



OUR PILLARS

TO SUSTAINABLE VALUE CREATION



Board Statement

GRI DISCLOSURE INDEX

<102-1> <102-14>

At Delfi, we believe that our purpose is to **sustainably create value** for our stakeholders. Our employees. Our community. Our customers. Our consumers. Our investors. Delfi has been in existence for 67 years, and since our humble beginnings in 1952, we have been creating value by creating jobs, livelihood and profits, producing enjoyable products and paying taxes. Value creation is our primary responsibility, which we intend to fulfil for many generations to come. In creating value for the present, Delfi believes in being responsible and acting responsibly for the needs and aspirations of future generations.

The Board is pleased to present Delfi Limited's third Sustainability Report, which illustrates Delfi's commitment towards sustainability to our stakeholders. At Delfi, we firmly support the United Nations' view that **"Sustainable development is 'development that meets the needs of the present without compromising the ability of future generations to meet their own needs'."**¹ Businesses play a key role in advancing global sustainable development. As such, we are committed to our corporate social responsibility and sustainability mission, as we seek to embrace the needs of both the communities we work in and our customers, whilst at the same time caring for the environment and acting in the interests of our stakeholders.

The Board considers sustainability a core part of Delfi's strategy and works closely with Management in determining the material environmental, social and governance ("ESG") concerns which are embodied in our Sustainability Foundation. The Board also plays a crucial role in overseeing the management and monitoring of the material ESG concerns.

In complementing Delfi's customary and regulatory financial and corporate governance disclosures in our Annual Report, our Sustainability Report focuses on the ESG aspects of Delfi's organisational performance in accordance with the Singapore Exchange Limited ("SGX") Listing Rules 711A and 711B for sustainability reporting. Sustainability reporting enables Delfi to strategically review our business in the context of our material sustainability impact, alongside a phased disclosure of our performance with insights into the opportunities and challenges ahead.

At the bedrock of our organisation, are the four key sustainability pillars of social, environmental, economic and governance which together encapsulate our approach to sustainability. With the conviction of growing with our communities and the world, the overarching concept of sustainable value creation underpins all that we do. Akin to the cocoa tree, sustainable growth can be achieved when both our internal and external environment offers an optimal condition for us to thrive. Our key stakeholders are the identified people and groups that can significantly affect or be significantly affected by our organisation. As we flourish, our influence and impact on our stakeholders widens as well. The challenge therein, is for us to consistently propagate the fruits of our labour through value creation, meeting their needs and expectations.

