading to operational complexities in managing packaging waste throughout the product lifecycle.
Opportunity	• Increased market share from eco-conscious consumers attracted to innovative packaging solutions that are both sustainable and functional; • Cost savings associated with material cost and transportation cost due to lighter and more compact sustainable packaging.
Value chain impacted	Upstream and own operation.
Time horizon	Short- and medium-term.

Human capital

Description	Team members prioritise competitive salaries, professional development, and career advancement opportunities as essential factors in their employment decisions. Business needs to implement effective strategies that address these expectations.
Risk	• Higher turnover rate attributed to employees consistently exploring external job opportunities in pursuit of more competitive compensation packages; • Increased costs from recruitment, employee benefits, and training expenses.
Opportunity	• Increased productivity across all aspects of operations through investments in training and mentorship initiatives; • Fostering a culture of creativity and continuous improvement through offering opportunities for professional growth.
Value chain impacted	Own operation.
Time horizon	Short-, medium-, and long-term.

Health and safety

Description	Health and safety measures safeguard the physical and mental well-being of team members, reducing the risk of workplace accidents, injuries, and illnesses. Improper health and safety management reduce workforce productivity and increase absenteeism.
Risk	• Increased costs for medical treatment, rehabilitation, and compensation for employees who suffer workplace injuries or illnesses; • Operation disruption caused by workplace incidents, leading to downtime, decreased productivity, and potential damage to equipment and property; • Increased costs related to non-compliance with health and safety regulations, including fines and penalties; • Reputational damage due to work-related safety incidents.
Value chain impacted	Own operation.
Time horizon	Short-, medium-, and long-term.

Product safety and quality

Description	Ensuring the safety and quality of products leads to increased customer satisfaction and loyalty. Overlooking product safety and quality management can be far-reaching, affecting not only the revenue of an organisation but also its reputation and customer relationships.
Risk	• Increased costs associated with product recalls resulting from safety or quality issues; • Reduced market share due to reputational damage to the brand.
Opportunity	• Increased market share by attracting customers' attention and encouraging purchases through improved product quality and greater value for their spending.
Value chain impacted	Upstream and own operations.
Time horizon	Short-, medium-, and long-term.

Supply chain management

Description	Human rights issues in the supply chain, such as forced labor are prevalent in some markets, and we are actively addressing these concerns. Additionally, tackling environmental issues within the supply chain is crucial to our overarching goal of decarbonisation.
Risk	• Increased cost due to supply chain interruption stemming from suppliers' violations in social issues; • Reduced market share associated with consumers boycott due to violation of social standards.
Value chain impacted	Upstream.
Time horizon	Medium- and long-term.

Data privacy and cybersecurity

Description	Data privacy measures safeguard individuals' personal information from unauthorised access, use, or disclosure. Organisations that overlook the protection of data can damage their reputation and credibility in the eyes of the public or even result in regulatory non-compliance.
Risk	• Increased cost in legal expenses because of increased legal proceedings associated with data breaches or other cybersecurity incidents. • Reputational damage due to the loss of trust in cybersecurity integrity.
Value chain impacted	Own operation and downstream.
Time horizon	Short- and medium-term.

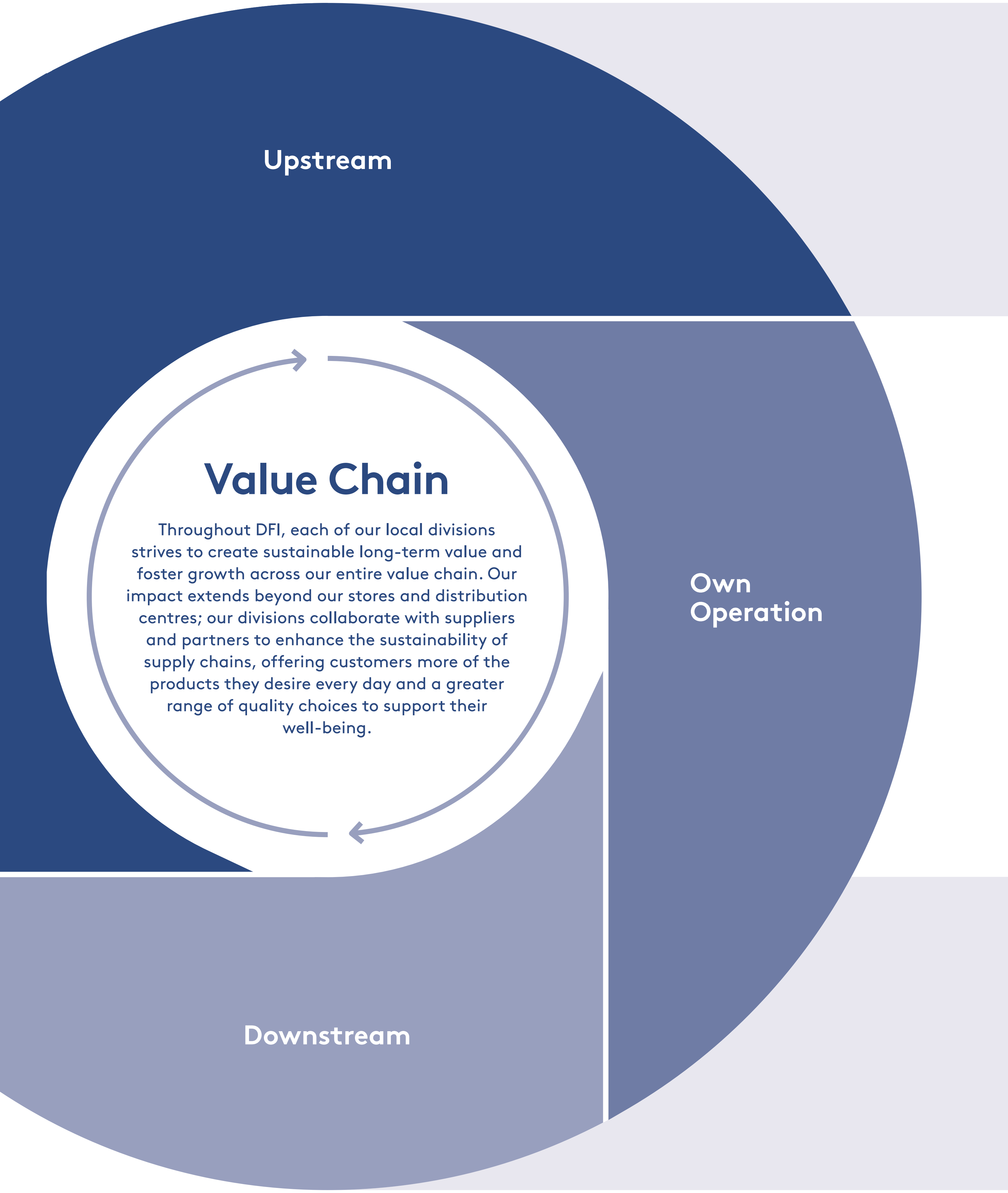
Emerging material issues

Sustainable products

Description	As the demand for sustainable products continues to rise, businesses face emerging risks associated with this shift. Ethically source goods, services and materials that prioritise social and environmental considerations throughout the supply chain and minimise other undesired impact to society are being increasingly preferred by customers.
Risk	• Consumer backlash from greenwashing and damage brand trust; • Inability to offer appropriate products to eco-conscious customers.
Opportunity	• Increased revenue through responsible procurement, which attracts sustainability conscious consumers.
Value chain impacted	Upstream and own operation.
Time horizon	Long-term.

