



DENISGROUP
ESTABLISHED 1862



Denis Asia Pacific Pte Ltd
E.S.G. REPORT
(Environment, Social and Governance)

Publication 04
July 2019 - June 2020



The pictures featured in this ESG report are the artwork of the awarded photographer Stefen Chow.

TRADEMARK'S PRIDE

The stunning portraits depict daily life in the companies of the Denis Group and its Partners.

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Our Commitments



From our Family Shareholders

All companies are under pressure to make meaningful contributions to a more sustainable society, aiming for a more positive economy; they are challenged to examine their impact on environmental and social resources.

We are ultimately responsible for the tone at the top which will cascade down to every level of the company and for overseeing the implementation of our company's long and short-term strategic plans; these play a crucial role in fostering an environment that will support the embedding of sustainability into the strategies of the Group's companies, for which we are the moral compass.

Our voice, attitude and decisions must signal a willingness to our companies' management toward elevating social justice, creating business value and meeting regulatory & environmental responsibilities. We encourage and push our companies to set sustainability objectives that are in line with what makes the most sense for our businesses.

The Denis family have embraced the journey toward sustainability as this was both a natural transition and adaptation of the Group's historical values to the world of today .

As we publish this fourth ESG report, the world is shaken up by the Covid-19 pandemic. We are all united by these circumstances which affect every part of our lives, our first concern being the safety of our employees and their families. Despite this situation, we are more motivated than ever to make significant progress in environmental, social and governance areas.

For our 158 year family-owned enterprise, sustainability could ultimately be defined for the shareholders as the utmost desire to leave the most fitting family legacy:

- a flourishing Group our employees are proud to work for,
- reputable brands our customers are proud to shop for, and
- a sustainable company that we are proud to own and to pass on to future generations.

The 5th generation of the descendants of Etienne Denis are indeed, very proud to sign-off this fourth ESG report **and take this opportunity once again to thank each and every employee and partner for their tremendous efforts and support; in continuing with us to make this sustainable journey possible during these difficult times, they all motivate us to go much further .**



Daniel Denis

ESG Committee Chairman
Director of Denis Group Holding SA,
Board of Directors



Nicolas Denis

Chairman of Denis Group Holding SA,
Board of Directors

From our CEOs

As the year 2020 is about to come to an end, we are extremely proud of the ESG achievements within our company over this period, despite the chaos resulting from the Covid-19 pandemic.

Several of our colleagues contracted the virus and fully recovered. We are extremely fortunate and grateful that we did not suffer any casualties among our workforce during this critical period. Yet, we share the pain of some of our colleagues and business partners who lost parents or relatives due to the virus.

Since the early days of the pandemic, our main objective has been to protect our employees, to take the necessary actions to help stop the virus spreading further and to ensure business continuity across our operations. These objectives are fully aligned with our ESG commitments.

Safety-wise, we have implemented appropriate measures within our organization, both commercial & industrial, in line with the situation on the ground. Relevant precautionary measures were communicated and executed swiftly, with considerable understanding and cooperation from all our employees, despite the constraints resulting from these sudden arrangements.

We ensured that all local health authority and government instructions were followed and implemented on the ground as part of our objective to support the efforts of local operators while dealing with the crisis.

Despite the major disruption resulting from lock-down situations in our markets, we managed to ensure a minimum supply of goods. This was a critical step for our Group as our products & services are considered essential in the markets where we operate. It is part of our company

responsibility to maintain minimal operations, to secure supplies, to meet the needs of local communities and help keep them going through the crisis.

While taking actions to mitigate the impact of the crisis, we maintained our ESG plans & investments, as defined in our latest ESG report.

ESG achievements

Looking at the future and despite the coronavirus that remains a global threat, we are extremely positive and ambitious about the future ESG direction of our company. We remain highly motivated, as we learnt from the crisis that our mission to provide food and health meets with the expectations of local communities, where it matters most.

Our approach towards sustainability, started in 2011, might pivot along the journey upon the many disruptions in the market. However, our fundamentals and commitments are unchanged. It is our duty, towards our community, our employees and our shareholders, to continue playing our part to accelerate our transition to a more sustainable model.

This is detailed within our ESG plan

Let us take the opportunity in this message to express our appreciation to Denis Asia Pacific employees for their continuous engagement and resilience throughout the crisis. We take great pride in being part of this team.

Fabien Reyjal

CEO of Denis Group Holding SA

Ting Seng Hee

CEO of Denis Group Holding SA



Awards & Benchmarking

Awards

It is significant that in 2019, our company won two awards. This result is the achievement of all our staff and a reflection of their commitment.

Awards received in 2019

ACES Top Green Company in Asia

The Asia Corporate Excellence & Sustainability Awards (ACES) recognizes successful companies and individuals in Asia across two main domains: leadership and corporate social responsibility.

Earning the award of Top Green Company in Asia was a great recognition of our efforts. All our employees are proud having participated in this achievement and seeing their hard work thereby rewarded. This award is a tribute to the significant campaigns carried out to protect our environment and demonstrate compassion for our community.

Singapore Packaging Agreement (SPA) Merit Award

In July 2019, we were recognized by SPA for our efforts in reducing, reusing and recycling packaging waste. We won a Merit Award in recognition of our success in reducing the quantity of material used for transportation packaging.

Participation in future Awards

Awards participation is a great exercise for us to be compared with our peers. We can evaluate our performance and follow others' examples whenever possible. We also hope to benefit from this experience and inspire others in our sustainable journey. Our action alone is not enough; awards participation creates a positive competitive spirit.

Being rewarded is a substantial stimulus for all our employees and a source of motivation to continue our efforts in this direction.

For our next Master Report, we have decided to renew our participation in the Singapore Packaging Agreement Awards and in the Corporate Register Reporting Awards (CRRRA). We value highly the expert feedback received during the evaluation process. It helps us to define new roadmaps and continuously improve our report.

Next year we also intend to participate in another report competition that will be rigorously selected for its dependability.

For transparency, and because we think it could benefit others, we will share in our next report the recommendations received as a result of the experts' evaluation.

U.N. Global Compact



United Nations Global Compact

Denis Asia Pacific Pte Ltd has been a member of U.N. Global Compact, Network Singapore, since January 1st 2016.

A reliable company's value system and a principled approach to doing business.

Corporate sustainability starts with a company's value system and a principled approach to doing business. This means operating in ways that, as a minimum, meet fundamental responsibilities in the areas of human rights, labour, the environment and anti-corruption. Responsible businesses enact the same values and principles wherever they have a presence, and know that good practices in one area do not offset harm in another. By incorporating the Ten Principles of the UN Global Compact into strategies, policies and procedures, and establishing a culture of integrity, companies are not only upholding their basic responsibilities to people and planet, but also setting the stage for long-term sustainable development and success.

Denis Asia Pacific Pte Ltd has therefore pledged to incorporate the 10 Principles of United Nations Global Compact in its company governance and to live by these.

They are divided into four main topics:

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Principle 10 will benefit from a special focus in 2020/2021 with an emphatic tone from the top.

Denis Asia Pacific has also pledged to publish a yearly ESG report to openly monitor the company's progress.

The scope of our ESG Master Plan was enlarged in 2019.

The scope was originally inclusive of (1) Denis Asia Pacific Pte Ltd, (2) all companies in which Denis Asia Pacific Pte Ltd is in a position of control by having a majority of shares and (2) SFI Supply Management Pte Ltd (a sister holding company of Denis Asia Pacific Pte Ltd.) and its subsidiaries.

SFI works closely and uniquely for Denis Asia Pacific Pte Ltd, therefore the Denis Asia Pacific shareholders decided that SFI and the companies controlled by this holding should be integrated into the sustainability journey and form part of the ESG report.

In 2019, we decided to enlarge our scope to another holding of the Group, Denis China Co. Ltd which controls the Group business in China, Hong Kong SAR and Macao SAR.

In this ESG report, "DAP" or "the company" should stand for all companies as defined by the above scope.

The list of companies is published on page 28 and 29.

Problem-solving strategy

The Group had a 158 year history and strong, established values before joining United Nations Global Compact, Singapore Chapter. DAP is also a medium sized company albeit with international coverage, and limited resources in terms of management resources which could be devoted to sustainability.

It was therefore sensible and logical to adopt a problem-solving strategy, which consists of identifying the company's weaknesses with reference to the 10 Principles and to work on ad hoc solutions in order to keep what

is good, to correct what is found to be wrong and to amend what could be improved.

The company created an ESG committee (refer to page 20). The committee defines a two year ESG action plan with between 8 and 12 main projects or pledges. These pledges, decided by the ESG committee, come with key indicators that are monitored and presented in the ESG report.

The previous report introduced the 10 new pledges of our second **two year ESG action plan** since the beginning of our reporting.

The 10 New Pledges

We strive to continuously improve our processes and set ambitious new targets. The new report includes the continuation of existing long term programs together with new objectives for the second 2 year action plan until June 2021. We now have 10 pledges:

Environment:

- (1) We will continue working towards our pledge to certify all our buildings and facilities under the Green Building scheme before 2030.
Outcomes page 47: we are currently working towards the certification of our Australian office under the GreenStar scheme.
- (2) With higher confidence in our abilities, we pledge to calculate our greenhouse gas emissions in line with international standards.
Outcomes page 40: We studied the GHG protocol to define our scope 1 and 2 emissions and make some first estimations. Our finalized global emissions estimation will be published next year, as per our initial plan.
- (3) Our teams will define and implement new projects to cut our greenhouse gas emissions from energy usage by 300 tCO₂e.

Outcomes page 42: This objective is already achieved through various energy optimisation projects conducted this year.

- (4) Significant efforts will be made in waste management, including implementing an inspection scheme of our waste collectors.

Outcomes page 50: This year we created our inspection scheme including a scoring system. It has been tested with some of our waste collectors and we are on the way to complete all inspections by June 2021.

- (5) We will continue our efforts in paper reduction and aim to reduce our current usage by 10%.

Outcomes page 52: Despite an acceleration of digitalisation during the Covid-19 breakout, our usage increased this year. We hope to see the results of our efforts by next year.

- (6) We will keep improving the sustainability of our supply chain.

Outcomes page 58: We reached 100% of certified palm oil in 2020 (previously 99.75%). In terms of our tuna supply, we are maintaining our targets of 100% healthy biomass catch areas for skipjack and yellowfin tuna.

- (7) We will increase the number of products with BPA-Free linings and we will publish the list of the few remaining products for which we have no technical solution in terms of a BPA coating replacement.

Outcomes page 84: In 2020, only 8 products remain with coatings containing BPA, while all others are produced using BPA-FREE can linings.

Social:

- 8) We will continue to set and improve KPIs for our employees, with a specific focus on gender equity.

Outcomes page 73: With a significant +2% women in Management, DAP is only 3% short of having full gender equity in all categories of staff.

- (9) We will take action to improve the safety and well-being of our staff, especially with the start of the retrofitting of Mafipro's factories.
Outcomes page 76: Our severity rates have drastically reduced this year, with 54% fewer injury days.

Governance:

- (10) The management has decided to emphasise awareness and best practice among all employees in the fight against corruption and bribery.
Outcomes page 93: due to the Covid-19 pandemic, our plan was delayed this year but will be reactivated as soon as the situation is considered safe to organise training and public pledges. We are also relying on e-learning solutions for the future.

Testimonial



"Denis Group's ESG Report 2020 reflects the Group's unstinting commitment to the well being of society and the communities in which the Group operates. It is heartening to observe that notwithstanding the challenges of a worldwide pandemic, depressed global economy and social unrest in key markets, the Denis Group has not scaled back its ESG efforts. Instead, the Group has set new and more ambitious targets and new initiatives to launch."

Mrs Lee Ai Ming, Senior Consultant, Dentons Rodyk & Davidson LLP

About This Report



About this report

This is our fourth sustainability report. The report covers our governance, social and environmental performance for the yearly period July 2019-June 2020.

This is also an intermediary report, which monitors our progress for the first exercise of our second ESG two year action plan, as defined in 2019. Next year, we will publish a Master Report to present and comment on our achievements and KPI results.

An ESG committee at the highest level of management

We have constituted an Environment, Social and Governance committee (ESG committee) at the highest level of management. The committee is chaired by Mr Daniel Denis, a family shareholder and member of the Denis Group board of directors, demonstrating the high level of commitment in the durability and sustainability of the business model by the family owning the group of companies since 1862. The two Group CEOs, Mr Fabien Reyjal and Mr Ting Seng Hee, are the vice-chairmen of the committee.

The Group Marketing Director, Mr Hervé Simon, acts as the coordinator and the leader of the ESG committee.

The ESG committee also includes the Supply Chain Director, Mr Jean-Philippe Lamy, the Industrial Operations Director, Mr Jimmy Yeung, the Quality Director, Mr Stéphane Stanislas, the R&D Director, Mrs Natalie Yap, the Finance Director, Mr Chong Teck Pin, the Senior Digital Manager, Mr Guillaume Virantin, the Environment Health & Safety Manager, Mr Pablo Merino and the Human Resources Manager, Mrs Serena Lee.

The ESG committee, assisted when needed by external experts, reviews and determines the context, scope, boundary and prioritization of the ESG projects.

The ESG committee meets every two months. It decides on the ESG projects, it designates the senior director or manager in charge for each project, sets the key indicators and monitors progress.

Materiality assessment

ESG projects prioritization is not done with a matrix system or a ranking. Denis Asia Pacific Pte Ltd is a medium sized company with a collaborative work process and a flat hierarchy organization. Therefore the management is really down to earth with a deep understanding of the materiality of its priorities.

These priorities are defined and listed in a two year action plan. Each specific action is under the responsibility of the relevant director and member of the ESG committee, with responsibility for the implementation within the timeframe.

This organization has proven itself to be particularly efficient for the first ESG two year action plan.

Accuracy of data

We rely on our internal procedures to verify the accuracy of data and information provided in this report.

As we are not a public listed company, the ESG committee freely decides the context, scope and boundary of the company ESG report, but any information in the ESG report is shared with accurate, relevant data in full transparency and honesty.

If a project fails to reach its key indicator at the time of the ESG report, the provisional data will be provided with an explanation of the difficulties encountered in the completion of the task.

Availability of the report

The ESG report is to be published within 6 months of the closing of data collection.

The ESG report is available to anybody without limitation.