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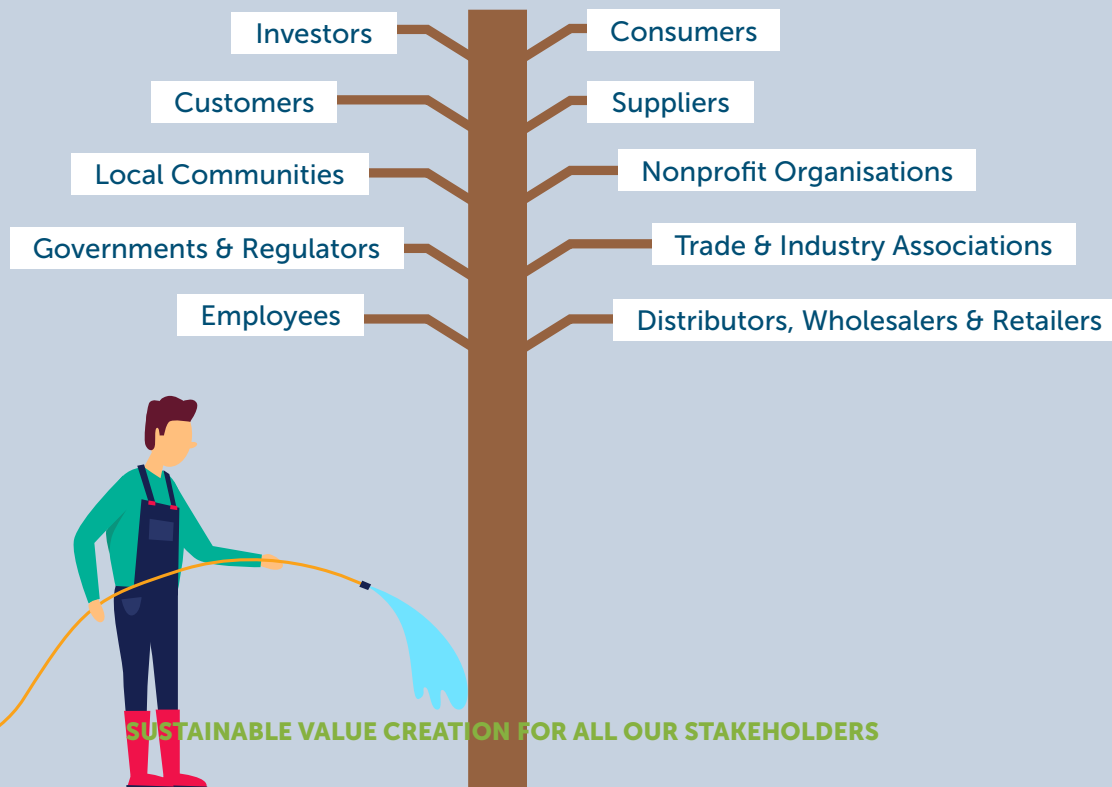
1 United Nations World Commission on Environment and Development, Our Common Future (1987)

Board Statement

We Care and Are Always With You

DELFI'S SUSTAINABLE VALUE CREATION ECOSYSTEM

Influence And Impact Of Sustainability Matters



Anchored By Our Four Sustainability Pillars

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About This Report

This report reaffirms Delfi’s commitment towards sustainability to our stakeholders. At Delfi, we firmly support the UN’s view that **“Sustainable development is ‘development that meets the needs of the present without compromising the ability of future generations to meet their own needs’.”** Businesses play a key role in advancing global sustainable development. As such, we are committed to our corporate social responsibility and sustainability mission, as we seek to embrace the needs of both the communities we work in and our customers, whilst at the same time caring for the environment and acting in the interests of our stakeholders. The report provides an overview of the progress that Delfi has made towards achieving material sustainability throughout our business.

REPORTING PERIOD AND SCOPE

<102-45> <102-50> <102-51> <102-52>#

This report consists of information reflecting our sustainability performance in the period 1st January 2019 to 31st December 2019 (“FY2019”), with prior period performance (“FY2018”) included for comparison purposes where possible.

The report covers our significant operations in Singapore, where Delfi is headquartered, and our key subsidiaries in Indonesia, the Philippines and Malaysia. We have included Malaysia to the scope of the Sustainability Report as part of our phased approach to Delfi’s sustainability reporting. Unless otherwise noted, all sustainability data and information relate to the following entities:

Entities	Country	Principal activities
Delfi Limited	Singapore	Marketing and distribution of products, Investment holding
Ceres (International) Marketing Pte Ltd	Singapore	Marketing of products
McKeeson Consultants Private Limited	Singapore	Management consultants
PT Perusahaan Industri Ceres	Indonesia	Manufacturing and marketing of products
PT General Food Industries	Indonesia	Marketing and distribution of products
PT Nirwana Lestari	Indonesia	Marketing and distribution of products
Delfi Foods, Inc.	Philippines	Manufacturing of products
Delfi Marketing, Inc.	Philippines	Marketing and distribution of products
Delfi Marketing Sdn Bhd (Malaysia)	Malaysia	Marketing and distribution of products

As our sustainability reporting matures, we plan to expand our reporting scope to cover more of our operations.