Health and nutrition

Description	Develop and offer products with high nutritional quality and health benefits, tailored to meet the expectations of consumers with increasing health awareness. This topic is a newly identified emerging opportunity. As part of our strategic planning, we are developing roadmap to cater to the needs of a growing consumer base that prioritises health and wellness.
Opportunity	• Increased revenue due to successful adaptation to health-conscious customers' demands; • Enhanced brand reputation as a provider of quality products that promote well-being.
Value chain impacted	Own operations and downstream.
Time horizon	Long-term.



Value Chain

Throughout DFI, each of our local divisions strives to create sustainable long-term value and foster growth across our entire value chain. Our impact extends beyond our stores and distribution centres; our divisions collaborate with suppliers and partners to enhance the sustainability of supply chains, offering customers more of the products they desire every day and a greater range of quality choices to support their well-being.

Upstream

Raw materials

Operating in Asia, DFI procures products from numerous fragmented suppliers, who cultivate raw materials or raise livestock for commodity production. We collaborate across the industry to build a more sustainable value chain. For example, we are engaging farmers in Thailand for low-carbon rice.

Material Topics

1 7 9

Production and transport

Raw materials are sourced and carefully combined, processed, and packaged to produce our Own Brand products. These products are shipped to our distribution centres or directly to retail outlets. Our Own Brand line offers exceptional value across a range of price points, tailored to meet local preferences. Key initiatives to enhance the sustainability of our supply chain include conducting supply chain audits on Own Brand factories to ensure compliance with amfori BSCI or equivalent standards, as well as promoting the use of more sustainable plastic packaging.

Material Topics

1 3 6 7 9 10

Own Operation

Warehouse and distribution

Products are sent to our divisions' distribution centres, where they are organised for delivery to stores, e-commerce fulfilment centres, pick-up locations, and directly to customers' homes. In our distribution centres, we are focusing on reducing packaging waste. We replaced plastic wrap with reusable textile door for our pallet. We also deployed carton recycling technology to further divert waste from landfill. In terms of logistics, we began the electrification of our fleet, thereby reducing direct emissions.

Material Topics

1 2 3 4 5 6 7 8

Retail outlet

Our well-known local divisions have a network of outlets delivering a quality shopping experience both in-store and online. Additionally, we are expanding our sales activities related to media and data insights, which encompass digital advertising opportunities for B2B partners, enabling us to create more personalised and relevant experiences for customers. To safeguard data privacy of our customers, we conduct regular third-party cybersecurity tests on our system, ensuring that the data are not prone to hacking. We have extensive programmes to reduce emissions across outlets to make our store greener, such as a minimum green equipment standard for new store expansion.

Material Topics

1 2 3 4 5 6 8 9 10

Downstream

Customers

Customers are at the heart of our value chain, driving our commitment to deliver high-quality products and exceptional services that meet their evolving needs and preferences. We make donations each year to support and develop the communities we operate in.

Material Topics

8 9 10

Material Topics

1 Climate Change
2 Waste
3 Sustainable Packaging
4 Human Capital
5 Health and Safety
6 Supply Chain Management
7 Product Safety and Quality
8 Cybersecurity and Data Privacy

Emerging Material Topics

9 Sustainable Products
10 Health and Nutrition

ESG risks and impact management programme

Environmental

Climate Change

Scope 1 emissions

The majority of DFI's Scope 1 emissions stem from the leaking of cooling refrigerant, with a smaller portion attributed to emissions from fuel combusted by company-owned vehicles, electricity generators or other equipments that directly burn fossil fuels. Scope 1 emissions remained stable compared to 2023, primarily due to an increase in refrigeration gas leaks being offset by ongoing investments made throughout the year. We expect most of the benefits associated with our 2024 investments to realise in 2025.

In 2024, DFI continued to upgrade refrigeration systems in its stores located in Hong Kong and Singapore. This initiative incorporated advanced technologies designed to minimise gas leakage and enhance refrigeration efficiency. DFI continues to innovate and develop more sustainable solutions, including natural gas and ultra-low Global Warming Potential (GWP) refrigeration systems, through our Research and Development centre in Chung Hom Kok, Hong Kong.

DFI is taking a dual approach to reduce emissions from its fleet operations. This strategy involves optimising truck routes and maximising load efficiency to decrease fuel consumption and emissions. Additionally, DFI is transitioning its fleet to electric trucks, prioritising commercial viability. DFI already introduced larger electric trucks in Taiwan and Hong Kong, demonstrating its dedication to environmentally friendly logistics practices.

Scope 2 emissions

DFI's Scope 2 emissions are driven by electricity consumption. DFI is actively investing in energy-efficient technologies and practices to reduce energy consumption in its stores. Key strategies include further enhancements to smart refrigeration and air conditioning systems, roof insulation and EC Fans for efficiency. Additionally, DFI has introduced minimum requirements and specifications for equipment tendering to improve equipment efficiency and reduce emissions, with plans to update these specifications continuously as technology advances in this space.

In 2024, Scope 2 emissions decreased from 341 kt of carbon dioxide equivalent (CO_2e) in 2023 to 328 kt CO_2e, reflecting the impact of continued investments in energy efficiency and related programs. However, these gains were partially offset by an increase in ambient outdoor temperatures. As temperatures rise, there is a strong positive correlation with increased energy consumption as refrigeration and air-conditioning systems work harder to keep our products and stores safe and cool.

DFI's dedication to carbon reduction extends beyond technological upgrades. It encompasses employee engagement and empowerment as well. By offering energy efficiency training to team members, promoting eco-conscious behaviours, and encouraging team involvement in decarbonisation initiatives, the Group cultivates a culture of environmental responsibility. This operationalises its commitment to decarbonisation through collective action and behavioural change within its workforce.

Scope 1 and 2 GHG emissions

Performance indicator	**2024 kt CO_2e**	2023 kt CO_2e	2022 kt CO_2e
Total Scope 1	239	236	282
Total Scope 2 (market-based)	328	341	443
Total Scope 1 & Scope 2 (market-based)	**567**	**577**	**725**
Scope 1 & Scope 2 (market-based) intensity Tonnes CO_2e per US$m net sales	64	63	79

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

Performance indicator	**2024 Million Gigajoules**	2023 Million Gigajoules	2022 Million Gigajoules
Total energy consumption	**2.52**	**2.59**	**3.09**
Energy intensity Gigajoules consumption per US$m net sales	284	282	337

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

DFI established a target to reduce Scope 1 and 2 emissions by 50% by 2030 compared to 2021 levels, with an ambition of achieving net-zero emissions by 2050, in line with the Paris Agreement's 1.5°C scenario. Since 2022, DFI has invested over US$30 million into climate initiatives to advance towards these targets. To continue mitigating climate risk, DFI allocated an annual investment of US$15 million to US$20 million for 2025-2027 to bolster the objective for reducing Scope 1 and 2 emissions. Moving forward, we will continue to channel investments into sustainability projects, striving to balance environmental stewardship with the affordability of our products.