For a wider reach, DAP uses Google neural translation which allows for the report to be available in 14 languages on the website "[DenisGroupEsg.com](https://denisgroup.net)".

As automatic translation may come with errors, it is important to note that legally the only valid version is the English text.

For inclusion purposes, the English version will soon be available in audio format.

For sustainability reasons, the ESG report is available only in digital format. It can be downloaded in pdf or e-pub (digital book) formats from most of DAP's websites, including "denisgroup.net" and "DenisGroupEsg.com".

It is also available for consultation and download on:
<https://issuu.com/denisbrands>

Feedback & contact

The ESG committee considers it a duty to answer any question which is relevant and not frivolous about our ESG report, but it will entertain only written questions addressed by email (ESG@denisgroup.net) or by post to:
ESG committee

Denis Asia Pacific Pte Ltd
Denis Group Building
21 Tagore Lane
Singapore 787479

Key Indicators Scorecard

12 months (July - June)	2016 / 2017	2017 / 2018	2018 / 2019	2019/2020 ⁴
PEOPLE				
Employees	1,595	1,645	1,626	1,705
Female employees	66%	67%	68%	68%
Employee turnover rate	29%	24%	29%	22%
Employee turnover rate (permanent staff) ¹	15%	10%	10%	9%
Average training hours per employee	14,5	12,2	14,3	9,0
Equivalent medical leave days	10,274	11,129	11,878	10,339
Equivalent injury days (inside our premises)	537	697	687	295
Equivalent injury days (outside our premises) ²	722	787	933	449
Fatality (outside our premises: road accident)	0	0	0	1
ENVIRONMENT				
GHG total emissions (tCO ₂ e) ³	10,688	10,319	10,522	10,932
Packaging materials (mt)	5,527	5,062	6,148	6,626
Recycled materials in packaging (mt)	1,362	969	1,432	1,636
Percentage of recycled materials in packaging	25%	19%	23%	25%
Electricity consumption (Mwh)	9,459	9,633	10,171	10,307
Natural gas consumption (mmBtu)	67,905	70,355	68,250	71,570
Coal consumption (mt)	364	576	1,173	964
Water input (m ³)	364,245	360,735	405,560	407,393
Water discharged (m ³)	240,412	259,775	292,780	318,164
Normal Waste generation (mt)	3,755	2,875	3,337	3,827
Hazardous Waste generation (mt)	1.1	1.7	1.4	2.0
Recycled & Reused Waste (mt)	3,340	2,474	2,800	3,400
Percentage of Recycled & Reused Waste	89%	86%	84%	89%

¹ excluding probation period and fixed-term contract

² transportation on the way to or from work

³ Variations can occur retroactively according to availability of the grid emissions factors

⁴ Addition of Denis China in the scope

About Denis Asia Pacific



About Denis Asia Pacific

Our History

Denis Group has a fascinating 158 year history. The vision, mission, solid values and business principles provide the foundations for this exceptional longevity. The descendants of Etienne Denis are still at the helm of the Group's businesses.

Denis Group gets its strength and stability from three different sectors, in which the Group is able to achieve and maintain a high level of professionalism, paired with a historically innovative spirit: food & beverages, health sciences, and consumer goods distribution.

This ESG report covers the food & beverages activity which started in 1956 when Denis Group took over the A. Clouet company in Malaya with its main food business: Ayam Brand. Ayam Brand, founded in 1892 in Singapore by Mr Alfred Clouet, became an international brand distributed in more than 30 markets on three continents and is ranked today 320th consumer brand in Asia (Asia's Top 1000 Brands 2019, Nielsen).

To cater for the expansion of its food business, Denis Group invested heavily in production and logistics. The main production & logistics site is in Taiping, Perak in West Malaysia. It employs more than 1000 staff. The Mafipro site consists of three factories and produces mainly canned fish. The Guinea Foods factory cans fish and sauces. Guinea Foods consists of two factories to meet the growing demand for sauces. Taiping is also an important logistics base for the Group with two large warehouses and cold-room sites: SFI phase 1 and SFI phase 2.

Alce Nero and Denis Group formed a joint venture in 2004 to promote and distribute Alce Nero, a leading Italian organic food brand, throughout Asia.

In 2017, Denis Group opened a new manufacturing site near to Ho Chi Minh in Vietnam, with the aim of distributing its food brands in the Greater Mekong region.

Our vision of the future

Denis Group is well positioned to benefit from the key trends that are expected to shape our future markets, namely:

- continued urbanisation combined with greater connectivity that requires convenient, safe, healthy and cross-cultural food.
- pursuit of investment in the understanding of better health through good nutrition, clean food, and better hygiene.
- the pleasure of food discoveries and of creating moments of reunion and surprise for family and friends centred around food; we see this as a key preoccupation across the world.

We see many opportunities for the Group in the coming years:

- the opportunity to make our brands truly global by reaching more consumers worldwide.
- the opportunity to develop new & innovative segments such as ready-to-eat meals, frozen foods, foods on-the-go and foodservice solutions that better address the needs of new consumers.
- the opportunity to promote the cultivation, manufacturing and use of

organic & natural foods in the region.

- the new opportunities that will be brought about by the next big wave of massive investment in infrastructure in ASEAN in the next 10 years.
- and the opportunity to grow a sustainable food supply model with a concern for waste, nutrition and stability and with substantial social impact in society as we envisage it tomorrow.

Our Companies

Singapore Holding

DENIS ASIA PACIFIC PTE LTD

21 Tagore Lane, Singapore 787479

Tel: +65 6459 8133 Fax: +65 6459 2867

Companies controlled by this holding:

Australia

A. Clouet (Australia) Pty. Ltd.

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Tel: +61 2 8814 8086

Fax: +61 2 9678 9508

Indonesia

PT. Faretina

Jl. Radin Inten II, No. 8, Duren Sawit

Jakarta 13440

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Fax: +62 21 8690 1336

Malaysia

A. Clouet & Co (KL) Sdn .Bhd.

19 Persiaran Sabak Bernam, Section 26,

40400 Shah Alam, Selangor Darul Ehsan

Tel: +60 3 5191 1069 Fax: +60 3 5191 1988

Mafipro Sdn. Bhd.

Jalan Perusahaan Tiga, Kamunting

Industrial Estate, 34600 Taiping, Perak

Tel: +605-8912704 Fax: +605-8913919

Guinea Foods Sdn Bhd

Jalan Lintasan Perusahaan,

Kamunting 3, Kamunting Raya,

34600 Taiping, Perak.

Tel: 05-8911899 Fax: 05-8912899

Singapore

Clouet Trading Pte. Ltd.

21 Tagore Lane, Singapore 787479

Tel: +65 6459 8133 Fax: +65 6459 2867

Thailand

The Commercial

Company of Siam Ltd.

1168/3-4, 2nd Floor, Lumpini Tower,

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Tel: + 66 2 285 6858

Fax: + 66 2 285 6830

Vietnam

Denis G.M. Co Ltd

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Town, Binh Duong Province, Vietnam

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Fax: +84 274 357 9799

Singapore Holding

SFI SUPPLY MANAGEMENT PTE LTD

21 Tagore Lane, Singapore 787479

Tel: +65 6459 8133 Fax: +65 6459 2867

Companies controlled by this holding:

Malaysia

SFI Food Sdn Bhd.

PT 32730, Jalan Logam 5,
Kawasan Perusahaan Kamunting Raya,
34600 Taiping, Perak
Tel: +60 5891 8704
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Mexico

**SFI Alimentos de Mexico,
S.A. de C.V.**

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Greater China Holding

Denis China Co. Ltd.

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Building, 10 Cheung Yee Street, Cheung
Sha Wan, Kowloon, Hong Kong S.A.R.
Tel: +852-25265986
Fax: +852-28450538

Companies controlled by this holding:

China

Denis Freres (Shenzhen) Co. Ltd.

Unit #605A, 6/F, International Chamber
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Tel: +86 755 8282 2103
Fax: +86 755 8255 7340



Environmental Responsibility



Solar Project

We aim to significantly reduce our reliance on fossil fuel and we seek to develop solar energy as an efficient, cleaner and cheaper energy source to partly power our plants.

Timeline

2018 was the year of solar power for our activities. We installed a sizeable solar system on our main industrial & logistics sites in Taiping, Malaysia. We consider this to be one of the main achievements of our first ESG two year action plan.

Our business model for this project is a PPA (Power Purchase Agreement), signed in August 2017. The leasing contract was a great opportunity for us to have cheaper energy costs from the start without up-front investment. 20 forthcoming years of fixed prices will allow us to improve our production cost control. At the end of the 20-year lease, we will own the system and enjoy free electricity for the Taiping site from this solar investment.

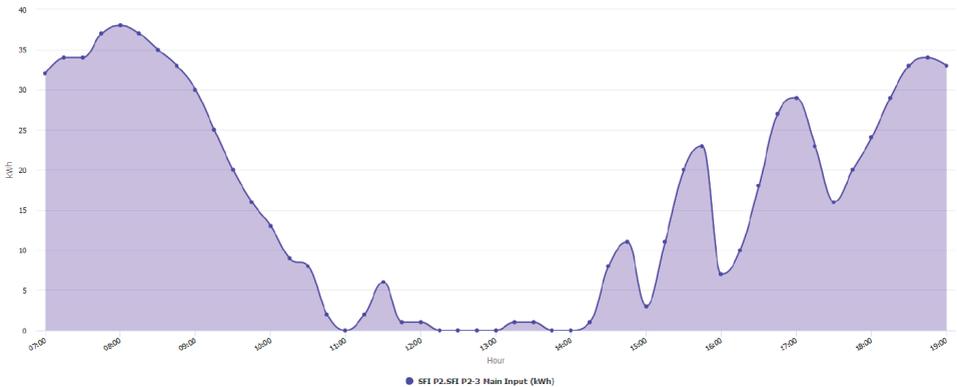
Thanks to the commitment and the will of all employees in the company, we energized the first solar systems installed on Taiping site roofs in July 2018, just one year after the signature of the PPA. Prior to the installation, we had to replace some of our oldest roofs by new lightweight roofing equipped with a Klip-Lok system: no puncturing or screwing was needed during the installation. The solar rails were also installed with the same clamping system. No screws on the roof means no leakage and rust problems in the future. The system is intended to last at least 30 years so this precise planning and engineering was necessary before starting the solar project. To maximise the benefits and the savings, the new roofs were designed with skylights to use fewer electrical lights and to benefit all the more from the sun.

The installation took approximately 6 months. Altogether, it comprises 4,065 panels distributed on seven facilities' rooftops, totalling an overall system size of 1,341 kWp.

Outcomes

In July 2020, the solar system celebrated its second birthday with a smooth operations record. In only two years, we have saved more than 2,000,000 kg of CO2e emissions, the equivalent of the carbon eliminated by 100,000 trees.

The outcome is significant: 20% of our electricity usage on our industrial and logistics sites in Malaysia comes from renewable resources. Even more astonishing, in the middle of the day, our facilities operate with 100 % solar power, as shown in the record of electricity consumption from the grid.



4,065 solar panels
installed

1,341 kWp
solar system

20 % of our electricity in Malaysia
comes from renewable resources

**2,000 tons of CO₂e
avoided**

**Equivalent to 100,000
trees**

Watch our Solar System video in this link:
[Solar System Taiping](#)



Solar Phase 2

Following the excellent outcomes from our first solar project and the expertise gathered by our team, we aim to continue increasing our share of renewable energy, taking further advantage of the improved technology.

We are studying 2 potential solutions:

1. The installation of a new solar system in Vietnam.

With the ramp-up of production in our Vietnamese facility, a solar system is becoming more and more appropriate. The legal framework is available and the authorities are strongly supporting the shift to renewable energy. We conducted some preliminary studies that show a possibility to install a solar system of approximately 450 kWp.

2. The extension of our existing solar system in Malaysia.

We still have some roof space on which to install additional solar panels, which should allow us to increase our capacity by approximately 580 kWp. Each of these 2 projects could help us to save an additional 500 tons of CO₂e per year. We are in the final stage of the study and we expect to launch one or other of the two investments in 2021.

Energy Optimisation

Our company takes climate change seriously, therefore we are taking action to lower our carbon footprint. Our priority is to optimise our energy usage and solar panels are but one element of a bigger plan. By combining several technologies and exploring multi-angle strategies, we aim to reduce our electricity consumption and the quantity of fossil fuel used by our production.

Energy Monitoring Information System (EMIS)

To fulfil our ambitions, we need first to monitor, understand and analyse our energy consumption. Since 2017, our main production site in Malaysia has been equipped with electricity meters (all wireless, connected to the cloud), coupled to a specific EMIS software package identical to software used by Airbus and Roll Royce factories. This gives us live, detailed visualisation of our site's power consumption.

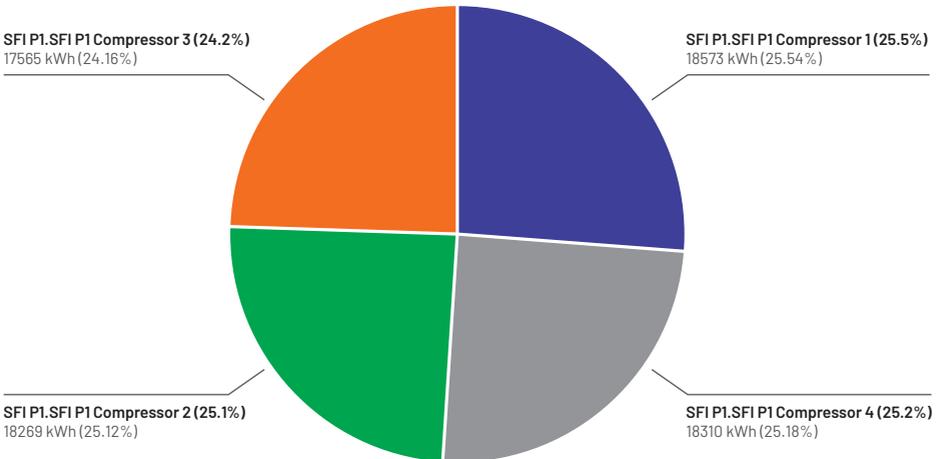
Identifying our main load users has allowed us to prioritize our projects and focus our efforts and investments on the equipment that matters.

Below are some examples of the reporting we can extract from our EMIS software.