REPORTING STANDARDS AND GUIDELINES

<102-54>

This report has been prepared with reference to the Global Reporting Initiative (“GRI”) Standards: ‘Core’ option. The GRI Standards was selected because it offers a globally relevant framework that supports a standardised approach for businesses to report on critical sustainability issues, encouraging a degree of transparency and consistency that makes information useful to markets and society. We have applied the GRI Reporting Principles for Defining Report Content and Quality in the overall preparation of this report. Reference has also been made to the Singapore listing rules and its primary components set out by the SGX’s Sustainability Reporting Guide.

INDEPENDENT ASSURANCE

<102-56>

Independent assurance has not been sought for this report. We may consider external assurance as our reporting matures over time.

FEEDBACK

<102-3> <102-53>

We welcome feedback from all our stakeholders in shaping Delfi’s sustainability policies, practices, performance and reporting. Please email us your views and suggestions at enquiry@delfilimited.com or send them to:

Chairman MSSC
Delfi Limited
TripleOne Somerset
111 Somerset Road, #16-12
Singapore 238164

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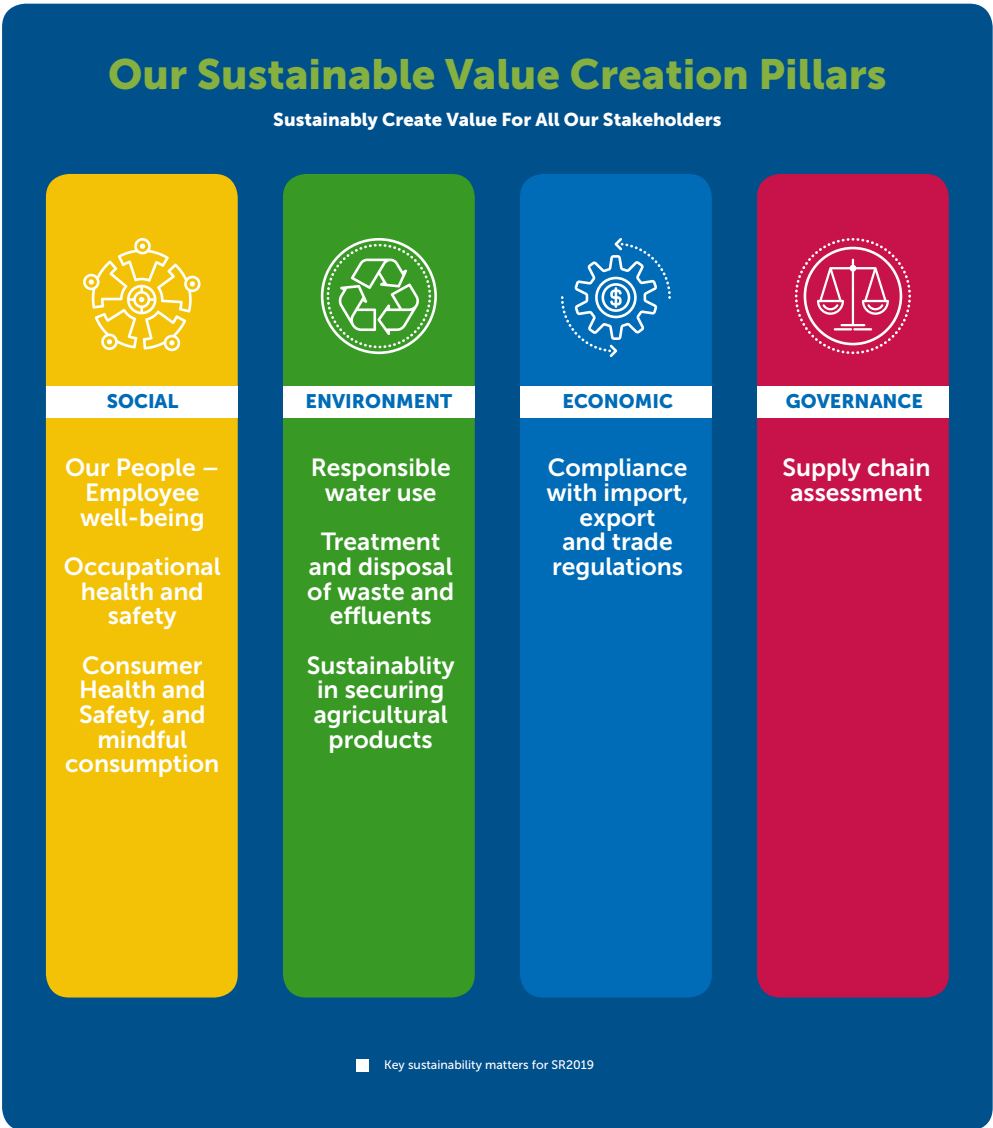
GRI General Disclosure Standards