In the interest of transparency and comparability, the table below presents the recalibrated performance data for our continuing businesses only (i.e., excluding divested businesses).

Scope 1 and 2 GHG emissions — For continuing businesses

Performance indicator	**2024 kt CO_2e**	2023 kt CO_2e	2022 kt CO_2e	(Base year) 2021 kt CO_2e	% Change 2024 vs 2021
Total Scope 1	231	227	222	323	(28.5)
Total Scope 2 (market-based)	323	329	324	322	0.2
Total Scope 1 & Scope 2 (market-based)	**554**	**556**	**546**	**645**	**(14.2)**

Scope 3 emissions
Within our Scope 3 emissions, DFI identified Category 1 — Purchased Goods and Services as a major contributor, comprising a significant portion of the total emissions. The Scope 3 reduction observed over the past three years can largely be attributed to the divestment of our food businesses in Malaysia and Indonesia. At DFI, we prioritise our customers and rely on a vast global supplier network to provide cost-effective products. The size and diversity of our supplier network presents challenges in influencing, expanding, and monitoring decarbonisation efforts. As a Asia retailer, a majority of our purchases are sourced from Asia-based suppliers where the industry is fragmented and developing. In certain operational regions, governmental climate actions do not align with our commitments, creating additional obstacles to decarbonising our value chain. Customer action is also crucial, yet bridging the gap between behaviour and action is complex. Numerous individual and societal factors are beyond our direct influence, necessitating a comprehensive approach to address these challenges.

Reducing emissions across the value chain, therefore, requires active participation from governments, close collaboration with suppliers, and effective communication with customers. In 2024, with the assistance of an external party, we developed a structured transition plan for Scope 3 emissions, concentrating on four priority categories (rice, dairy, beef, and coffee). Strategies include collaborating with suppliers on decarbonisation strategies and transitioning to lower-emission sourcing regions. We will first focus on our Own Brand products where we have more direct control and can have a more significant influence. Additionally, DFI aims to partner with coalitions of retailers to collectively tackle challenges in commodities and implement scalable, cost-effective industry- wide solutions.

DFI initiated a sustainable rice cultivation project in Thailand in 2024 in response to the pivotal role rice plays in Asian diets and its significant carbon footprint within our Scope 3 emissions. Through collaboration with industry partners, consultants, and verification entities, we provided trainings to farmers to promote Alternate Wetting and Drying (AWD) farming techniques, aiming to enhance water efficiency and potentially reduce methane emissions by up to 50%. The data collection is also overseen by university professors. We target to launch 200 metric tons of Own Brand low-carbon rice in Hong Kong in 2025 to raise public awareness.

Performance indicator	**2024 kt CO_2e**	2023 kt CO_2e	2022 kt CO_2e
Total Scope 3	**3,277**	**3,438**	**3,619**

Waste

DFI is dedicated to minimising the waste generated during our operations. Our waste diversion target is to achieve an 80% reduction by 2030. This year, DFI's waste diversion rate increased from 56% in 2023 to 61%, demonstrating a steady trend toward our waste reduction commitment. This improvement in waste diversion was attributed to a refinement of our data collection methods, accurately capturing our recycling efforts and notable improvements in our distribution centres, where diversion rates rose from 73% to 82% in 2024.

Recognising waste as a pressing environmental concern, DFI is actively concentrating on diminishing paper, plastic, and food waste. We further strengthened our paper recycling effort by enhancing cardboard collection frequency and segregating paper waste for further recycling. In addressing plastic waste, we transitioned from plastic wrap to reusable textile pallet wrap whenever feasible and are exploring options with reduced plastic content where replacement is challenging. To tackle food waste, several impactful initiatives have been put into action. We collaborated with NGOs to donate over 330 tonnes of non-perishable and soon-to-expire food items in 2024. We also participated in the Environmental Protection Department's food waste collection programme, diverting food waste to Opark1 for biogas production, and started collaborating with a local biofuel company in the second half of the year to explore the use of trimmed meat fat and transforming into biodiesel for our operations. We also introduced the Coffee Grounds Upcycling Programme, collaborating with partners such as Foodlink Foundation and Bottle of Bread (BOB) to repurpose used coffee grounds into nutrient-rich fertiliser and pale ale. We also launched Group-wide behavioural change training campaigns that promote effective recycling practices, encourage the use of reusable items such as water bottles and coffee cups, and minimise the office waste.

Performance indicator	**2024 tonnes**	2023 tonnes	2022 tonnes
Disposed Waste	**30,110**	**27,758**	**38,451**
– Paper	**4,684**	6,302	6,691
– Plastic	**212**	185	310
– Food waste	**17,599**	14,450	20,776
– General Waste	**6,524**	5,654	9,248
– Others	**1,091**	1,167	1,426
Diverted Waste	**48,162**	**35,799**	**36,769**
– Paper	**40,886**	28,104	29,963
– Plastic	**734**	392	529
– Food waste	**2,084**	1,895	566
– General Waste	**3,585**	5,200	5,484
– Others	**873**	208	227
Total Waste	**78,272**	**63,557**	**75,220**
Diverted waste %	**61%**	**56%**	**48%**

Sustainable packaging

Responsible and ethical sourcing resources are dedicated to exploring sustainable packaging and alternative solutions. This involves investigating innovative materials that minimise environmental impact, such as biodegradable, compostable, and recyclable options. Our subject matter experts collaborate with suppliers and industry experts to identify technologies that enhance packaging performance while reducing waste.

Recyclable plastic packaging

DFI is actively investigating alternative packaging materials to minimise our environmental impact. We set an ambitious target for our Own Brand plastic packaging to achieve 100% recyclability by Stock Keeping Unit (SKU) count by 2030, contingent on the availability of appropriate packaging technologies that ensure product safety and quality. This commitment underscores DFI's dedication to reducing plastic waste and promoting sustainable packaging solutions.

As a member of the Consumer Goods Forum and Plastic Waste Coalition, DFI endorsed six of the Consumer Goods Forum's Golden Design Rules, which guide us in optimising our packaging for recyclability. These rules include strategies such as enhancing recycling value in PET bottles, eliminating problematic elements, increasing recycling value in PET trays, improving recycling value in rigid HDPE and PP, reducing virgin plastic in B2B packaging, and providing on-pack recycling instructions.

In 2024, DFI's percentage of Own Brand products with plastic packaging that is recyclable by SKU remained stable. This was due to a commercially driven range reset in 2024, resulting in changes of total number of SKUs. The roadmap for improving packaging recyclability was reviewed and was being adjusted, allowing us to realign and accelerate our progress toward the 2030 target.