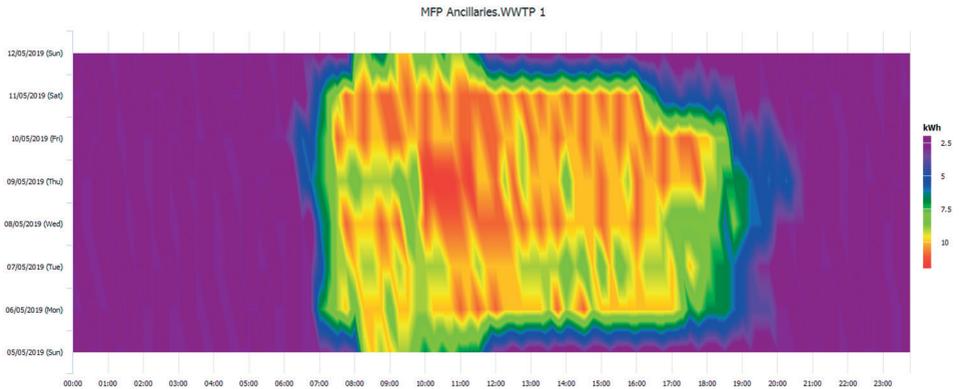
- The software generates alarm analyses, triggering notifications when a piece of equipment's consumption is out of an optimal defined range.



- Pie-chart views of our compressors' consumption, to ensure a good balance between our compressors' usage.



- Surface heat map of our WWTP (Waste Water Treatment Plant) to identify higher consumption in a week.



New dewatering system for our WWTP

The Taiping site WWTP (Waste Water Treatment Plant) had been using decanter centrifuge for the sludge dewatering process since 2011 and this contributed up to 5% of the total electricity consumption. EMIS identified it as a high energy consumer. To reduce our carbon footprint, we replaced this equipment by a Multi-Disc Screw Press (MDS). This new dewatering technology utilizes a central screw and a slowly oscillating multi-disk filter to gradually increase pressure on flocculated sludge to produce dry sludge cake.

In term of energy consumption, slow-moving parts are much more efficient versus centrifuge technology. Therefore, the new process was implemented in August 2019.

Reports generated by EMIS demonstrate that MDS is able to save 74% of polymer consumption and 99% of electricity consumption compared to the previous dewatering process. This is equivalent to 48 tCO₂e saved

per year. The quality of the sludge produced is consistent and it is also easier to control the quantity of sludge produced.

Following the substantial results given by this equipment, we duplicated this project in our second Waste Water Treatment Plant. This time, we purchased a second-hand MDS, giving a second life to a machine that was intended for disposal. After some repairs and adaptation, we managed to revive this equipment and make it work perfectly. With this technology, we reduced our electricity consumption by 70,000 kWh per year which is equivalent to a 41-ton reduction in our GHG emissions.

Heatfuse

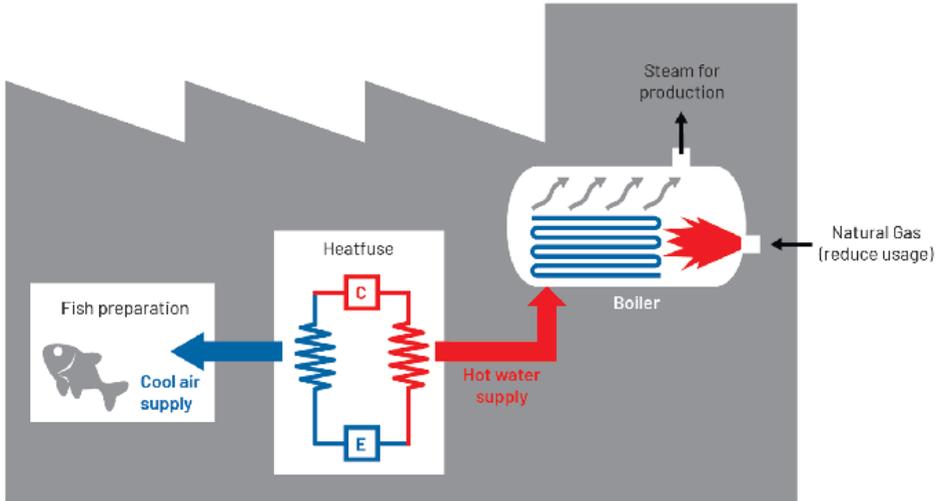
Our manufacturing process requires both heating and cooling. Fish must be kept at low temperatures to maintain its quality. Further in the process, steam is needed to cook the main ingredients and sterilise the cans.

A heat pump is a device that transfers heat energy from a source of heat to what is called a thermal reservoir. Heat pumps move thermal energy in the opposite direction of spontaneous heat transfer, by absorbing heat from a cold space and releasing it to a warmer one.

This duality is perfectly represented by one old but disruptive thermodynamic concept: the refrigeration cycle. In our usual fish factory process, we were using energy to produce cooling and energy to produce steam. Our environment engineer conducted an energy audit of our manufacturing process and found a major opportunity: our largest fish preparation room is located just beside our boiler. Taking advantage of this situation, we installed a heat pump in between these 2 rooms, to supply cool air for the fish preparation area and hot water for our boiler feed water tank.

This innovative smart solution is expected to reduce the boiler's natural gas consumption by 4 %. Today, this new equipment has been implemented in only one of our factories for evaluation before being deployed in other locations.

Heatfuse principle



Testimonial

"I have been amazed at Mafipro's team's dedication and genuine passion for sustainability from our very first engagement with the team. The team at iHandal is grateful and proud to be given an opportunity to work together in delivering an innovative solution that improves energy efficiency and reduces carbon emissions."

Aaron Patel, CEO, iHandal Energy Solutions

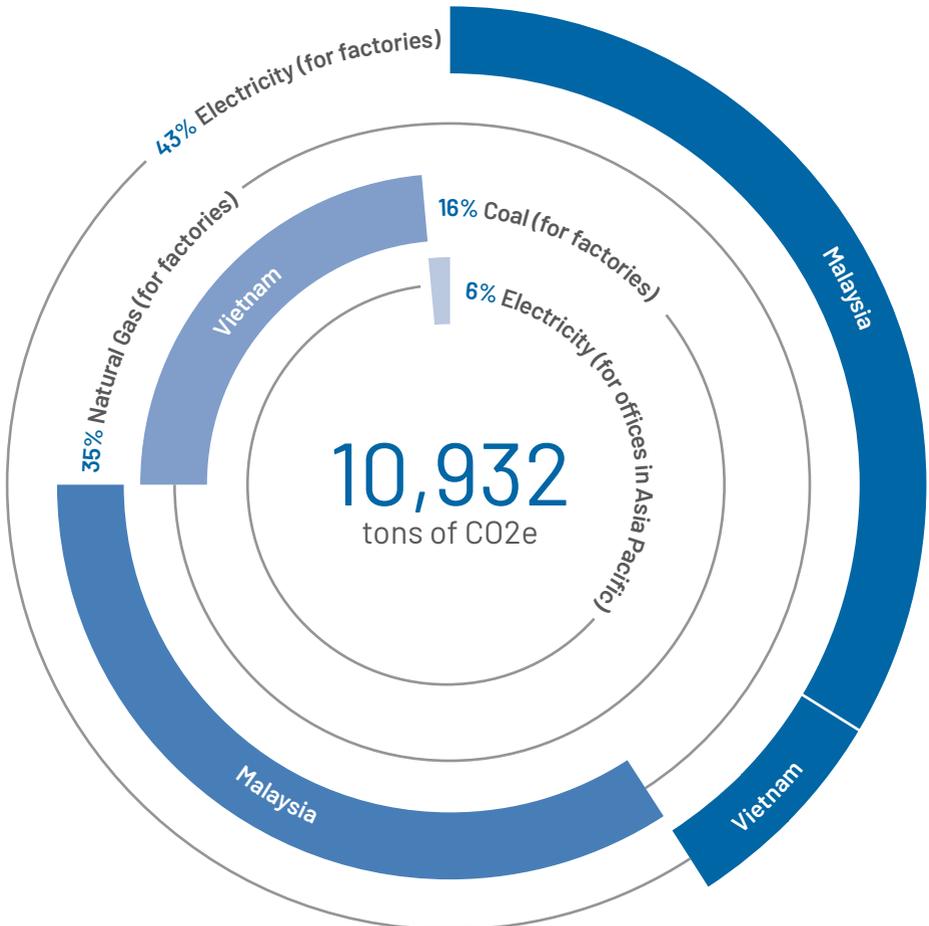


GHG Emissions

Since our first ESG Report, published in 2017, we have been monitoring the quantity of greenhouse gas emitted from our direct energy usage: electricity, natural gas and coal.

Current GHG emissions

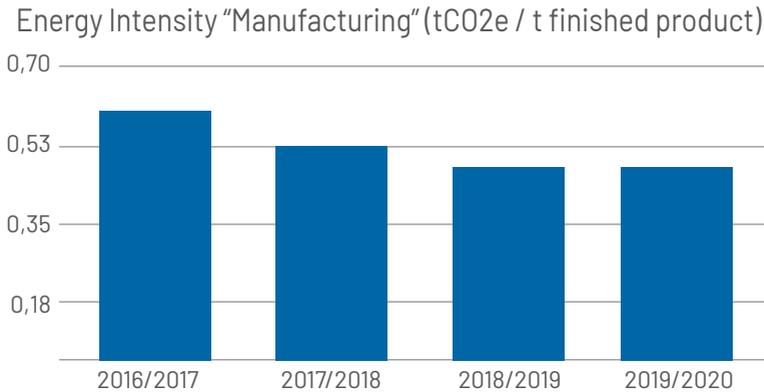
GHG emissions (July 2019 - June 2020)
10,932 t CO₂e



We are continuously working on implementing new energy saving projects whilst increasing our production capacity. We were generating 10,688 tCO₂ in 2017. At first glance, comparing this figure with today's 10,937 tCO₂ could look like an increase in our emissions. However, this needs to be correlated with our production output.

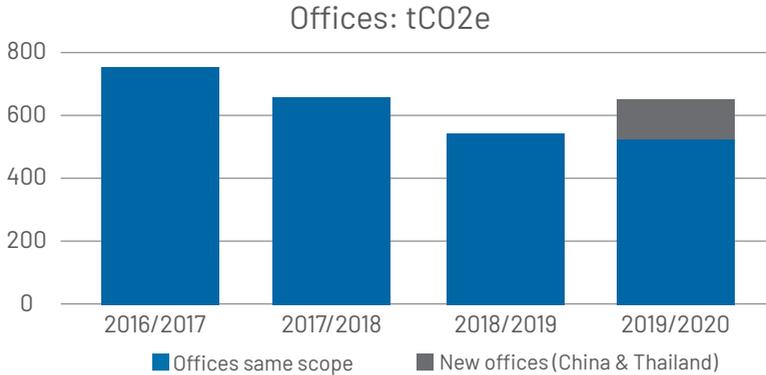
The following chart depicts our GHG emissions intensity: the quantity of CO₂e emitted per ton of finished product manufactured.

This ratio drop demonstrates the improvements made in our factories to make our processes more energy efficient.



In our manufacturing in Malaysia and Vietnam, we generate (from energy usage) 0.48 tCO₂e in producing 1 ton of finished goods. The drastic reduction in 2018/2019 is mostly attributable to the benefits of our new solar system. We stabilised our energy intensity this year (+2%), despite a 1 % increase in our production.

These results demonstrate that our process and energy consumption are under control.



For our offices, we cannot correlate the GHG emissions to any “output” factor. Last year we managed to reduce our electricity consumption and to stabilize it this year. A far-reaching awareness campaign has been deployed to benefit all our employees. Indicators have been implemented and close monitoring takes place every month. The implementation of the Green Buildings requirements (refer to page 45) has also contributed to a drastic reduction in our emissions. This year we added the data of 3 offices in China and Thailand to our ESG scope. Their emissions account for 72 tons of CO₂e. Adding these offices to our ESG scope provides a means for us to assist them in controlling and reducing their emissions.

Cutting Greenhouse Gas

For the next Master Report publication (end-2021) we pledged to cut our emissions from our energy usage by 300 tCO₂e.

We are on the right path to achieve and exceed this objective. Through various energy-saving projects, we are continuously reducing our impact on the climate:

- (1) New developments in our factories are made with energy-efficient solutions. For example, we purchased a second Multi-Disk Screw Press after the good results given by our first investment last year (refer to page 37). Having proven that this technology

was working properly to dewater our Waste Water influent, we duplicated this project in our other Waste Water Treatment Plant. This helped to reduce our electricity consumption by approximately 70,000 kWh per year, which is equivalent to an annual cut of 41 tons of CO₂e.

- (2) We continuously replace our lighting features with the best-rated equipment. LED lighting in our manufacturing accounts for a total saving of approximately 40 tCO₂e / year.
- (3) We aim to reduce our electricity bill in the long term by including environmental criteria in our purchasing requirements. Among others, our new policy to purchase highly efficient air-conditioners helped to cut emissions by 20 tCO₂e / year in comparison with the previous equipment we were buying.

We will publish a summary of our energy-saving projects in our next report. We are confident that we will reach the objective of cutting 300 tons of CO₂ equivalent, thanks to the motivation and involvement of our team.

A wider scope tomorrow

We are aware that our current GHG emissions calculation involved only a portion of our total emissions. For our first 2 year action plan, we took the decision to monitor and improve only direct production of GHG as this was the most understandable indicator to implement and the one we could influence the most.

However, we now wish to improve our current emissions evaluation by widening the scope. Therefore, for our next ESG Master Report we will work on calculating our GHG emissions following international official standards. We hope that this new study will give us more opportunities to reduce our impact on GHG emissions and climate change.

We are already collecting the necessary data for this new calculation. Our first focus will be to publish our emissions from Scope 1 and Scope 2. This will require monitoring 3 new types of emissions:

- The emissions from our refrigerant system and potential leakages of refrigerant gas.
- The emissions from our fuel consumption for transportation. This includes all vehicles under our direct control: company cars, motorbikes, lorries and forklift trucks.
- The emissions from the biological treatments of our Waste Water Treatment Plants.

This new data will be added to the already available emissions data from our energy usage: direct fuel consumption (natural gas and coal) and electricity consumption.

Once consolidated, all this information will allow us to better understand the extent of our impact on the climate and so define our next objectives with more accuracy.