About This Report

OUR SUSTAINABILITY PILLARS AND MATERIAL SUSTAINABILITY MATTERS

<102-46> <102-49>

Our Four Sustainability Pillars are the themes of social, environmental, economic and governance issues. These affect and shape our sustainability mission. During the year, we have reviewed and determined the relevance of the Group’s existing material sustainability matters and our key stakeholders within each of these Four Sustainability Pillars. Our material sustainability matters embodied in the Four Sustainability Pillars comprise all the goals and initiatives necessary to consolidate our sustainability foundation (“Sustainability Foundation”). This is illustrated as follows:



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ABOUT DELFI

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Delfi is one of South East Asia’s leading players in branded chocolate confectionery. Headquartered in Singapore and listed on the Mainboard of the Singapore Exchange Limited (“SGX”) since 2004, our principal activities are marketing and distribution of our own brands of chocolate confectionery products in our core markets namely Indonesia, the Philippines, Singapore and Malaysia. In addition to our own products we also market and distribute a broad portfolio of reputable agency brands to leverage on our multi-layered distribution networks.

Our business is supported by two manufacturing facilities located in Indonesia and the Philippines. Our network comprises third-party distributors, sub-distributors and wholesalers and extends across a wide range of traditional and modern trade retail channels – from corner shops and mini-marts, to supermarkets and hypermarkets. Delfi has been in existence for 67 years, and since our humble beginnings in 1952, we have been creating value for all our stakeholders by creating jobs, livelihood and income. Value creation is our primary responsibility, which we intend to fulfil for many generations to come.



OUR BRANDS

<102-2> <102-7>

Our main product categories are moulded chocolate, dragées, enrobed wafers, wafers and biscuits. We have a portfolio of over 11 master brands and more than 40 sub-brands that extend across a broad spectrum of categories in the chocolate confectionery market.

Our established portfolio of brands in Indonesia includes “SilverQueen”, “Ceres” and “Selamat”, which were introduced in the 1950’s and “Delfi” in the 1980’s. In the Philippines, our flagship brands are “Goya” and “KnickKnacks”, which were introduced in the 1950’s and the 1980’s respectively. With our longstanding presence and legacy in these markets, our chocolates have delighted many generations of Indonesians and Filipinos. To complement our current portfolio of brands, in 2018, we acquired the exclusive and perpetual trademark rights to the “Van Houten” brand name for consumer chocolate products for markets in Asia, excluding India, Korea and the Middle East.

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2019 HIGHLIGHTS

Social

Our employees, customers and consumers



As at end 2019, we have a workforce of 2,775 in the Delfi family, with a ratio of 57 Male to 43 Female.

With respect to occupational health and safety, we achieved our target of zero incidents resulting in fatalities in FY2019 and are in the midst of migrating to ISO45001 certification.

We are also proud to share that our products are now free from artificial trans-fats.

Environment

Management of our water consumption, waste and effluents

This year, we achieved a 1% reduction in our overall water per unit of production output and a 10% reduction in overall waste per unit of production output.