Performance indicator	**2024**	2023
Own Brand products with plastic packaging that is recyclable (% of SKUs)	**57%**	57%

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

Sustainable products

DFI recognises the vital importance of sustainable food production and sourcing as an emerging ESG issue and risk. As a food retailer operating in Pan-Asian markets, we could foster positive change in these areas. In response to the growing environmental awareness among consumers, we have implemented various initiatives and sustainable sourcing practices across our Own Brand product lines:

- Sustainable Seafood: All our Own Brand canned tuna products are sourced from fisheries certified by the Marine Stewardship Council (MSC). This certification by the MSC certifies that seafood is obtained from sustainable and well-managed fisheries.
- Sustainable Cocoa: Our Meadows Gold Chocolate products are certified by the Rainforest Alliance, ensuring that the cocoa used is sourced sustainably, which supports biodiversity conservation and fair treatment of farmers.
- Sustainable Coffee: The coffee beans used in our 7Café locations in Singapore, Hong Kong, and Macau are also certified by the Rainforest Alliance. This certification ensures that the coffee is grown using sustainable practices that protect the environment and support the livelihoods of coffee farmers.
- Paper Products: DFI is committed to ensuring that 100% of our grocery paper products are FSC™-certified by 2028, reflecting our dedication to reducing waste and promoting responsible sourcing across our operations.

The percentage of DFI's Own Brand products with sustainability certifications by SKU in the selected categories increased from 24% in 2023 to 28% in 2024, indicating an upward trend. This increase can be attributed to DFI offering a greater number of SKUs that have received sustainability certifications.

Performance indicator	**2024**	2023	2022	Scope
Percentage of Own Brand products with sustainability certifications (% of SKUs)	**28%**	24%	11%	Own Brand pre-packaged products within selected categories

Social

Human capital

Talent development and training

DFI aims to upskill our workforce to meet our objectives effectively. In 2024, DFI team members achieved an average of 16.6 training hours per team member, surpassing the target set at 14 hours. We provided a range of training courses covering values training, leadership skills, and a wide array of emerging skills such as data analytics and AI for Business. One-off training sessions due to new technology rollouts contributed to the increase in training hours, which are not recurring. Therefore, DFI will maintain the target at 14 hours.

Performance indicator	2024	2023	2022
Team members average training hours	**16.6**	13.6	13.7

Team members benefits and retention

Due to the nature of the retail business, DFI aims at maintaining a turnover rate at or below 27%. In 2024, our voluntary turnover rate decreased from 27% in 2023 to 22%. This improvement was attributed to our dedicated efforts to enhance team member benefits and retention, alongside the macroeconomic environment in the Chinese mainland and Hong Kong. In order to retain our team members, DFI conducts regular reviews and benchmarking of our employment, remuneration and benefit policies, allowing us to make necessary adjustments to ensure market competitiveness. Additionally, we continuously offer a wide range of development opportunities and actively implement initiatives to improve overall employee experiences. These strategic efforts have been instrumental in fostering employee retention and enhancing overall satisfaction.

Performance indicator	2024	2023	2022
Full-time team members turnover rate (voluntary)	**22%**	27%	30%

Diversity

In 2024, DFI maintained a gender diversity rate of 65% across all team members, a figure that aligns with our goal. The slight decrease in diversity within senior leadership can be traced back to internal restructuring, specifically the consolidation of roles, resulting in a reduction in the percentage of female senior management positions. As a business serving a predominantly female customer base, it is crucial to ensure that our team composition reflects the diversity of our customers. This underscores the importance of improving diversity within our organisation. Our commitment to gender diversity remains steadfast as we navigate organisational changes, striving towards a more equitable and supportive workplace for all.

Performance indicator	2024	2023	2022
Team members diversity			
Male	**35%**	35%	36%
Female	**65%**	65%	64%
By gender			
Total	**45,308 (100%)**	47,465 (100%)	48,110 (100%)
Senior leadership diversity			
Male	**63%**	62%	65%
Female	**37%**	38%	35%

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

Gender pay equity

DFI recognises the significance of gender equity and took a proactive approach to review and monitor gender pay equity across all our major markets and businesses. DFI is continuing to make progress to bridge observed pay gaps and towards gender pay equality. This year, a group-wide gender compensation review was conducted, marking the first time we have monitored, measured and reviewed the gender pay gap across the entire organisation.

Performance indicator	Median	Mean
Gender pay indicator		
Management	0.98	0.95
Non-management	0.98	0.97
All team members	**0.98**	**0.97**

Health and safety

DFI saw an improvement in workplace safety. Our work-related fatality rate remained at nil, as there were no work-related fatalities in 2024. Additionally, our recordable and lost time injury rates decreased from 1.41 to 1.32 and 1.02 to 0.84, attributed to a reduction in injury cases resulting from more effective health and safety measures and improvements in man-hours data quality. Despite the improving performance, we continue to implement measures to encourage the reporting of injuries. We are committed to establishing a safe workplace that supports the well-being and success of our team members while adhering to all Health and Safety (H&S) regulations across our operating regions.

DFI also has H&S requirements under our Supplier Code of Conduct, where suppliers must ensure that their workers have a safe and healthy work environment, subject to a robust health and safety management system that is compliant with all governing health and safety laws and regulations and is aligned with applicable international standards and industry best practice. To ensure the safety of contractors, we have implemented a third-party management programme. In 2024, a comprehensive third-party review of our Health & Safety practices was commissioned, enabling us to benchmark our performance against local and global peers.

Performance indicator	**2024**	2023	2022
Work-related fatalities rate	**0.00**	0.00	0.00
High-consequence work-related injury rate	**0.02**	0.02	n/a
Recordable work-related injury rate	**1.32**	1.41	1.48
Lost time injury rate	**0.84**	1.02	1.17

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

Supply chain management

In 2024, we achieved 100% of DFI's Own Brand production facilities located in high-risk countries being audited against amfori BSCI or equivalent ethical standards, meeting our target of ensuring all Own Brand supplying factories meet DFI's ethical requirements by 2024, and we will ensure new factories of Own Brand products meet the same requirements.

DFI supply chain management is overseen by the Sustainability Committee and is the responsibility of DFI's Technical team. DFI implemented measures to set goals, monitor key indicators, and share best practices with our teams and suppliers. It is critical for DFI's team members to recognise social and environmental issues in the supply chain. DFI offers a range of social and sustainability related training for team members engaging in supplier assessment activities and provides assessment standard training on a regular basis to continuously raise the level of team members competencies in assessing suppliers.

Performance indicator	**2024**	2023	2022
Factories (in high-risk countries) supplying Own Brand products audited against amfori BSCI or equivalent standards (cumulative)	**100%**	94%	44%

Governance

Product safety and quality

In 2024, 85% of our Own Brand food factories were third-party audited against a globally recognised food safety approved schemes, under the Global Food Safety Initiative (GFSI). The remaining 15% of food factories, which do not hold a globally recognised certification, were audited by a nominated third-party according to DFI audit scheme. In addition to this, as a pre-requisite, all Own Brand production facilities must acknowledge that they comply with DFI's Supplier Technical Standard. From here, before the launch of any Own Brand product, each item undergoes internal assessment and validation by a third-party accredited laboratory to ensure quality, safety, and legal compliance. While the launch phase is critical for introducing a product to the market, ongoing post-launch surveillance is essential. Our post-launch surveillance programme includes monitoring manufacturing and product compliance, allowing DFI to continuously identify and address emerging issues and opportunities for improvement. In the event of a product recall or withdrawal, our procedures outline the necessary steps to minimise potential risks and swiftly remove the product from the market.