The GHG Protocol Corporate Standard classifies a company's GHG emissions into three 'scopes'.

- Scope 1 emissions are direct emissions from owned or controlled sources.
- Scope 2 emissions are indirect emissions from the generation of purchased energy.
- Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

Certification

The materiality of our ESG efforts is also measured via environmental certification.

ISO 14001

ISO 14000 is a family of environmental management standards. They help organizations minimize their operations' negative impact on the environment, complying with applicable environmental laws, regulations and requirements and continually improving their performance with respect to environmental safeguards.

To ensure proper control of our environmental impact, and to avoid any pollution to the environment, all our production plants are now certified under ISO 14001. The Environmental Management System has been in place in our 2 main factories since 2013. Over the last 2 years, this system has been deployed in our Malaysian Logistics centre (certified in 2018), and in 2019 in our manufacturing site in Vietnam.

Our teams have made a great effort to implement this system in a short period of time with a momentum of one new site certified a year. This provides assurance to company management and employees as well as external stakeholders that our environmental impact is being measured and improved.

Green Buildings

Buildings have extensive direct and indirect impacts on the environment. During their construction, occupancy, renovation, repurposing, and demolition, buildings use energy, water, and raw materials, generate waste, and emit potentially harmful atmospheric emissions. These facts have prompted the creation of Green Building standards, certification,

and rating systems aimed at mitigating the impact of buildings on the natural environment through sustainable design.

In 2016, DAP pledged to have all buildings and facilities under its ownership certified as Green Buildings by 2030. The 14-year time span will allow us to spread the investment and also adapt the renovation cycles of these facilities.

BCA Green Mark (Singapore) and GreenRE (Malaysia) are 2 similar benchmarking schemes, which incorporate internationally recognized best practices in environmental design and performance in order to:

- Facilitate a reduction in energy, water and material resource usage
- Reduce potential environmental impact
- Improve indoor environmental quality for better health and well-being
- Provide clearer direction for continual improvement.

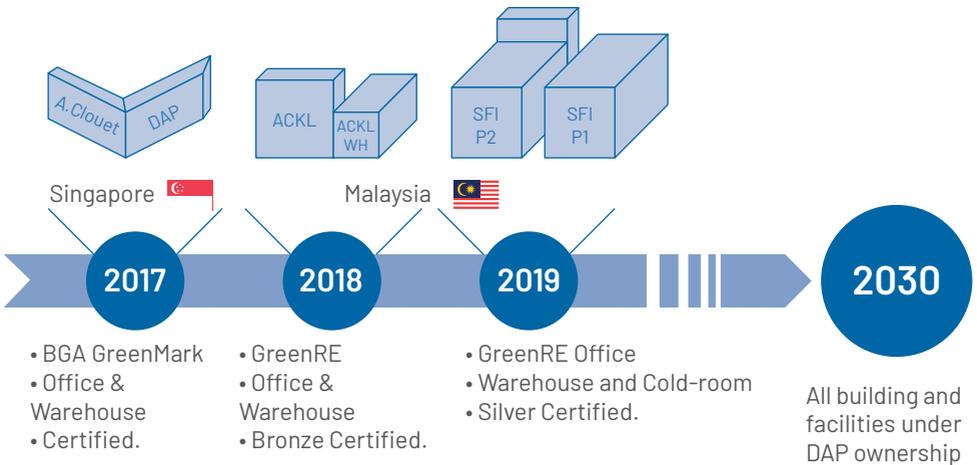
Our facility in Selangor, Malaysia was certified in 2018. This building, comprising 3 floors of offices and a warehouse, is our biggest facility in South-East Asia, apart from our production sites. The certification process took almost 1 year including retrofitting the air-conditioning with inverters and a COP (Coefficient of Performance) above 3.2. These new units use a refrigerant gas (R32) which is more protective of the environment, because of a low GWP (Global Warming Potential) and no ODP (Ozone Depletion Potential). We also replaced some of our lighting with LED and ensured the illuminance levels were within the recommended range for better working conditions for the staff. Waste segregation, an awareness campaign, monitoring of consumption and a paper-reduction program were some additional actions implemented to achieve this certification.

In 2019, we undertook the challenge to certify a much bigger building: our logistics centre in Taiping. The total footprint is around 17,600 m², comprising 2 warehouses, 2 cold-rooms, 2 offices and 1 laboratory.

It was a difficult project due to certification being a new concept in Malaysia. The local frame of reference to certify industrial buildings was only released in 2018. One year after its publication, we are proud to say that our 2 buildings have attained **Silver GreenRE certification**.

Our two buildings are the first in Malaysia to be certified under the Industrial frame of reference.

The timeline below shows our progress towards our objective to certify all our buildings by 2030.



In 2020, we started to work towards the certification of our office and warehouse in Sydney, Australia. We are using the “GreenStar – Performance” frame of reference which is widely used in Australia and recognized by the World Green Building Council. This rating system assesses the operational performance of existing buildings across nine impact categories: Management, Indoor Environment Quality (IEQ), Energy, Transport, Water, Materials, Land use and Ecology, Emissions and Innovation.

We are targeting certification of our building by 2021.

In parallel, in 2021, we will also start the certification process for another of our Industrial buildings, in Malaysia.

Testimonial

“Throughout the journey to get ACKL certified as a Green Building, the good insight gained is not only in terms of how to be a Green Building right now, but also how to progress as our building evolves and ages. The energy-saving practices implemented have brought a significant cost-benefit and saving to the company. We would definitely recommend this process to other sister companies in our Group. We hope the sharing of our green initiatives will increase environmental awareness as well as inspire our colleagues, families and friends to make positive changes aligned to our responsibilities to the next generation.”



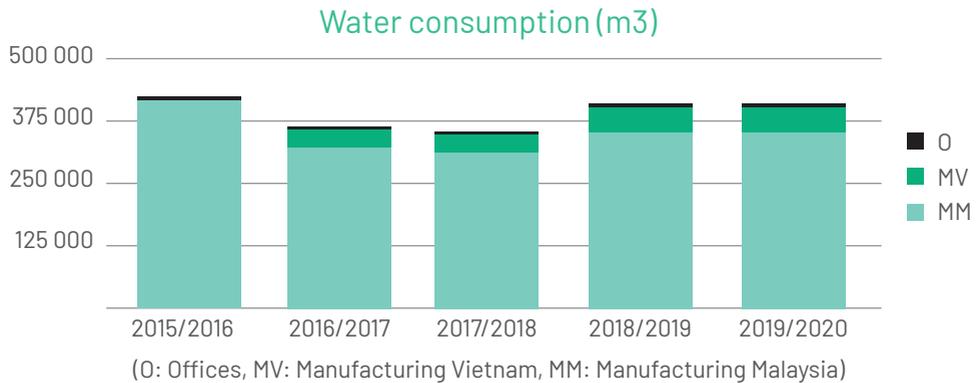
Mrs Tracy Ng, QA Manager

Resources

Resources are limited, precious, fragile and need to be managed. We aim to use them with caution, to recycle, to reuse, to substitute ... all this in order to protect our environment and to conserve our natural resources.

Water

In the yearly period 2019/2020, DAP consumed 407,393 cubic meters of water, a stable figure compared to last year. The increasing figure last year followed a 3-year reduction. Water remains properly monitored, but the total consumption figure was a consequence of a sharp increase in production, especially in our Vietnamese facility.

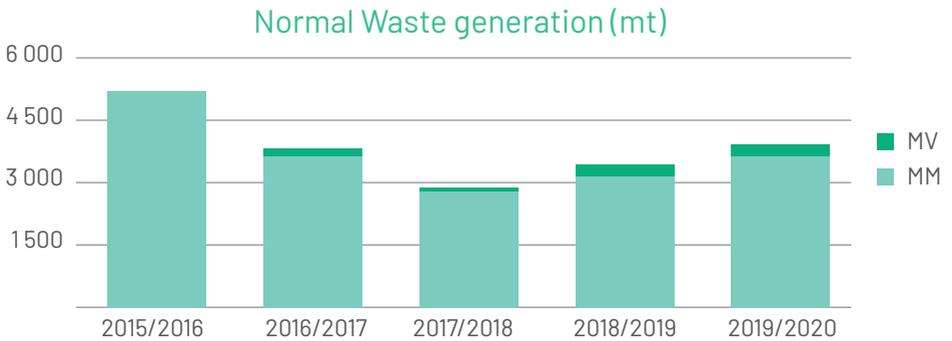


We continue our efforts to save water, while improving water-use efficiency. All our factories are equipped with Waste Water Treatment Plants (WWTP) to ensure that the discharged water is fully treated before releasing it back to the environment. A team of 15 employees is employed every day in operating the WWTPs. Our effluent always complies with the national rejection standards.

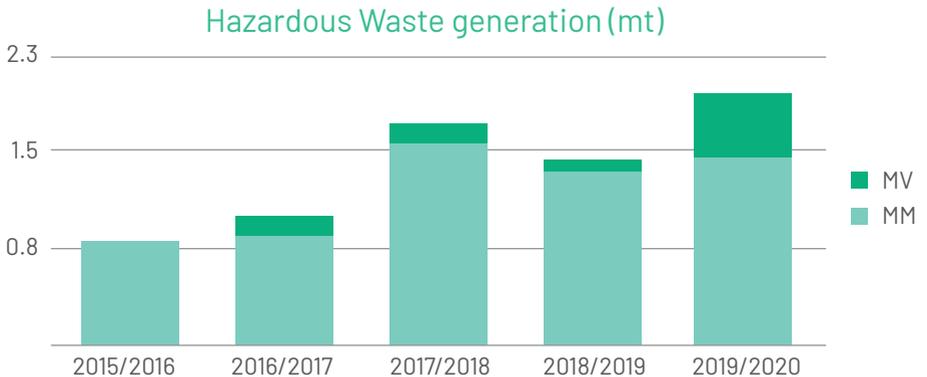
Waste

In the yearly period 2019/2020, our manufacturing sites generated 3,829 tons of Waste. 99.95 % of this waste is classified as non-hazardous, like packaging, rejected products, sludge and scrap-metal.

89% of this non-hazardous waste has a second life by being reused, recycled or valorised.



Hazardous waste (Any waste that could be harmful to the environment without proper handling) represents 2 tons, which comprises oil, batteries, solvents, paints, chemicals etc. This requires special monitoring, storage and treatment. This waste is managed by competent and trained staff and treated by authorized contractors.



The increase in MV is in part related to the ISO 14001 certification achieved in 2019 which led to the implementation of a better Waste Management System. We trained our people and with better awareness, waste segregation has been done more rigorously. Note that this hazardous waste was always sent to accredited collectors, but the weight monitoring was not separated at source on our side.

Waste Management is a critical aspect of our environmental responsibilities. We are putting more efforts into the control of our waste, and we identified this area as one where we impact significantly on the environment. Waste management will therefore be one of the focus topics for this 2 year action plan.

To bring our contractors along with us on this journey, and to have better control of the whole life-cycle of our waste, we started to implement a systematic audit of our waste treatment facilities in 2020. Only selected contractors, who can demonstrate effective control of their environmental impact, will be allowed to work with us.

Our audit criteria are simple: the best practices in terms of Environment, Health and Safety (EHS) will be rewarded with higher scores. It is for us a criterion of choice between suppliers. However, to avoid penalizing small entities with a limited grasp of this concept, we also consider and recognize their commitment and progress.

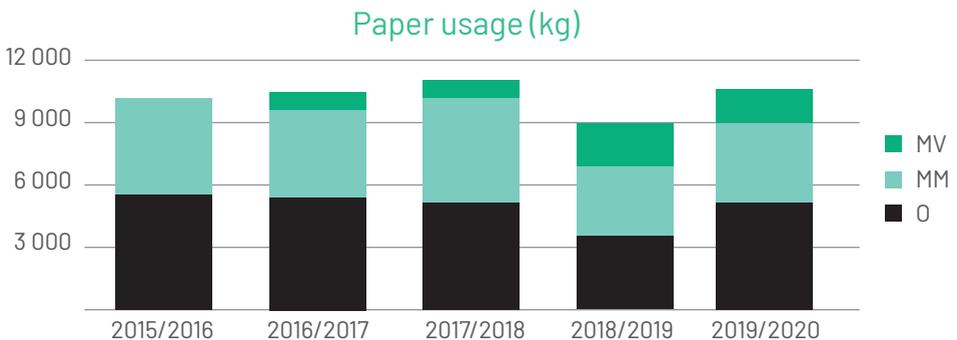
This scheme also gives us the means to avoid participating in any wrongdoing or non-compliance with the regulations.

So far, we have audited 5 of our waste collectors and we are satisfied with their practices. The Covid-19 pandemic has affected our initial audit-plan but we will practise remote auditing next year to have a first evaluation of 100% of our waste collectors.

We were also planning to appoint a consultant expert in this field, to study potential opportunities and determine a future strategy for waste valorisation. Nevertheless, due to the Covid-19 pandemic, many initiatives would have been in vain. Not wanting to lower the magnitude of this project, we have decided to postpone it for the moment.

Paper

In the yearly period 2019/2020, DAP consumed 10,464 kg of Paper. This represents an increase of 16 % compared to the previous period. It should be noted that 7 points of this increase are attributed to our offices in Thailand and China, that were not in the scope previously. But even at constant scope, we are dissatisfied with this result. Several factors are to be considered, such as the increase in import/export activities in Thailand which required a significant amount of paper due to administration requirements. Covid-19 has helped to accelerate the digitalization of some of our processes but the benefits will only be seen next year.



The Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC) are organizations that certify forest products, like paper and wood, as being sourced in an environmentally friendly, socially responsible and economically viable manner.

Nevertheless, controlling our consumption is not enough. Paper is still necessary in our activities, sometimes due to outdated legal requirements. We therefore need to ensure that the paper we use comes from sustainable resources. We pledged 3 years ago to use 100 % of paper from sustainable supplies (FSC or PEFC).

This milestone is now achieved: all facilities under DAP now comply with this policy.