On a per metric ton basis, the total volume of water discharged was 1.44 m³ per metric ton ('MT') which was an increase of 5% from the prior year. The increase was largely due to the collection of rainwater in addition to processed water, which flowed through our wastewater treatment plant.



Economic

Compliance with import, export and trade regulations



At Delfi, we believe that our purpose is to sustainably create value for all our stakeholders.

We continue to achieve our target of zero incidents of non-compliance with applicable import, export and trade regulations.

Governance

Supplier engagement and assessment

With the launch of our Supplier Self-Assessment Program in 2018, about 86% of our new suppliers had undergone this assessment which allows us to evaluate them on their compliance, as well as, management of social and environmental aspects of their business.



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Our Four Sustainability Pillars comprise the following key sustainability matters:

Sustainability Pillars	Key Sustainability Matters	Mapped GRI Standards Topics	Page
Social 	 Employee well-being	GRI 401 : Employment	11
	 Occupational health and safety	GRI 403 : Occupational health and safety	13
	 Consumer health and safety, and mindful consumption	GRI 416 : Customer health and safety GRI 417 : Marketing and labelling	15
Environment 	 Responsible water use	GRI 303 : Water and effluents	18
	 Treatment and disposal of waste and effluents	GRI 306 : Effluents and waste	20
	 Sustainability in securing agricultural products	This is not identifiable under GRI as a topic. Please refer to page 23 for our approach.	23
Economic 	 Compliance with import, export and trade regulations	This is not identifiable under GRI as a topic. Please refer to page 25 for our approach.	25
Governance 	 Supply Chain Assessment	GRI 308 : Supplier Environmental Assessment GRI 414 : Supplier Social Assessment	29

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OUR VALUE CREATION CHAIN

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We consider our impact on sustainability at all points along our value creation chain. The following table highlights where each of the key sustainability matters described, is a consideration.

			
	Innovation	Sourcing	Production
Key stakeholder groups that affect or are affected by our activities	▶ CONSUMERS ▶ EMPLOYEES ▶ GOVERNMENTS & REGULATORS ▶ INVESTORS	▶ EMPLOYEES ▶ GOVERNMENTS & REGULATORS ▶ INVESTORS ▶ LOCAL COMMUNITIES ▶ NONPROFIT ORGANISATION ▶ SUPPLIERS ▶ TRADE & INDUSTRY ASSOCIATIONS	▶ EMPLOYEES ▶ GOVERNMENTS & REGULATORS ▶ INVESTORS ▶ LOCAL COMMUNITIES ▶ NONPROFIT ORGANISATION ▶ TRADE & INDUSTRY ASSOCIATIONS
Key responsibilities to stakeholders	• Compliance with all applicable laws and regulations • Safe work environment for employees and non-employees • Innovation, research and development of products • Nutrition and wellness of products	• Compliance with all applicable laws and regulations • Safe work environment for employees and non-employees • Responsible sourcing and consideration of social and environmental impacts in supply chain	• Compliance with all applicable laws and regulations • Safe work environment for employees and non-employees • Consideration of social and environmental impacts of activities • Consumer health and safety
Impact on our Sustainability Pillars and our Material Matters			

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Key sustainability matters



Employee well-being



Occupational health and safety



Consumer health and safety, and mindful consumption



Responsible water use



Treatment and disposal of waste and effluents



Sustainability in securing agricultural products



Compliance with import, export and trade regulations



Supply Chain Assessment

Introduction

OUR VALUE CREATION CHAIN (CONT'D)

<102-9>

We consider our impact on sustainability at all points along our value creation chain. The following table highlights where each of the key sustainability matters described, is a consideration.