Performance indicator	**2024**	2023	2022
Factories of Own Brand food products with a globally recognised food safety audit certification	**85%**	81%	67%

Cybersecurity and data privacy

Cybersecurity

DFI reported no confirmed cases of cybersecurity breaches in 2024. This achievement could be attributed to our continuous investment in cybersecurity initiatives and the implementation of an effective cybersecurity program.

With robust cybersecurity measures, DFI safeguarded the personal information of employees, customers, and partners, thereby preserving stakeholder confidence and avoiding potential legal repercussions. Additionally, strong cybersecurity practices ensured business continuity by minimising disruptions from cyber threats and mitigating financial losses associated with breaches. For example, DFI has measures in place to monitor and respond promptly to data breaches and cyber-attacks, including incident response plans designed to minimise the impact of potential breaches. Details of our cybersecurity programme can be found in our Sustainability Report.

Data Privacy

DFI had no confirmed cases of data privacy breaches in 2024. This success can be attributed to our robust data privacy programmes and effective risk governance practices.

DFI recognises the importance of protecting personal data to maintain strong, trusting relationships with our customers as well as our team members, and we have data privacy programme in place to protect personal data. For example, DFI conducts regular risk assessment and internal audits to assess compliance with the technologies and practices that involves the handling of personal data. These audits evaluate the effectiveness of our privacy practices, ensuring that we adhere to established standards and regulations. Details of our data privacy programme can be found in our Sustainability Report.

Tax governance

Demonstrating strong tax governance practices and responsible tax behaviour aligns with the broader goals of sustainable and responsible business practices. Despite not being classified as a material topic as its impacts and risks are effectively managed, we are disclosing it because of its importance.

DFI total tax contribution remained stable in 2024. In addition to income tax contributions, DFI also plays a role in the development of countries through various other taxes. Activities across the Group generate a range of direct and indirect taxes, including corporate income taxes, property taxes, sales taxes, employer payroll taxes, and social security contributions. We consider compliance with relevant tax laws and regulations as essential to sustainable business practices and aligned with our responsibilities as a good corporate citizen. We ensure that all necessary tax returns are submitted on time and that the correct amounts are paid by the due dates.

Given the complexities of taxation and the rising obligations associated with global minimum taxation initiatives, increased transparency can lead to greater scrutiny and reputational risks. To manage these challenges, the Group operates a risk-based system of controls, processes, and training aimed at minimising tax-related errors. We maintain a low tolerance for tax uncertainty and engage with tax authorities in a timely and transparent manner.

The Group Finance team, composed of experienced tax professionals, oversees the Group Tax function and provides support to the Finance and People & Culture teams of our group companies. Together, they share the collective responsibility of ensuring that the Group adheres to appropriate tax accounting treatments and reporting standards.

Tax Contribution

Performance indicator	2024	2023	2022
Tax contribution (US$m)	**123**	118	127

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

ESG performance table[1,2]

Environment

Data	Unit	2024	2023	2022
Climate Change				
Total Scope 1 & 2 (market-based)	**kt CO_2e**	**567**	**577**	**725**
Scope 1 & Scope 2 (market-based) intensity	kt CO_2e per US$m net sales	64	63	79
Total Scope 1 & 2 (location-based)	**kt CO_2e**	**567**	**577**	**725**
Scope 1 & Scope 2 (location-based) intensity	kt CO_2e per US$m net sales	64	63	79
Total Scope 1	**kt CO_2e**	**239**	**236**	**282**
Refrigerants	kt CO_2e	231	228	274
Fuel for own trucks	kt CO_2e	8	8	8
Total Scope 2 (location-based)	**kt CO_2e**	**328**	**341**	**443**
Electricity (location-based)	kt CO_2e	328	341	443
Total Scope 2 (market-based)	**kt CO_2e**	**328**	**341**	**443**
Electricity (market-based)	kt CO_2e	328	341	443
Total Scope 3	**kt CO_2e**	**3,277**	**3,438**	**3,619**
Category 1	kt CO_2e	2,174	2,307	2,387
Category 2	kt CO_2e	34	57	106
Category 3	kt CO_2e	127	130	163
Category 4	kt CO_2e	24	45	29
Category 5	kt CO_2e	18	20	31
Category 6	kt CO_2e	5	5	3
Category 7	kt CO_2e	34	30	35
Category 9	kt CO_2e	72	64	2
Category 11	kt CO_2e	53	51	59
Category 12	kt CO_2e	176	158	144
Category 14	kt CO_2e	72	78	79
Category 15	kt CO_2e	488	493	581
Total energy consumption	**million Gj**	**2.52**	**2.59**	**3.09**
Fuel	million Gj	0.11	0.11	0.11
Electricity	million Gj	2.41	2.48	2.98
Total energy intensity	**Gj per US$m net sales**	**284**	**282**	**337**

Note 1: The data underlined have been independently assured by PricewaterhouseCoopers.
Note 2: Certain data are restated according to restatement policy, please refer to Methodology section for details.

Data	Unit	2024	2023	2022
Waste				
Total waste	**tonnes**	**78,272**	**63,557**	**75,220**
Total disposed waste	**tonnes**	**30,110**	**27,758**	**38,451**
Product waste (food)	tonnes	17,599	14,450	20,776
Product waste (non-food)	tonnes	918	910	1,111
General waste	tonnes	6,524	5,654	9,248
Paper	tonnes	4,684	6,302	6,691
Plastic	tonnes	212	185	310
Polyfoam	tonnes	173	257	315
Total diverted waste	**%**	**61%**	**56%**	**48%**
Total diverted waste	**tonnes**	**48,162**	**35,799**	**36,769**
Product waste (food)	tonnes	2,084	1,895	566
Product waste (non-food)	tonnes	635	n/a	n/a
General waste	tonnes	3,585	5,200	5,484
Paper	tonnes	40,886	28,104	29,963
Plastic	tonnes	734	392	529
Polyfoam	tonnes	238	176	191
Electronic Waste[3]	tonnes	0	32	36
Diverted waste by method	**tonnes**	**48,162**	**35,799**	**36,769**
Recycled	tonnes	43,285	32,670	35,223
Reused	tonnes	2,793	1,234	980
Donated	tonnes	2,084	1,895	566
Sustainable Packaging				
Own Brand products with plastic packaging that is recyclable	% of SKUs	57%	57%	n/a
Sustainable Products				
Percentage of Own Brand products with sustainability certifications	% of SKUs	28%	24%	11%

Note 3: The data indicates a type of hazardous waste. The reported figure of 0 is resulted from rounding issue. The actual figure is 0.37 tonnes.

Methodology

Scope 1 & 2 emissions and energy consumption

DFI's GHG emissions and energy consumption are calculated and consolidated in accordance with GRI 305: Emissions and GRI 302: Energy standards respectively and are aligned with the GHG Protocol Corporate Accounting and Reporting Standard. Additionally, DFI considers guidance from IFRS S2 Climate-related Disclosures to ensure a robust and transparent quantification of its GHG emissions.