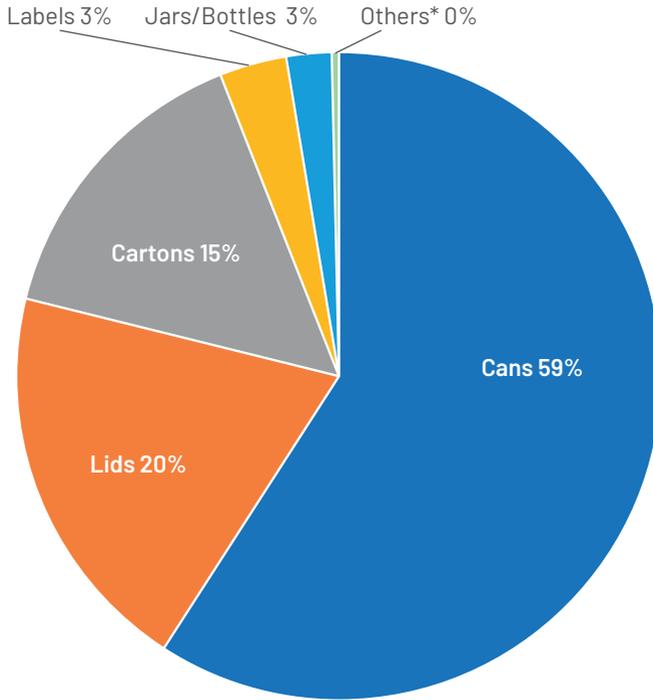


The increase in our consumption this year should not stop us continuing our efforts: we will maintain our ambitious objective to reduce our paper consumption by 10% for our next ESG Master Report (2021).

Packaging materials

Our main primary packaging includes metal cans and lids, labels and glass jars. To protect our products, the secondary packaging used is carton, that is made from 90% recycled paper. Our tertiary packaging includes OPP tape (Oriented Poly Propylene), pallets, strapping band and stretch film. As an example, the pie-chart below shows the breakdown per type of packaging for the Singapore market:

Breakdown of Packaging materials for Singapore market (kg)



DAP has been a signatory of the Singapore Packaging Agreement since 2018 and won a Merit Award in 2019 for its efforts made in reducing the quantity of packaging material used in its products (refer to page 10). The Singapore Packaging Agreement ended in June 2020. This has not stopped us from supporting the initiative to reduce packaging waste. We will continue to participate in the Packaging Partnership Programme (PPP). The PPP is a joint capability development programme between Singapore NEA and Singapore Manufacturing Federation (SMF), that will support companies with the new obligations under the Mandatory Packaging Reporting starting on 1 January 2021. PPP also provides the platform to exchange best practice in sustainable packaging waste management while enabling networking with various industrial groups under SMF.

With a view to a better understanding of the context in which our organization is evolving, an internal study has brought to light our position compared to our competitors. The purpose of this study was to benchmark the weight of our cans and lids. It was no surprise that our materials proved heavier than those of most of our competitors. Indeed, being a premium brand does not allow us to downgrade our product quality. Food safety is our utmost priority, and quality of packaging plays a significant role, especially in a challenging tropical climate. However, even considering that none of our competitor brands offer such quality, we are not the heaviest. As shown in the table below, we are in fact just slightly above the median:

		WEIGHT (grams)						
		Competitors			AYAM	%Difference vs		
		Lightest	Median	Heaviest	BRAND	Lightest	Median	Heaviest
Samples								
Tall (425g) Litho - Straight Wall	11	53.39	54.41	59.37	56.50	6%	4%	-5%
Tall (425g) Plain - Beaded	20	47.09	49.49	53.28	50.03	6%	1%	-6%
Jitney (155g) Litho - Straight Wall	11	25.54	25.98	27.66	27.16	6%	4%	-2%
EOE lids for Tall cans	24	9.45	1.94	11.94	12.02	21%	9%	1%
EOE lids for Jitney cans	9	6.11	6.85	7.06	7.20	15%	5%	2%

The above study also reveals that we might have more margin for improvement with our lids, which are the heaviest of the samples compared.

Our objective is not to become the lightest, but to use only the quantity of material needed to continue delivering to our consumers, one of the best product offerings in term of quality and protection of the environment, coupled with the highest standards of food safety.

Conscious of the important role that we have to play in the conservation of our resources, we have decided to also focus on this subject, with significant improvements expected. To address this objective, we

created a new position of Project Analyst last year. This key person for the ESG will define our strategy and follow-up with the packaging improvement projects. With many years of experience in procurement, she will help us develop a close technical partnership with our packaging suppliers and involve them on this journey.

This year, we have achieved some improvements with our secondary packaging. We adopted lower grammage carton by lightening the outer layer from 175g to 170g. We have a total of 5 models of carton adopting this change as of today. This initiative will save more than 2,100 kg of paper per year. The improved board quality has sufficient strength to contain our canned products without compromising the quality. We will continuously improve our cartons' performance, aiming to retain only enough packaging materials for their intended purpose.

Green Procurement policy

We aim to make our use of resources more sustainable and this starts with our procurement practices. If we source good materials at the outset, the whole circle will be virtuous: from procurement to usage and disposal. In 2019, our CEOs therefore implemented our first Group Green Procurement Policy. All companies under DAP are requested to follow these requirements, broadly inspired by the Green Buildings standards. For example, we will now only purchase air-conditioners with a COP above 3.2; any new lighting equipment must be LED; we encourage purchases from local producers when possible etc.

All these new rules contribute to the foundation of a more sustainable business in the immediate future.



GREEN PROCUREMENT POLICY (version October 2019)

We are aware of our responsibilities to future generations and must strictly adhere to exemplary environmental practices. To support the sustainable growth of our group we are committed to adopting procurement policies that are environmentally responsible.

All companies under DAP will be encouraged to purchase environmentally friendly products whenever practicable:

- New air-conditioning systems must have a Coefficient of Performance (COP) not lower than 3.2.
- Refrigerants for new air-conditioning systems **must** have an Ozone Depletion Potential (ODP) of 0 and a Global Warming Potential as low as possible.
- New lighting equipment **must** be LED or have an energy efficiency equivalent.
- Office paper for daily usage **must** be certified by FSC and/or PEFC and must have a grammage equal to or below 70 gsm.
- New indoor paints **must** have low VOC content (Volatile Organic Compounds).
- New water fittings should have a water efficiency label.
- Energy efficiency should be prioritised when purchasing new IT equipment.
- For any office supply purchased in significant quantity, the amount of packaging material should be considered and evaluated before purchase.
- Fuel efficiency should be prioritised when purchasing new vehicles.
- Cleaning products for offices should be certified as green by a recognized authority.
- Utensils (plate, cutleries, glass ...) for exhibitions and office usage should be reusable or eco-friendly if disposable.
- New wooden office furniture should have FSC and/or PEFC certification.
- Products should be purchased from local area producers when possible.
- In the case of a major building retrofit, the EHS department has to be consulted to ensure compliance with Green Building certification.

Ting Seng Hee
Chief Executive Officer

Fabien Reyjal
Chief Executive Officer

Supply Chain Sustainability

We believe that, for a Fast-Moving Consumer Goods business like ours, the sustainability of the supply chain is key to the durability of the business model and to the company's ethics.

As an established centennial company, DAP benefits from a heritage of solid values. But, with an internationally renowned brand portfolio, DAP has also to check that its suppliers adhere in turn to its ethics and that they do not participate in unsuitable and/or illegal activities or ventures that could taint the reputation of the company and of its brands.

Since 2017, all DAP suppliers should be adhering to its "Code of Conduct" which can be downloaded from this link: "Code of Conduct".

As far as DAP's direct supply chain is concerned, our Ethics Committee identified two issues, sensitive to consumers, NGOs and public opinion: sustainability of tuna supplies and palm oil. These two topics have therefore been put top of the list of our priorities.

Taiping Manufacturing Master Plan

We engaged the services of RAPP, a Swiss planning and consultant group to help us in reviewing the master plan for our Taiping manufacturing process. The scope of work was as follows:

- 1) Masterplan basics and requirements
- 2) Site development and possible solutions
- 3) Roadmap and decision-making preparation

With extensive work over 6 months, 5 scenarios were established and 2 were pre-selected for our master plan with the first priorities to be the safety of our workers and their wellness and energy saving.

While we were finalising the scenarios, RAPP was unable to provide a proper cost estimation for the master plan due to insufficient knowledge of local building valuations. We therefore decided to engage Royal Haskoning DHV, a global firm specialised in industrial planning, design and construction.

We started to work on the masterplan evaluation to review the 2 pre-selected scenarios; we were able to choose and confirm the best scenario based on a cost budget. We are now in the process of the conceptual design.

Sustainability of our tuna supply

Even though DAP's tuna business represents less than 0.1% of the yearly world tuna catch, the company is committed to being a brand that stands for quality and acts with responsibility by taking a strong stand for sustainable fish sourcing, compliant fishing and manufacturing practices.

We do not have a direct relationship with tuna fishing vessels as we work with fish canning factories, which produce our recipes to our specifications, and under our quality control. Our area of influence is in the purchasing specifications we provide to the canned tuna manufacturers.

The use of stringent tuna purchasing specifications that require sustainable fish sourcing is our way of putting pressure on the tuna fishing industry to make progress not only on sustainable tuna fishing but also on fair and compliant labour practices.

Manufacturers who have been selected to produce for DAP must accept our sustainability specifications.

Our sustainability specifications cover three main categories:

(1) The biomass

DAP only uses tuna species which are not endangered and from biomass

that is healthy (not overfished).

Data on the biomass situation is assessed by Regional Fisheries Management Organizations (RFMO), international intergovernmental organizations dedicated to the sustainable management of fishery resources in international waters. We follow the Indian Ocean Tuna Commission (IOTC/iota.org) and the Western and Central Pacific Fisheries Commission (WCPFC/www.wcpfc.int) in particular. Most of their data is published by ISSF (International Seafood Sustainability Foundation [HTTP://ISS-FOUNDATION.ORG/](http://ISS-FOUNDATION.ORG/))

DAP therefore only sources three species of tuna:

- Skipjack tuna (KATSUWONUS PELAMIS)

Most of our canned tuna is produced using skipjack tuna. The skipjack tuna used by our brands is caught in the Pacific Ocean, in areas assessed by WCPFC as not overfished, but they could come from any other fishing area where skipjack tuna resources are healthy (not overfished) as assessed by RFMOs.

In the yearly period 2019/2020, 100% of the skipjack tuna was sourced in line with this sustainability specification. This achievement is in line with the previous period 2017/2018.

- Yellowfin tuna (THUNNUS ALBACARES)

DAP uses yellowfin tuna for canned tuna in oil or in water. In some parts of the world, yellowfin tuna is overfished. Our requirement is that yellowfin tuna for our brands is fished from the Western Pacific, which is assessed as not overfished by the WCPFC.

In the yearly period 2019/2020, 100% of the yellowfin tuna was sourced in line with this sustainability specification.

As we had to face the fact that we may regularly experience several months without any supply from the Western Pacific, the only solution to further improve this sustainability ratio on yellowfin was to reduce the importance of this species in our production.

We therefore managed, in about 10% of our supplies, to replace yellowfin by lesser known species like Tonggol. In terms of sustainability balance, such a species presents both a benefit and a drawback. On the plus side, Tonggol is a coastal fish caught by local small-scale fishermen. It contributes to the local economy and it is not listed as an endangered species of tuna. On the down side, these local species of tuna are not used by the major industries as they are less straightforward to collect and to process, therefore there is no official monitoring for their biomass. During the period, 100% of Tonggol was caught in the Western Pacific.

(2) The code of conduct

As explained above, DAP works with suppliers who share the same code of conduct for their factories and who, in turn, make it mandatory for their own suppliers.

- Full compliance of labour and social conditions with national laws and international treaties (preventing, amongst other issues, illegal labour and human rights abuses like slavery or child labour).
- No corruption or bribery.
- No tuna supply from illegal, unregulated, and unreported (IUU) fishing.
- No tuna supply from fishing vessels not certified as Dolphin Friendly or those practising shark finning or fishing endangered species.

(3) The recommendations

We play our role in encouraging our suppliers to improve catching methods for skipjack and yellowfin tuna in order to limit bycatch (accidental catch of other species).

Most of our tuna is caught by purse seine fishing vessels and a small

percentage from pole and line. We do not accept other methods of catching (like long lines) because of an excessive bycatch rate.

As of today, our suppliers are unable to distinguish between the percentage catch of purse seine on free school tuna versus purse seine on FADs as they are mixed in the fishing vessels. We are, however, in constant dialogue with our suppliers who are committed to collecting data and sharing technical information. This should allow us a better understanding of the situation within a short time frame in order to improve our purchasing specifications.

As a company involved in canned fish, we have on numerous occasions taken the opportunity to express our opinion that Marine Reserves and Marine Protection Areas should be enlarged and that well managed quotas for fish caught based on scientific data is an effective tool to manage and to protect the fish resources for future generations. We specifically express our support to promote the following areas as Marines Reserves and we pledge not to supply fish from these seas:

- the Antarctic Ross Sea
- Pulau Besar and Merlimau in Melaka, Malaysia
- Port Dickson marine park in Negeri Sembilan, Malaysia
- Pulau Lima in Johor, Malaysia
- Pulau Songsong in Kedah, Malaysia

Sustainable Palm Oil

(1) DAP palm oil policy

DAP has, since 2011, implemented a policy of 'responsible use' of palm oil, with a roadmap to achieve 100% certified palm oil within a few years, combined with a premiumisation of its main brand, replacing basic palm oil wherever technically possible, by an alternative vegetable oil with a healthier nutrient profile, like olive oil for instance.

Today, palm oil is present in a very limited number of DAP products and our

volume of sustainable refined palm oil purchasing is lower than 108 tons per year for Ayam Brand™ and 164 tons for sustainable crude palm oil in the other brands. Other products derived from palm fruits (like palm fruit puree) account for an additional 276 tons. There is no sustainability scheme planned for palm fruit puree as it is a marginal food item so we monitor its sustainability by keeping a manual record and claim green credits in agreement with RSPO.

Despite our extremely low use of palm oil, DAP has nevertheless established and adhered to two stringent standards:

- Palm oil used in any DAP products should be sustainable. Our factories are RSPO certified and they only source sustainable certified palm oil of West Malaysian origin.
- DAP product labels should be clear and explicit. When a DAP product contains palm oil, it has to be clearly stated on the ingredient list.

(2) Support Asia for Sustainable Palm Oil (SASPO)

DAP is proud to be among the founding members of Support Asia for Sustainable Palm Oil (SASPO), an initiative of WWF Singapore (<https://www.wwf.sg/business/saspo/>).

The vision of the Alliance is to make certified sustainable palm oil (CSPO) the norm to stop the haze as well as deforestation and animal habitat loss in the region. It aims to provide a platform for companies to come on a sustainable journey towards producing, trading and using certified sustainable palm oil.

DAP palm oil policy proves that it is possible for medium sized companies to develop and implement sustainable and responsible policies. Recent years'

events have demonstrated that it is our duty to participate in all possible efforts to reduce and eventually eliminate haze from our lives.

Whatever their size, all companies should adopt this necessary environmental goal.

Thanks to its palm oil policy, implemented since 2011, DAP is 100% certified as sustainable for its palm oil ingredient and palm fruit products since 2020. We have progressed exactly as per our commitments.

- In its 2017 palm oil scorecard report for Malaysia/Singapore local companies, WWF gave DAP the best score of 10 out of 12 with this comment:
"Leading the way
DENIS ASIA PACIFIC (AYAM BRAND)
SCORE: 10

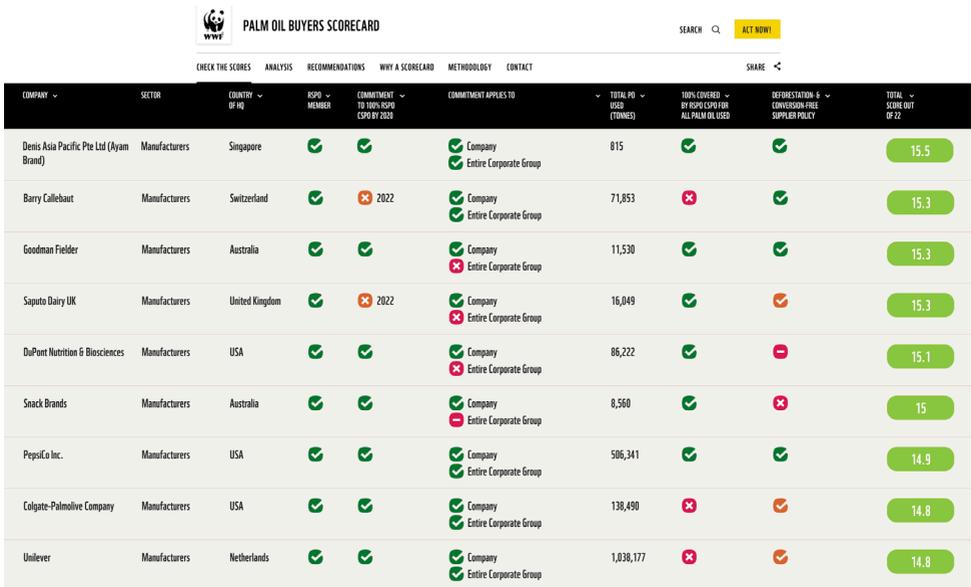
WWF commends Denis Asia Pacific for showing strong leadership in regard to the procurement of sustainable palm oil within the Southeast Asia region. Denis Asia Pacific has demonstrated transparency and commitment to purchase 100 per cent CSPO, is an active member in RSP0, a founding member of SASPO and publicly discloses the total volume of palm oil volumes used for each of their brands.

While it has yet to achieve 100% physical CSPO, Denis Asia Pacific is leading the way for other Singapore-based companies to follow."

- Since 2018, Mr Hervé Simon, coordinator of DAP's ESG committee, has been the elected Chairman of SASPO.
- In June 2018, Mr Daniel Denis, DAP's ESG committee Chairman, represented SASPO at the Paris Roundtable summit on Sustainable Palm Oil.
- In 2020, DAP received the score of 15.5 out of 22 in the international WWF

Palm Oil Buyers Scorecard (<https://palmoilscorecard.panda.org/>). It is the highest scoring company out of the 16 Asian companies assessed and sits in the top quarter out of 173 companies assessed globally.

DAP's strategy has been detailed by WWF in one of its case studies, available on the link above.



WWF PALM OIL BUYERS SCORECARD

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COMPANY	SECTOR	COUNTRY OF IN	RSDP MEMBER	COMMITMENT TO 100% RSDP (ESPO BY 2020)	COMMITMENT APPLIES TO	TOTAL PO USED (TONNES)	100% COVERED BY RSDP/ESPO FOR ALL PALM OIL USED	DEForestation & CONVERSION FREE SUPPLIER POLICY	TOTAL SCORE OUT OF 22
Denis Asia Pacific Pte Ltd (Ayam Brand)	Manufacturers	Singapore	✓	✓	✓ Company ✓ Entire Corporate Group	815	✓	✓	15.5
Barry Callebaut	Manufacturers	Switzerland	✓	✗ 2022	✓ Company ✓ Entire Corporate Group	71,853	✗	✓	15.3
Goodman Fielder	Manufacturers	Australia	✓	✓	✓ Company ✗ Entire Corporate Group	11,530	✓	✓	15.3
Saputo Dairy UK	Manufacturers	United Kingdom	✓	✗ 2022	✓ Company ✗ Entire Corporate Group	16,049	✓	✓	15.3
DuPont Nutrition & Biosciences	Manufacturers	USA	✓	✓	✓ Company ✗ Entire Corporate Group	86,222	✓	✗	15.1
Snack Brands	Manufacturers	Australia	✓	✓	✓ Company ✗ Entire Corporate Group	8,560	✓	✗	15
PepsiCo Inc.	Manufacturers	USA	✓	✓	✓ Company ✓ Entire Corporate Group	506,341	✓	✓	14.9
Calgate-Palmolive Company	Manufacturers	USA	✓	✓	✓ Company ✓ Entire Corporate Group	138,490	✗	✓	14.8
Unilever	Manufacturers	Netherlands	✓	✓	✓ Company ✓ Entire Corporate Group	1,038,177	✗	✓	14.8

Testimonial

"DAP's leadership in SASPO - as a founding member and part of the Board of Directors - has been integral in increasing awareness and capacity building amongst businesses in Singapore to source sustainable palm oil. In particular, DAP has been a role model to fellow SMEs in Asia, by demonstrating its commitments through impactful actions."

Aqeela Samat, SASPO Secretariat/WWF-Singapore.



Denis Asia Pacific Pte Ltd (Ayam Brand)



© WWF-Germany / M. Radday

APPROACH AND KEY ACHIEVEMENTS

In 2015, the Haze in Singapore was a wake-up call for many companies and more importantly for consumers. But Denis Asia Pacific Pte Ltd (Ayam Brand™) has been implementing a policy of 'responsible use' of palm oil since 2011.

In 2017, 99.5% of the palm oil used by Ayam Brand™ was Roundtable on Sustainable Palm Oil (RSPO) certified. We reached 99.75% in 2019, through a combination of Book & Claim credits (47%) and Segregated palm oil (53%). We also purchase Book & Claim credits to cover all our purchase of loose palm fruits that we use to produce a curry base for the African market. We will achieve 100% RSPO certification by the end of 2020, despite the COVID crisis.

Under the initiative of WWF, Ayam Brand™ is among the founding members of [Support Asia for Sustainable Palm Oil \(SASPO\)](#). The goal of this organization is to make sustainable palm oil the norm and unsustainable palm oil the exception in Asia.

ROADBLOCKS AND SOLUTIONS

The company shareholders (the Denis family) have embraced the journey toward sustainability as this was both a natural transition and adaptation of the Group's historical values to the world of today.

In order to switch to sustainable palm oil, our factories made two main investments: 1) a dedicated tank to stock sustainable palm oil, which is purchased in larger quantities than non-certified palm oil in order to satisfy minimum order and traceability requirements and 2) the RSPO certification process.

Becoming RSPO certified was also a challenge for our factories. It was difficult to understand all the certification requirements, but we were helped by WWF Singapore and by our work in SASPO.

Another difficulty was to close the remaining 0.5% gap in order to source 100% certified palm oil. Despite our efforts to help a supplier in moving to sustainable palm oil, we did not manage to achieve this goal. The only remaining option was to change to a different supplier.

Some of our clients, especially for African foods manufacturing, are not able or willing to pay the extra cost of sustainable palm oil. In this case, our Group decided to bear this cost and to lower our margin to achieve 100% sustainability.

POST-2020 ACTION PLANS

Ayam Brand™ received a score of 15.5 out of 22 on the 2020 WWF Palm Oil Buyers Scorecard. We were the highest scoring company out of the 15 Asian companies assessed and featured in the top quarter out of 173 companies assessed globally, despite being a medium-sized enterprise.

We will continue to pursue our efforts with SASPO to promote sustainable palm oil. A recent study conducted by IPSOS shows that the awareness of environmental and social issues related to palm oil remains low. SASPO's goal in making people more sensitive to this subject will be a key driver of change.

Effective from 2020, we will maintain 100% RSPO certification in our production. We also intend to increase our share of Segregated palm oil and will purchase Book & Claim credits only when no better solution is available.

Ayam Brand™'s palm oil policy proves that it is possible for medium sized companies to develop and implement sustainable and responsible policies.



Awareness

ESG is a matter that should be shared and endorsed by all employees in a company whatever their occupation or position. Since the implementation of our United Nations Global Compact membership and our ESG policy, we have been organising events to raise the environmental awareness of all our employees.

Most of our usual and appreciated awareness events such as Environment Weeks, and Green Monday lunches were cancelled in 2020 because of social distancing rules imposed by the Covid-19 situation. They will resume when the health authorities of the relevant countries decide that it is safe to do so.

Green Office Competition



Sharing good practice and creating a competitive spirit are the main objectives of our Green Office Competition. The participation and commitment of the staff were above our expectations. Our office in Thailand took the lead in this campaign with numerous actions undertaken. They were the first to implement Green Monday activities

(refer to the previous chapter) before the idea spread to the other companies of the Group. They used eco-cutlery and a stainless steel straw was given to each member of staff. They reduced their paper consumption by 22% in 2019 by arranging a competition amongst the staff. They changed their faucet spray heads to more efficient units. They collected plastic for donation to organisations for recycling. They reviewed their aircon settings for temperature and operating time. They also used eco-friendly packaging for food fairs. Naturally, they won the 2019 competition.

This year, the competition is in full swing. Many offices have now switched to Green cleaning products. Due to the Covid-19 pandemic, Earth Day activities were conducted virtually this year, by doing a Green lunch, sharing content on environmental protection or organising online quizzes around knowledge of the environment. Our office in Kuala Lumpur, already a certified Green Building, has been particularly active this year. They made an organic enzyme from food waste for their plants and fertilizer from coffee grounds. They keep staff involved thanks to regular communication about the environment. Recently, they took the initiative to visit 2 waste recycling facilities to better understand the ins and outs of this environmental aspect.

This year, digitalization is a trending subject, with many initiatives launched to stop using paper: e-leave applications, electronic signatures, remote audits, reusable daily forms etc.

Waste management is now widely practised and some offices arrange donations of IT equipment and other waste that can have a second life. This simple action is a good way to involve our staff by showing them the direct benefits of waste segregation.

The following pictures show the effort put in by our office teams to raise awareness in a friendly, responsible and collaborative way.



Virtual Green Monday lunch

DAP in Action Environmental Initiatives



Social Responsibility



Our People

DAP's HR strategy is to attract, motivate, train and retain quality employees in order to build together with them a profitable, durable and sustainable business model.

Human Resources

Creating value for employees is an important part of our business vision. DAP believes that our employees play the prime role of driving the company and determining its success.

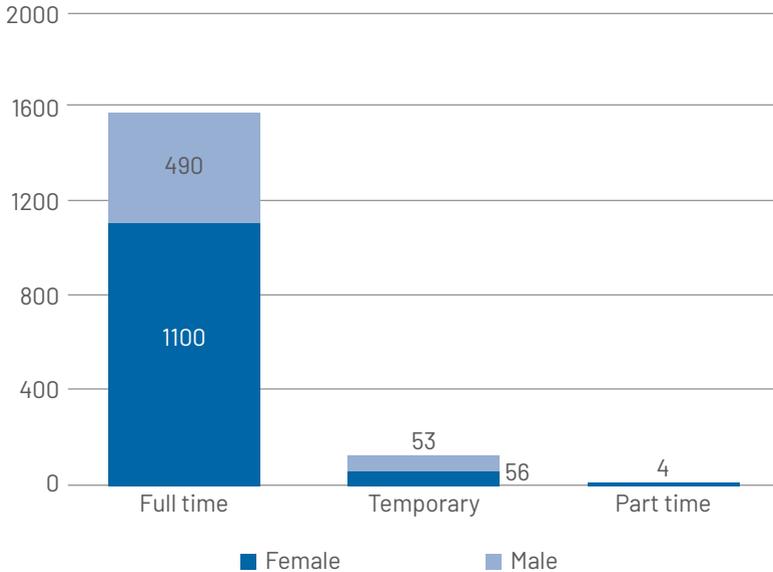
We are committed to building an organization with a respectful and honest environment for our employees, whilst creating value for customers and stakeholders.

Diversity and gender equality have always been core values of the Group. Our employees come from varied cultural and ethnic backgrounds. We are committed to creating a fair and inclusive workplace, where all employees are given equal opportunities for learning and development. Hiring and rewards are strictly based on merit, loyalty and confidence.

At the end of June 2020, DAP employed 1,705 people versus 1,626 people at end June 2019, after incorporating the offices in Greater China (China & Hong Kong SAR). 93% of employment contracts are full time. 6% are temporary contracts and there are only 4 part time contracts for the whole holding.

Workers, located mostly on the site of Taiping, Malaysia and Bet Cat Town, Vietnam, account for 84% of our people, while executives and management represent 5% respectively.

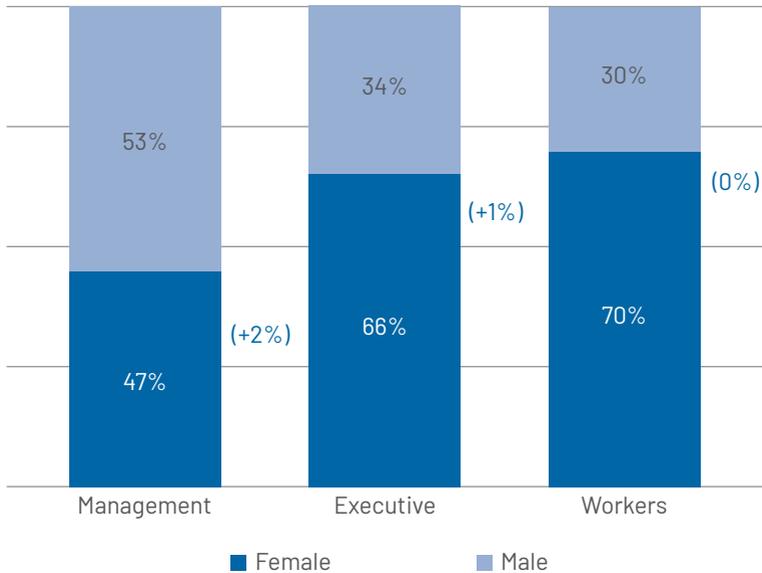
DAP employment



Women and various age groups have a fair representation in the organization. Women account for an average of 70% of all our employees. There is an increase of women representation by 2% and 1% in the category of Management and Executive respectively.