Scope 1 Emissions

Scope 1 GHG emissions arise from the burning of fuels and the leaking of cooling refrigerant. The amount of fuel burned is derived from the amount of fuel purchased, while refrigerant leakage is estimated based on the total weight (in kilograms) of refrigerant DFI purchased, aggregated by store, market and business, as documented in the invoices for all purchased refrigerant gas.

Scope 1 GHG emissions are calculated using emission factors published by the UK Department for Environment, Food and Rural Affairs (Defra). The Global Warming Potential (GWP) values over a 100-year time horizon published in the Intergovernmental Panel on Climate Change's (IPCC) Sixth Assessment Report (AR6) are applied to calculate the impact of each gas purchased relative to one unit of CO_2. During the reporting period, emissions from sources such as fugitive emissions from fire extinguishers are considered immaterial, and therefore are not reported.

Scope 2 Emissions

Scope 2 GHG emissions encompass those generated from the production of purchased or acquired electricity. During the reporting period, emissions from heating, cooling, or steam are considered immaterial, and therefore are not reported. Starting from this Reporting period, DFI reports both market-based and location-based Scope 2 emissions:

- When calculating Scope 2 GHG emissions using the location-based approach, emissions factors from regional/national sources such as the Energy Market Authority of Singapore and the Ministry of Ecology and Environment of the People's Republic of China, or the International Energy Agency (IEA) are applied.
- When calculating Scope 2 GHG emissions using the market-based approach, emission factors are conveyed through purposely purchased contractual instruments between DFI or it's subsidiaries and energy provider. Market-based emissions will be equivalent to location-based emissions, if no deliberate selection of electricity supplier is made and if no contractual arrangements have been made related to renewable energy attributes.

Energy Consumption

Energy consumption encompasses the total usage of stationary and mobile fuel, as well as electricity. This data is primarily gathered from actual electricity bills collected from the majority of markets. When purchase data is unavailable, energy consumption is estimated using an analytical approach based on electricity expenditure.

Energy consumption is calculated using conversion factors published by UK Defra.

Reporting Boundary and Tracking

GHG emissions are measured at the store level and reported monthly. Progress against annual targets is tracked, with these targets forming the pathway to achieving net-zero GHG emissions.

The reporting scope for Scope 1 and Scope 2 includes DFI and its subsidiaries, with the exception of franchised stores which are included in Scope 3 emissions. The accounting treatment of divestments and acquisitions is in line with the composition reflected in the group financial statements reporting. 2022 Scope 1 and Scope 2 emissions and energy consumption have been restated to align with this reporting boundary.

Emissions from divested businesses are not included in the Scope 1 and Scope 2 figures reported for target tracking purposes.

Scope 3 emissions
DFI acknowledges the inherent challenges in tracking and accurately calculating Scope 3 emissions, particularly given the complexity of working with a large network of vendors who source materials and ingredients from diverse suppliers across the globe.

Scope 3 emissions are calculated based on a wide range of activity data, assumptions, and emission factors. In general, the majority of the categories' emissions is calculated using the latest Environmentally Extended Input-Output (EEIO) emissions factors. The details of the specific methodology for calculating and consolidating emissions for each applicable Scope 3 category are detailed below:

- Category 1 Purchased Goods and Services: emissions are calculated based on the relevant emissions from 1) purchased food items, 2) purchased non-food items, including hardline products and 3) services purchased by DFI;
- Food items – Except for IKEA food products, DFI adopts an activity-based approach to calculate the Category 1 emissions of food products. The calculation incorporates both Forest, Land and Agriculture (FLAG) and non-FLAG emissions, which include the packaging, manufacturing/processing, and transportation of food items. FLAG emissions are those associated with land use change and land management activities, such as agricultural practices. The methodology for FLAG emissions multiplies the weight of food products by agricultural emission factors. Non-FLAG emissions are those related to the processing, packaging, and transportation of food products, calculated using non-FLAG emission factors;
- DFI uses emission factors extracted primarily from Agribalyse 3.1.1, which accounts for 95% of the products. The remaining 5% of the products use emission factors sourced from other databases and scientific research papers. Agribalyse, recognised by the GHG Protocol as one of the 'Land Sector Calculation Resources', is the most comprehensive food-related emissions database available;
- For food products sold at IKEA, where specific food data is unavailable, emissions are extrapolated based on 2021 emissions data, using sales as a proxy;
- Non-food (hard goods and purchased services): Emissions are calculated by multiplying the purchase values of hardline and non-food products, as well as the costs of purchased services, with EEIO cradle-to-gate emission factors;
- Category 2 Capital Goods: Emissions are calculated by multiplying capital-related spend (including new store development, store refurbishment, facilities management, distribution centre, processing and IT software) with EEIO emission factors;
- Category 3 Fuel- and energy-related activities: Emissions are calculated by multiplying the quantity of purchased electricity and fuel consumption with the upstream fuel- and energy-related emission factors provided by Defra. Regional emission factors for each relevant market are applied;
- Category 4 Upstream transportation: Emissions are determined by applying DFI's upstream and downstream logistics spending to relevant EEIO emission factors and supplementary factors based on comprehensive research. Where specific data is unavailable, emissions are estimated using sales data, referencing the most recent year's emission figures;
- Category 5 Waste generation: Emissions are calculated by multiplying the quantity of waste, categorised by type and disposal method, with the corresponding Defra's emission factors;
- Category 6 Business travel: Emissions are calculated by multiplying the relevant business travel spend with the applicable EEIO factors;
- Category 7 Employee commuting: Emissions are calculated using weighted average commute emission factors by region, considering the average commute distance and all travel modes used by employees;
- Category 9 Downstream transportation and distribution: Emissions are calculated by multiplying sales from external delivery platforms with the applicable EEIO factors;
- Category 11 Use of sold products and Category 12 End-of-life treatment of sold products: Disposal method by country is considered to apply different emission factors;
- Category 14 Franchises: Scope 1 and Scope 2 emissions from convenience franchises in The Chinese mainland, Hong Kong and Macau, and Singapore are included;
- Category 15 Investments: Calculation is based on the most recent available information for Yonghui, Robinsons Retail Holdings Inc., Maxim's, and Guardian Vietnam; where data is unavailable, sales-based proxies have been utilised.

Out-of-scope categories
Reporting of the following Scope 3 categories has been excluded:
- Category 8 Upstream leased assets – covered in Scope 1 and 2 emissions;
- Category 10 Processing of sold products – no intermediate products sold to customers;
- Category 13 Downstream leased assets – only few assets leased to others.

Note on 2022 scope 3 emissions
DFI calculated 2021, 2023 and 2024 Scope 3 emissions using actual spending and weight data, ensuring an accurate representation of emissions for those years. For 2022, the full-year inventory was estimated using an analytical approach based on the 2021 inventory, leveraging spend data to model emissions.

Reporting boundary
The reporting scope for Scope 3 emissions includes DFI and its subsidiaries for the entire reporting period. The accounting treatment of divestments and acquisitions is in line with the composition reflected in the group financial statements reporting. The 2022 and 2023 Scope 3 emissions were restated to ensure alignment with our updated ESG accounting policy.