With a significant +2% of women in Management and the recruitment of several women for key posts in 2020, DAP is only 3% away from a gender balance also in Management.

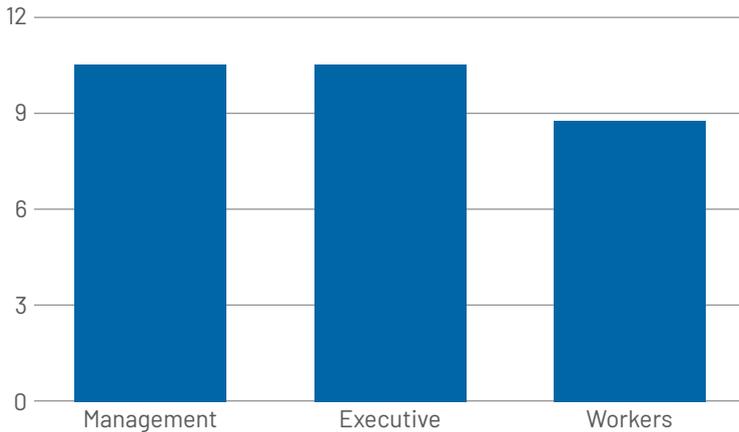
DAP Gender equality



Employee development continues to be a strategic focus for DAP. Our commitment is to create an environment where employees can develop their full potential. Continuous upgrading of employee skills and knowledge is necessary to innovate, to work safely and to serve customers better. Providing regular training opportunities is also important for employee motivation. At end June 2020, DAP had provided 15,358 hours of training for the year. This represents an average of 9 hours per member of staff. The following chart shows an equal distribution of training hours within all categories of employees.

There is a decrease in training hours for each member of staff compared to last year. This is largely due to the constraints created by the Covid-19 pandemic in 2020 whereby classroom learning was discouraged to prevent a potential risk of infection amongst trainees.

Training hours per category of staff



At end June 2020, the yearly number of MC leaves was 10,339 days: an average of 6 days per employee. In comparison to the previous year's data, there is an improvement in overall employees' health with a reduction of 1.3 MC leave days taken per employee. The average number of days varies per category. Being food manufacturers, the production sites have strict rules to protect production from any contamination.

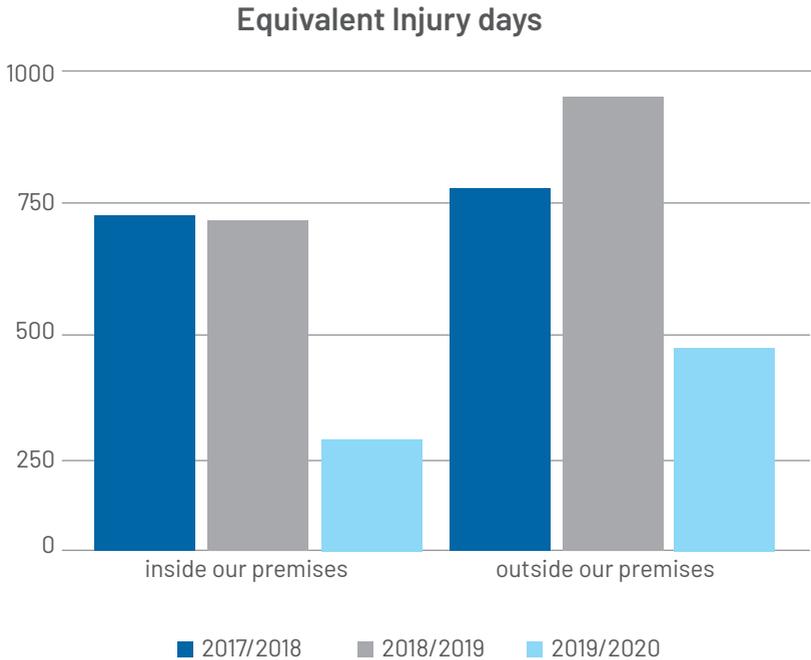
Since 2019, Taiping production and logistics site, the Group's main employer, has its own in-house clinic to provide better medical protection of all its employees.

Testimonial

"Being new to the Group, it is amazing to hear the tone that executive leaders use on integrity and ethics. They emphasize and highlight these at every turn; by incorporating them in our E.S.G report, making a commitment to our customers and stakeholders. Diversity and gender equality have been our core values and it is heartening to see that we are only 3% away from gender balance in the Management Category. I trust that we can work together to better foster diversity and gender equality in the workplace." **Mrs Serena Lee**, HR Manager



Occupational Health and Safety



For the period from July 2018 until June 2019, we had 1,620 injury days, For the period from July 2019 until June 2020, we had 744 injury days, comprising 295 injury days inside our premises and 449 injury days caused by commuting road accidents.

Comparing to the previous period: we have reduced the total number of injury days by 54%. This is a major breakthrough, achieved through various avenues which are detailed below. The restriction of circulation due to the Covid situation may have contributed to these encouraging figures. Nevertheless, we hope that this new cap could become our reference in the future. Our next report will show how we intend to maintain these good results. We are aware that monitoring the injury days is insufficient to evaluate our performance in terms of Health and Safety. This lagging indicator is only an indication of an event that already happened. Next year

we will share a new set of leading indicators that will unveil our pro-active approach.

Numerous actions have been launched to improve the safety conditions in our factories. The floor of our preparation rooms has been changed to prevent slipping. We managed to find a suitable floor coating ensuring both food hygiene and safety for our workers, which was a challenge as factory floors need to be cleaned continuously and therefore remain wet most of the time.

Proximity and reactivity are important as far as first aid is concerned. We decided last year to build an in-house clinic for our three main manufacturing and logistics sites. This new service allows us to respond quickly to medical needs or injuries; professionals are able to make correct diagnoses and, when needed, direct any case to a medical specialist without delay.

A major improvement last year was the implementation of an **Environment, Health and Safety Department (EHS)** in our organisation. Even if the resources already existed for these individual areas, grouping and organising them into a new department allowed us to formalise our practices. The objective is also to reach a higher level of competency in this field and to improve our results. This team has been reinforced with the recruitment of one additional Health and Safety Executive and one Safety Assistant in each of our two main factories.

To fully monitor our health & safety actions, we are assisted by a piece of online inspection software, named iAuditor. This helps us build our audit checklist, conduct inspections using tablets live in the field, and to automatically generate reports and statistics. Team efficiency is thus significantly increased, allowing them



to spend more time out in the field.

In 2 years, we have conducted more than 300 inspections and identified more than 700 issues that have been solved and improvement ideas that have been implemented.

Concerning road safety, our influence is limited but we try to keep our workers aware of the risk of driving. The number of road accidents in Malaysia is high and behavioural change among motorcycles and youth is a challenge. We recently launched a safety program to raise awareness among our workers. Covid-19 has slowed down our training and awareness activities, but we will present more details about this road-safety program in our next report.

Our offices are now equipped with CO2 meters that warn us when the air quality is not optimal. Before Covid, we were surprised by the high values of CO2 measurements in meeting rooms. This was due to high numbers of people in confined places during hours of work. We took corrective actions and installed air ventilation in the problematic offices and rooms. The wellbeing of our staff has improved and with it their productivity.

BizSafe 3 Singapore

In May 2019, both Denis Asia Pacific (DAP) and Clouet Trading (wholly owned subsidiary of DAP) were awarded the BizSafe Level 3 certification by the Singapore Workplace Safety and Health Council.

The BizSafe 3 Certificate is awarded to organisations that show top level management commitment and participation in creating a safe and healthy workplace for its employees. This involves setting a corporate policy on Workplace Safety and Health and implementing programmes to continually improve safety and health practices in its workplaces.

The BizSafe 3 certificate is widely recognised by businesses and government agencies as an indicator of a good organisation to conduct business with. In fact, we had already been asked by some potential customers to declare our BizSafe certification status as a consideration in doing business with them.

At both Denis Asia Pacific and Clouet Trading offices, we have formed a Workplace Safety and Health (WSH) team that comprises members from different departments. The team is headed by a senior management staff member and meets regularly to ensure all safety and health matters are closely monitored and adhered to.

- All the WSH team members have attended the required training and are fully certified to perform their roles competently.
- The WSH team conducted regular risk assessments of our worksites and operational processes and implemented safe-work procedures to eliminate or minimize the risks in our workplace.
- Regular updates and communication on safety and health matters were posted on notice boards to raise awareness amongst our staff and ensure good practices are adhered to.
- A series of 10 e-learning videos covering various safety and health issues & good practices were produced and circulated to our staff to ensure everyone practises and embraces a safe working environment.
- Fire drills and evacuation exercises were conducted to prepare our staff in case of emergencies.
- In addition, we have an in-house team of certified first aiders to respond quickly to any injuries or illness in our workplaces before medical assistance arrives.

Employee safety and health is of utmost importance in Denis Group and this will always remain a key priority in our organisational culture and work practices.

MyKenzen

MyKenzen is a nutrition service consulting company developed by Denis Group in Singapore helping individuals, corporate entities, government boards, food service and manufacturing industries and the public to promote overall health & well-being.

MyKenzen extends its efforts into promoting good diet awareness and regular physical activities for the employees of the companies under DAP.

A few examples of these initiatives: In Singapore, employees receive a piece of fresh fruit weekly, together with an information e-note about the benefit of this specific fruit. Staff members are also encouraged to participate in walks in the parks around the office to get more physical exercise. In Thailand, employees have a weekly vegetarian lunch together sponsored by the company, under an initiative named "Green Monday".

All these initiatives have been either suspended or adapted during Covid in order to comply with the protocols and regulations implemented during the various phases of the pandemic's governmental response.

Covid-19 Response

With the onset of the Coronavirus pandemic in 2020, it was crucial for our business to respond swiftly to take care of the safety, health and well being of our employees and yet ensure business continuity.

In our manufacturing plants, we implemented protocols in full to protect our employees. Physical distancing, face-masks and hand washing are now part of our day-to-day operations. Several adjustments were necessary on our production floor to protect our employees. For example, we partitioned our production line with physical barriers that are sanitized regularly. We staggered our timetables to avoid concentrations of people in the same

area at the same moment. All common areas are sanitized 3 times per day and hand sanitizer is available in key locations. Access to our premises is strictly controlled and limited to the essential. We conducted contact tracing on many occasions when an employee was considered at risk.

Luckily, we did not detect any Covid-19 among our manufacturing staff. Conscious that it could happen at any time, we have developed an emergency procedure to be prepared for this scenario.

In our offices and warehouses across the South East Asia region, strict protocols are implemented to ensure safe distancing among staff and clean hygiene practices are carried out daily. Personal protective equipment such as face shields, gloves, masks and hand sanitisers are provided for our staff. Staggered hours, team rotations and work from home arrangements are some measures implemented for office staff to allow for non-peak hour commuting while managing the number of staff working at the office.

Fruit and Vitamin C supplements are also provided to employees to help in building immunity. Our nutritionist from MyKenzen shared healthy and tasty recipes with employees, featuring our products. Programs like Cardio Workout and Calligraphy were conducted via Zoom to keep staff engaged while they worked from home.

In addition, committees such as the Covid-19 Safe Management Committee, Emergency Response Team and Covid-19 Business Continuity Planning Committee were quickly formed to meet regularly to discuss and brainstorm ideas to ensure the safety of our people while adhering to the recommended local legislation.

Covid-19 will continue to influence our activities in 2021 and we will continue to do everything in our power to protect our employees, their families and the community.

Our Consumers

We seek to offer our consumers tremendous benefits that go beyond tightening world regulations and consumers' normal expectations.

Clean labels

As a food manufacturer and marketer, we aim to produce and distribute products which are as close to 100% natural as possible.

We use additives only when it is not possible to do without.

Our promise is that our flagship trademark Ayam Brand™ should be synonymous with clean labels, which means:

- a short and honest ingredient list
- GMO-Free
- Preservative-Free
- MSG-Free
- Trans fat-Free

In 2018, we reinforced the above requirements with a new policy, named "Green Labels".

Depending on the market, around 350 to 400 additives are legally authorized to be used for food. We have reduced the number of additives down to around one hundred, selecting only those additives with a pristine reputation.

With this initiative, we believe that we are paving the way for mass market food which is more natural, safer and healthier.

Mercury

Canned tuna is one of the main lines of our product ranges. We enjoy significant market share in Malaysia, Singapore and Brunei.

The presence of mercury in pelagic fish is one of the main concerns of tuna consumers.

We consider it our duty to inform consumers and to provide them with complete peace of mind when they consume tuna under our trademarks. We have therefore, since July 2016, sent each and every batch of our tuna production for mercury analysis by an independent laboratory.

From July 2016 to October 2020, we had 3,717 batches of canned tuna tested.

- Mercury was not detected in or was not quantifiable in 99.8 % of the batches. (The limit of detection is 0.04 ppm and quantification 0.13ppm).
- 0.2% of the batches had a mercury level ranging from 0.13 ppm to 0.17 ppm.

Stringent regulations worldwide fix a limit of 0.5 ppm of ethyl mercury. As expected, our consumers can continue to enjoy our canned tuna without any worries about mercury.

As far as we know, we remain the only mass market tuna brand worldwide to check all its production of tuna for mercury, despite this being ranked as the primary concern of tuna consumers.

Radioactivity

We are aware that radioactivity of pelagic fish could be an issue for some of our consumers. Even if this concern is somehow irrational for professionals, we consider it our duty to reassure consumers when needed.

To address this problem, we test samples from every single batch of sardines and mackerel. As of end October 2020, we have tested 6,000 batches. All tests have shown non-quantifiable levels of radiation.