Waste
DFI established a waste methodology to track both waste disposal and waste diversion, classifying waste into two main types: Product Waste (Food and Non-Food) and Non-Product Waste (General Waste, Paper, Plastics, Polyfoam and Hazardous). The key elements of the methodology include:

Total Waste
- The product waste (both food products and non-food products) includes the net weight, which is based on store shrinkage records and primary packaging waste, which is estimated using proxy data provided by an external waste consultant in Hong Kong. This proxy was updated in 2023 based on site visits (both store and distribution centres) and surveys with store managers. This data is then extrapolated to estimate primary packaging weight in other markets;
- For non-product waste, data at distribution centres is based on invoice data obtained directly from waste collectors. In stores, it is estimated by weighing specific sample products in the Chinese mainland, Hong Kong, and Singapore as a proxy supported by an external waste consultant, then extrapolating this data to other markets. In 2024, total paper (i.e. carton boxes) and polyfoam waste in Hong Kong is determined by the quantity dispatched from distribution centres to stores, assuming that all carton boxes and polyfoam sent are to be managed at the store level;
- For plastic, it is based on the weight of plastic wrap calculated using actual purchase records and actual recordings of plastic trays purchased in distribution centres.

Waste Diverted
- For product waste, DFI tracks the product waste diversion weight through the NGO or government actual receipts or equivalent supporting of donated or recycled waste;
- For non-product waste, diversion data at distribution centres is based on invoice data obtained directly from collectors. In stores, DFI relies on the proxy for the diversion rate of non-product waste based on site visits and survey with store managers. In 2024, the diversion data of paper and polyfoam in Hong Kong is based on direct reporting from store managers who deal with the waste on a day-to-day basis;
- For the plastic wrap diverted amount, DFI conducts sampling of the recycled waste types during site visits and surveys and extrapolates based on sales activity of selected stores. For the plastic trays diverted, it is based on actual receipts of plastic collected for diversion in distribution centres;
- Hazardous waste, which includes batteries and toner cartridges generated from our distribution centre, is tracked based on invoice data to determine the diverted amount.

Our waste figures in 2022 and 2023 have been restated to incorporate divestment figures to align with ISSB standards and reclassification of our waste types. Additionally, the 2022 and 2023 product waste (non-food) diverted were restated from zero to n/a to maintain data integrity, as limited data availability made accurate reporting unfeasible.

Sustainable packaging
For a packaging or packaging component to be reported recyclable, three conditions must be met. Firstly, its successful post-consumer collection, sorting, and recycling must be proven to work practically and at scale. Secondly, no materials or components should disrupt the recycling system. Thirdly, every part of the plastic packaging must be recyclable. The current data excludes all 7-Eleven and IKEA operations, and we aim to address the gap in 2025.

Sustainable product
We consider the number of Own Brand products (by SKU) that have received globally recognised sustainability certifications in the selected categories only, which include seafood, palm oil, eggs, coffee, cocoa, and paper. For paper SKUs, we consider SKUs with recycled paper in addition to 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.

Social

Data	Unit	2024	2023	2022
Human Capital				
Talent Development and Training				
Team members average training hours	hours	**16.6**	13.6	13.7
Team Members Benefits and Retention				
Full-time team members turnover rate (voluntary)	%	**22%**	27%	30%
Total team members	number	**45,308**	47,465	48,110
Diversity				
Gender				
Male	%	**35%**	35%	36%
Female	%	**65%**	65%	64%
Age group				
Below 30s	%	**32%**	33%	34%
30s-50s	%	**47%**	47%	47%
Above 50s	%	**21%**	20%	19%
Work region				
Hong Kong	%	**44%**	43%	39%
Macau	%	**4%**	4%	4%
Chinese mainland	%	**13%**	14%	14%
Singapore	%	**13%**	13%	12%
Indonesia	%	**9%**	10%	10%
Others	%	**17%**	16%	21%
Job type				
Permanent	%	**88%**	86%	n/a
Temporary	%	**12%**	14%	n/a
Full-time	%	**63%**	62%	66%
Part-time	%	**37%**	38%	34%

Data	Unit	2024	2023	2022
Total new hires	number	**20,632**	26,622	26,704
Below 30s	%	**64%**	60%	62%
30s-50s	%	**28%**	30%	30%
Above 50s	%	**8%**	10%	8%
Senior leadership diversity				
Male	%	**63%**	62%	65%
Female	%	**37%**	38%	35%
Gender pay equity				
Management (median/average)	ratio	**0.98/0.95**	n/a	n/a
Non-management (median/average)	ratio	**0.98/0.97**	n/a	n/a
Total team members (median/average)	ratio	**0.98/0.97**	n/a	n/a
Health and Safety				
Number of hours worked	million hours	**89.1**	83.7	86.1
Fatalities	number	**0**	0	0
Fatalities rate	per 200,000 hours worked	**0.00**	0.00	0.00
High-consequence work-related injuries	number	**11**	7	n/a
High-consequence work-related injuries rate	per 200,000 hours worked	**0.02**	0.02	n/a
Recordable work-related injuries	number	**588**	592	636
Recordable work-related injuries rate	per 200,000 hours worked	**1.32**	1.41	1.48
Lost time injuries	number	**376**	426	504
Lost time injuries rate	per 200,000 hours worked	**0.84**	1.02	1.17
Supply Chain Management				
Factories (in high-risk countries) supplying Own Brand products audited against amfori BSCI or equivalent standards (cumulative)	%	**100**	94	44

Methodologies

Team members training

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.

When calculating the average training hours per team member, part-time team members are counted as 0.5 of a full-time equivalent (FTE). The total number of team members used in the calculation is based on the year-end headcount. For divested businesses, the calculation uses the FTE count as of their final day before divestiture. The reporting scope for team members training includes DFI and its subsidiaries (excluding franchised stores) for the entire reporting period. The 2022 diversity data has been restated to ensure alignment with the updated ESG accounting policy.

Team members turnover

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 team members within the calendar year. The reporting scope for team members turnover includes DFI and its subsidiaries (excluding franchised stores) for the entire reporting period. The 2022 diversity data has been restated to ensure alignment with the updated ESG accounting policy.

Team members diversity

A thorough process is put in place to extract data from our People & Culture system, which automatically calculates the metrics disclosed. Senior leadership is defined as Grade 16 or above according to the Willis Towers Watson Global Grading System, which we have matched to the DFI grading system for direct comparison. Permanent team members are contracted for full time or part time work for an indeterminate period, while temporary team members are contracted for a defined duration. The reporting scope for team members diversity includes DFI and its subsidiaries (excluding franchised stores) as of year end 2024. The 2022 diversity data has been restated to ensure alignment with the updated ESG accounting policy.

Gender pay ratio

The gender pay gap is determined by the ratio of the median or average base salary of female team members to that of male team members. A figure below 1 indicates that male team members generally receive higher pay, and vice versa. Median and average calculations are headcount-weighted averages by job band and by market. This calculation includes all full-time team members but excludes franchisee' workers. The data is as of November 2024.

Health and safety

DFI follows a structured methodology to track and report Occupational Health and Safety (OHS) performance. The key elements of the methodology include:

- Work-related injuries are defined as negative impacts on health arising from exposure to hazards at work;
- Lost time injuries are defined as work-related injuries or illnesses that result in an employee being unable to perform their regular work duties for at least two scheduled workdays including the day of the incident;
- A fatality is defined as the death of a team member resulting from a work-related injury or occupational illness arising from exposure to hazards during employment occurring on company premises or while performing job-related duties;
- High consequence work-related injuries are defined as work-related injuries that result in injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 180 workdays;
- 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;
- All work-related injury rates and the fatalities rate are 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 one full-time worker works 2,000 hours per year;
- Hours worked are calculated based on actual clock-in and clock-out records for most stores and distribution centres team members. For office-based team members, it is determined using standard hours minus leave, applying the average headcount per month by business unit. In 2024, enhancements in man-hours data quality led to an increase in recorded hours worked;
- We restated the 2023 fatality count from one to zero following the completion of Labour Department's investigation. Due to the restatement of one fatality case, we also restated the recordable work-related injuries rate accordingly. Additionally, the 2022 high-consequence work-related injuries were restated from zero to N/A to maintain data integrity, as limited data availability made accurate reporting unfeasible. The 2022 recordable injury rate and hours worked were also adjusted to align with the updated ESG accounting policy.

Supply chain management

Factories (in high-risk countries) supplying Own Brand products audited against amfori BSCI or equivalent standards consider the percentage of Own Brand factories in high-risk countries audited against amfori BSCI or equivalent standard cumulatively out of all Own Brand factories. Factories in countries are categorised as 'high-risk' according to the amfori BSCI Countries Risk Classification and other published country risk indexes on labour rights protection. The data is as of year end 2024.

Governance

Data	Unit	2024	2023	2022
Product Safety and Quality				
Factories of Own Brand products with a globally recognised food safety audit certification	%	85	81	67
Tax Governance				
Tax contribution	**US$m**	**123**	**118**	**127**
Hong Kong	US$m	53	47	n/a
Macau	US$m	2	3	n/a
Chinese mainland	US$m	11	15	n/a
Taiwan	US$m	18	19	n/a
Singapore	US$m	21	12	n/a
Malaysia	US$m	4	7	n/a
Indonesia	US$m	9	11	n/a
Cambodia, Brunei, and the Philippines	US$m	1	1	n/a
Non-operating countries	US$m	4	3	n/a

Methodologies

Product safety and quality

Factories of Own Brand products with a globally recognised food safety audit certification considers the percentage of Own Brand factories that hold certification from a globally recognised food safety program that is accredited under the Global Food Safety Initiative (GFSI) scheme out of all Own Brand factories. Facilities that do not possess GFSI certification must adhere to the food safety requirements outlined in DFI's Supplier Technical Standards, which are established by our Technical team and audited by a third-party partner appointed by DFI. The data is as of year end 2024.

Tax governance

Tax contribution 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, SASB index

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

Independent practitioner's limited assurance report on DFI Retail Group Holdings Limited's ESG data

To the board of directors of DFI Retail Group Holdings Limited

Limited assurance conclusion

We have conducted a limited assurance engagement on the selected ESG data of DFI Retail Group Holdings Limited (the 'Group') listed below and identified as the numbers underlined in the Group's Environmental, Social and Governance Disclosure (the 'ESG Disclosure') of the Annual Report 2024 (the 'ESG data') as at 31 December 2024 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the ESG data is not prepared, in all material respects, in accordance with the criteria applied as explained in the 'Climate Change', 'Human Capital', 'Health and Safety', 'Tax Governance' and 'Sustainable Packaging' methodology sections of the ESG Disclosure 2024.

ESG data
The ESG data for the year ended 31 December 2024 is summarised below:

Climate Change

- Total Scope 1 & Scope 2 GHG emissions (market-based) [1]
- Total Scope 1 & Scope 2 GHG emissions (location-based) [2]
- Total energy consumption [3]

Human Capital

- Gender diversity in senior leadership [4]

Health and Safety

- Fatalities [5]
- Fatalities rate [6]
- High-consequence work-related injuries [7]
- High-consequence work-related injuries rate [8]
- Recordable work-related injuries [9]
- Recordable work-related injuries rate [10]
- Lost time injuries [11]
- Lost time injuries rate [12]
- Number of hours worked [13]

Tax Governance

- Tax contribution [14]

Sustainable Packaging

- Own Brand products with plastic packaging that is recyclable [15]

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements ISAE 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* ('ISAE 3000 (Revised)'), and, in respect of the greenhouse gas emissions, International Standard on Assurance Engagements 3410, Assurance engagements on greenhouse gas statements ('ISAE 3410'), issued by the International Auditing and Assurance Standards Board (the 'IAASB').

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under these standards are further described in the Practitioner's responsibilities section of our report.

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

Our firm applies International Standard on Quality Management 1 issued by the IAASB, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities for the ESG data

Management of the Group is responsible for:

- The preparation of the ESG data in accordance with criteria applied as explained in the 'Climate Change', 'Human Capital', 'Health and Safety', 'Tax Governance' and 'Sustainable Packaging' methodology sections of the ESG Disclosure 2024;
- Designing, implementing and maintaining such internal control as management determines is necessary to enable the preparation of the ESG data, in accordance with criteria applied as explained in the 'Climate Change', 'Human Capital', 'Health and Safety', 'Tax Governance' and 'Sustainable Packaging' methodology sections of the ESG Disclosure 2024, that is free from material misstatement, whether due to fraud or error; and
- The selection and application of appropriate ESG reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Group's ESG data reporting process.

Inherent limitations in preparing the ESG data
The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time.

Greenhouse gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Practitioner's responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the ESG data is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. We report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the ESG data.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) and ISAE 3410, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Determine the suitability in the circumstances of the Group's use of criteria applied as explained in the 'Climate Change', 'Human Capital', 'Health and Safety', 'Tax Governance' and 'Sustainable Packaging' methodology sections of the ESG Disclosure 2024 as the basis for the preparation of the ESG data.
- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control.
- Design and perform procedures responsive to where material misstatements are likely to arise in the ESG data. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the ESG data. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of where material misstatements are likely to arise in the ESG data, whether due to fraud or error.

In conducting our limited assurance engagement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its ESG data by inquiring of the persons responsible for the ESG data, and understanding the process for collecting and reporting the ESG data;
- Evaluated whether all information identified by the process to identify the information reported in the ESG data is included in the ESG data;
- Performed inquiries of relevant personnel and analytical procedures on selected information in the ESG data;
- Performed substantive assurance procedures on selected information in the ESG data; and
- Compared selected information in the ESG data with the corresponding disclosures in the financial statements; and
- Evaluated the methods, assumptions and data for developing estimates.

Other matter

Our conclusion on the current period addresses the ESG data described in the 'Limited assurance conclusion' section of our report. The comparative ESG data presented as at 31 December 2023 and for the year then ended relating to ESG data set out below was not subject to assurance.

Pillar	2023
Climate Change	Data point 2
Health and Safety	Data points 6, 7, 9, 11, 12 and 13
Sustainable Packaging	Data point 15

The comparative ESG data of the Group as at 31 December 2022 and for the year then ended was not subject to an assurance engagement.

Our conclusion is not modified in respect of these matters.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong
10 March 2025