This therefore means that all analysis results have consistently been negative and that consumers can be sure that the fish produced under our trademarks is monitored and has not been exposed to radioactive pollution.

BPA

BPA stands for bisphenol A. BPA is an industrial chemical that has been used to make certain plastics and resins since the 1960s. BPA is found in polycarbonate plastics and epoxy resins. Polycarbonate plastics are often used in containers that store food and beverages.

From 2011, Bisphenol A was prohibited in the composition of plastic for babies' bottles due to concerns that the compound could act as a hormone disrupter.

In 2019, France went a step further and BPA was prohibited in all packaging coming in contact with food, including cans.

As we seek to follow stringent global food regulations, DAP has, since 2015 (and under pledge number 5 in 2017), been working on the implementation of BPA-FREE linings in all its cans. It is long, tedious and demanding work with real time ageing tests, to make sure that the new lining is better and safer than the existing coating.

We have been able to introduce BPA-FREE linings in cans for all sardines and mackerel in tomato sauce as well as our range of coconut products.

Most of our tuna cans today are produced with BPA-FREE linings and we plan to introduce this for other products during 2021.

In 2020, a very limited handful of products remain with coatings containing BPA as their real time ageing test was not conclusive. The R&D team will continue working on these products and their list will be published in the next report to achieve full transparency.

The list of products which are not yet produced in cans with BPA-FREE linings in 2020 is as follows:

- **Barley**
- **Cream Corn & Corn in Brine**
- The range of **Baked Beans**
- **5 canned tuna recipes:**

(160g Malaysian Curry Tuna, 160g Tomato Chilli Tuna,
160g Black Pepper Tuna, 95g Chilli Tuna, 95g Deli Tuna Natural)

Our World

DAP companies have always been close to the community. Our companies have participated for many years in several social and charitable activities with local partners. There are multiple examples of this.

Community Care campaign

To eat is a basic human need. As a food manufacturer and marketer, our obvious duty is to provide vulnerable people in our direct proximity with healthy and quality food.

Through its long-running Corporate Social Responsibility programmes, Ayam Brand™ has contributed more than 2 million healthy meals for charity, providing nutritious food to more than 21,800 people from 524 charity organisations and NGOs over the past 12 years. Covid-19 drastically changed our plans for our 13th annual Ayam Brand Community Care Campaign. We had to be agile and think outside the box to deliver a great CSR campaign despite the limitations of Covid-19. Below is a summary of our actions conducted in Malaysia.

Phase 1 Contribution to Frontliners at Sungai Buloh Hospital

- In view of the COVID-19 outbreak, we donated 9,600 of our canned products to Sungai Buloh Hospital to distribute among the frontliners in appreciation of their sacrifice and dedication.

Phase 2 Ayam Brand™ Community Food Pantry for Charity Homes

- **"TAKE WHAT YOU NEED, LEAVE WHAT YOU CAN"**. We help charities and empower them to help the surrounding communities. 13 charity homes and one homeless shelter have been shortlisted in each Malaysian state. All of them will receive a 2 months' supply contribution of Ayam Brand™'s products for their residents.
- Meanwhile in terms of the Ayam Brand™ Community Food Pantry, Ayam Brand™ helps the charity homes to be a focal point for giving by being the host of a community food pantry. Charity homes become administrators and they are in charge of replenishing Ayam Brand™ products and updating us on contributions or sharing with the community. This food pantry will be presented as a "rack" painted in Ayam's signature red and yellow and placed outdoors. Community members who live nearby are welcome to take from this rack where necessary. The public may

also contribute food items and place them on the rack shelf. Community members also can do “exchanges” for example, they provide something edible such as biscuits in exchange for a can of Ayam Brand™’s products.

Phase 3 Open House with Charity Homes – Cook by Influencer

- We are engaging with local bloggers or influencers to develop and prepare a dish or recipe at their homes and they will deliver the dish to charity homes for Open House (during the month after Ramadan). Ayam Brand™ will provide products to the local bloggers or influencers in each state.
- The entire journey from dish preparation to dispatch to charity homes will be recorded by bloggers or influencers and will be shared on their digital platform via the hashtag #AyamBersamamu.

Phase 4 Donation to Orang Asli (Aboriginals)

- During Covid-19, CSR activities have been extended to reach the Orang Asli. We are donating products to remote Orang Asli communities in four states: Selangor, Pahang, Perak and Johor. Each family of Orang Asli will get 27 cans of Ayam Brand™ products in our Ayam Brand™ shopping bag and paper bags.

Ayam Brand E-charity portal

The aim of this portal is to enable more people to help communities in need using the convenience of online orders.

The Ayam Brand E-charity portal was designed to facilitate food donations in Malaysia as the first market to embark on this initiative with clear benefits:

- price with 15% discount. Donations are in cartons.
 - free delivery to charity homes within 10 working days.
 - full utilisation of donations (no management, no financial and no handling/ transportation fees).
 - quantities calculated based on real needs as listed by the charity homes.
- www.ayambrand.com.my/e-charity.

The public can choose how many of the products they wish to contribute to charity homes registered with the Department of Social Welfare Malaysia

and the Registrar of Societies. Only registered valid charity homes can benefit from this program. The website activities had, unfortunately, to be temporarily suspended during Covid.

Event participation

Our staff is highly motivated to participate frequently in the social and charitable life of its community. Rather than list all initiatives, we have selected a few examples, representative of this commitment:

- Our staff in Australia entered the Coleman Greig Challenge to raise money for three fantastic charities: St Gabriel's School, the Royal Institute for Deaf and Blind Children, and the Westmead Hospital Foundation. All funds raised will support children with special needs and newborn care. In October 2019, they hosted a curry fundraising event to support the Great Australian Curry. Staff cooked their favourite curry as well as donated to this cause. All proceeds went towards helping families in Asia escape poverty.
- In Thailand, our office regularly donates products to several organisations, such as:
 - the Bannang Sata Hospital in Yala province;
 - the Wat Phra Bat Nam Phu temple in Lop Buri province;
 - the Scholars of Sustenance Thailand;
 - the Ministry of Social Development & Human Security, for 10 central kitchens throughout Bangkok and suburbs as well as volunteer restaurants under the Thai Restaurant Association. This food is distributed to people affected by Covid-19 and medical staff.
- In Hong-Kong, our team arranged a half-day beach cleaning campaign. Equipped with biodegradable garbage bags and washable/reusable cotton gloves, they went to Approach Beach to collect trash and marine debris.

- In China, we continued our charity partnership with Tmall Flagship Stores:
 - Ayam Brand™ contribute 0.1 CNY for every sale in Tmall shops in a program to provide free healthy lunches for rural school students in 94 schools throughout China.
 - Alce Nero™ contribute 0.1 CNY for every sale in Tmall shops in a program to provide education and health insurance support for women in poor areas.

Additionally, since 2019, our Beijing office continues to support a program by donating 200 items of Ayam Brand and Alce Nero products every three months to a children's charity organization (RengYi House). Lastly, we continue our sponsorship in Sri Lanka with World Vision's Child Sponsorship program. We help both the sponsored child and other children in the community to enjoy good health, receive education, care and protection while contributing to making their community a better place to live.

- In Indonesia, several donations were arranged, among others for the victims of the earthquake in Banten and for medical personnel.
- In Singapore, we provide discounted pricing to Food from the Heart for Ayam Brand Baked Beans and Whole Kernel Corn as part of their monthly Community Food Pack distribution. We also distributed Baci chocolates to 7 out of 9 of the public acute hospitals in Singapore to show our appreciation to frontline workers during the peak of the Covid pandemic.
- In Borneo, no less than 191 events have been organised, such as a Blood Donation Campaign, Children's Colouring Contest, Sports Events, Orphanage Visits and Cooking Competitions.
- Staff at our factories and offices frequently participate in blood donation sessions.

Some of these activities are shown in the pictures below.



DAP in Action





Social Initiatives



Governance & Ethics



Governance and Ethics

DAP has an excellent reputation for governance and ethics, built with consistency and determination over its long business history. The company intends to remain committed to the highest ethical and professional standards and also to integrate new governance and ethics requirements as the world moves towards more transparency, complexity and globalization.

In our two year ESG Master Plan 2020 and 2021, DAP management will focus on the regional harmonization of best practice, better awareness of gender equity and the fight against corruption and bribery.

Governance

DAP, including its subsidiaries and related companies, is committed to the highest corporate governance practices.

The Board of Directors of Denis Asia Pacific Pte Ltd consists of ten members, including the Chairman, with overall responsibility for the approval of strategic plans, budgets, investments and financial results and for the support of the Group CEOs responsible for bottom-line operations. As part of its commitment to best practice, the Company pays specific attention to the composition of the Board and guidance thereof, the role and responsibility of the Directors, access to information and conduct of shareholders meetings.

Internally, an Audit Committee is in place, reporting to the Board of Directors, with responsibility to review audit plans with internal & external auditors, to consolidate audited accounts, to perform internal audits and to investigate any matters related to the Company's internal control system.

Three directors of Denis Asia Pacific Pte Ltd make up the Board of Directors of SFI Supply Management. This board adheres to the same principles of governance and audit protocols.

Ethics

(1) Code of ethics

DAP has a company code of ethics, which is published in the employee handbook and/or on the intranet for the companies that have it.

(2) Zero tolerance policy for severe wrongdoings

DAP has a zero tolerance policy for severe wrongdoings, therefore employees and outside parties, such as suppliers, customers, contractors and other stakeholders, are requested to report any issue to the management. They may use a website, 'DG-report.net', where their anonymity will be protected. The zero tolerance text together with the whistle-blowers' link are printed on the first page of text of the employee handbook. This may be used to report any concern or complaint regarding:

- (1) Corruption and bribery
- (2) Failure to comply with laws and regulations
- (3) Harassment
- (4) Discrimination on the basis of gender, cultural background or origin, and disabilities
- (5) Theft
- (6) Forgery
- (7) Misappropriation of funds and classified documents
- (8) Abuse and misrepresentation of power and authority

This procedure is meant to protect genuine whistle-blowers from any

unfair treatment as a result of their report. Denis Group encourages employees and outside parties to put their names to their allegations whenever possible.

To be fair to any employee designated by an anonymous report, such reports will be examined by the Ethics Committee with a view to discarding frivolous claims and allegations without evidence. For serious and documented reports, it is the Ethics Committee's duty to investigate and, even, to report to police if required by the gravity of the offence.

The Ethics Committee

The Ethics Committee has three main roles:

- (1) to set ethics rules that apply to all companies under DAP, except if the local law regulates differently.
- (2) to approve local company ethics & rules of behaviour.
- (3) to deliberate on reports of severe wrongdoings and to suggest what steps should be taken by the CEOs, including disciplinary sanctions or dismissal, if needed. Should the CEOs choose not to follow the Ethics Committee's recommendations, they must inform the company shareholders with their reasoning.

The Ethics Committee should be made up of representative(s) of the shareholders, of the CEOs, and representative(s) of the senior management. It should include at least one external member, chosen for his/her knowledge of the company and his/her moral standing.

As of today, the Ethics Committee's external member is Mrs. Ai Ming Lee, Senior Partner at Dentons-Rodyk, Singapore Judge of Peace,

Member of Singapore Copyright Tribunal, independent Director in the Boards of Agri-Veterinary Board of Singapore (AVA), Keppel Land Ltd, K- Reit Ltd and HTL Holdings Ltd.

The Ethics Committee met online on December 10th, 2020 to review the previous ESG period.

- There were no reports through 'DG-report.net'. This well-functioning website is regularly checked by IT. The link "report to Ethics Committee" has been extended to all our main websites and all companies have been requested to add it to their respective staff handbooks.
- The Ethics Committee reviews the situation on gender equity as described in page 73 of the report. Despite a good overall ratio, the committee commented in the previous report on the low percentage of females in top management, despite no discrimination for these top level jobs. It is difficult to have exact gender equality in top management but what really matters is the equality of opportunity, the consideration necessary for females at certain times of their careers such as specific time management during pregnancy or when children are young, coupled with equality in salary with males at the same job level.

In 2020, DAP recruited four key-level managers: a General Manager, a Senior Digital Manager, a HR Manager and a Marketing Manager.

Out of these four new key level positions, three have been occupied by females.

At the level of DAP, the recruitment of 3 female key managers has significantly improved the ratio of gender equity for upper management.

- The Ethics Committee is aware that HR best practice is not at the same level in all DAP companies, therefore DAP has invested in a skilled HR Manager with the ambition to implement the highest equivalent HR standards throughout the whole Group.
- The Ethics Committee, at the request of shareholders and CEOs, decided, for the next ESG action plan, to focus specifically on the fight against corruption and bribery. The plan will specify different obligations to be fulfilled according to the risk of various categories of employees being exposed to corruption:
 - Factory and warehouse workers will have yearly training with public oral pledges.
 - Office employees will have to validate yearly e-learning to get a mandatory e-certificate.
 - Staff potentially at risk (sales, procurement, marketing,...) will have training sessions every two to three years with specialists (anti-corruption bureau, consultant or lawyers) and should sign a written pledge.

Corruption and bribery will mean suspension of work during the investigation and if proven, automatic dismissal and reporting to the relevant public authorities.

The zero tolerance tone at the top should be understood by all company employees.

Whilst we are working on e-learning videos and e-certificates, our public oral pledges have been delayed because of the implementation of safe distancing policies imposed by the Covid-19 situation. DAP intends to implement them as soon as public gatherings are allowed and considered to be completely safe.



Conclusion

Conclusion

2020 has been a year of operational resiliency for our company. While dealing with the disruption resulting from the pandemic, we managed to adapt and to ensure continuity across our operations, with in mind, employees' safety first.

2020 has been also a year of corporate resiliency as we did not compromise on ESG, despite the chaos arising from the crisis. We maintained our objectives as per target. The crisis actually drove our attention further to environmental, social and human capital matters, inspiring us to reshape areas of corporate focus.

As we look to emerge from the business disruption in the wake of the pandemic, evolving challenges are presenting themselves. We are preparing for a new future in terms of needing to be more socially purposeful and environmentally impactful. Obviously, as we accelerate into uncertainty, effective & transparent governance has become a priority for us.

We remain actively on track to achieve, next year, all targets defined as part of our latest two-year ESG action plan. We will report progress accordingly with our 2021 Master Report, due by December 2021.

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