	Logistics	Selling	Consumer
Key stakeholder groups that affect or are affected by our activities	▶ CONSUMERS ▶ CUSTOMERS ▶ EMPLOYEES ▶ GOVERNMENTS & REGULATORS ▶ INVESTORS ▶ LOCAL COMMUNITIES ▶ TRADE & INDUSTRY ASSOCIATIONS	▶ CONSUMERS ▶ CUSTOMERS ▶ EMPLOYEES ▶ GOVERNMENTS & REGULATORS ▶ INVESTORS ▶ LOCAL COMMUNITIES ▶ TRADE & INDUSTRY ASSOCIATIONS	▶ CONSUMERS ▶ GOVERNMENTS & REGULATORS ▶ INVESTORS ▶ LOCAL COMMUNITIES
Key responsibilities to stakeholders	• Compliance with all applicable laws and regulations • Consumer health and safety • Safe work environment for employees and non-employees • Consideration of social and environmental impacts of activities	• Compliance with all applicable laws and regulations • Consumer health and safety • Safe work environment for employees and non-employees • Responsible marketing and labelling	• Compliance with all applicable laws and regulations • Consumer health and safety • Responsible marketing and labelling
Impact on our Sustainability Pillars and our Material Matters			

Key sustainability matters



Employee well-being



Occupational health and safety



Consumer health and safety, and mindful consumption



Responsible water use



Treatment and disposal of waste and effluents



Sustainability in securing agricultural products



Compliance with import, export and trade regulations



Supply Chain Assessment

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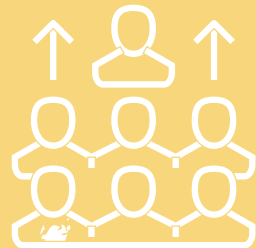
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Our People

PROFILE OF OUR WORKFORCE

<102-7> <102-8>

People are at the heart of our organisation. As of 31 December 2019, we had a total of 3,836 employees across Singapore, Indonesia, the Philippines and Malaysia, of which 2,775 were hired on a permanent contract basis. The average length of service of our permanent staff is about 9 years. We hire based on merit and are committed to upholding fair employment practices. Any form of discrimination has no place in our organisation and we believe strongly in providing our people with equal opportunities and benefits for them to reach their full potential. We are compliant with all relevant labour laws and regulations in the countries in which we operate. Due to the nature of the manufacturing industry, a large number of roles tend to be more physical, which explains the higher percentage of males within our workforce. The semi-seasonal nature of our work also accounts for the use of temporary workers.



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Employee Well-Being

SIGNIFICANCE OF IMPACT

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Having sound human resource policies and practices are critical to our organisation as it allows Delfi to attract and retain the right talent to foster growth, development, creativity and value creation for the Group. We understand that having the right individual in the right position can have a profound impact on the performance of the Group and generate shareholder value. We acknowledge that our continued success is based on the commitment and joint effort of our employees. Similarly, we recognise that the provision of equitable opportunities for personal development and career advancement on top of tailored training to allow our employees to effectively discharge their duties in a safe manner are of equal importance in ensuring the well-being of our employees and further, helping them to fulfil their potential.

MANAGEMENT APPROACH

<103-2> <103-3>

Policy

At Delfi, we believe that effective employee management policies should encompass all aspects from strong hiring practices, employee performance and employee conduct.

Our Hiring & Human Resource (HR) Management policy is in place to ensure that we hire the appropriate number of individuals with the right expertise to ensure the smooth operation of the organisation. In addition, we strongly adhere to the principle of non-discriminatory hiring. For employees, we conduct periodic performance reviews to ensure that every individual has a fair and equitable chance to progress within the organisation and is given room for personal development.

Delfi has a strong Business Ethics & Integrity policy that guides employees on their conduct to ensure that there is no conflict of interest between the employee and the company. Additionally, Delfi has an anti-sexual harassment policy and a code of conduct that promotes racial and religious harmony, as well as anti-bullying, to ensure that such behaviours are not tolerated at the workplace.

We comply with all relevant labour laws and regulations.

Commitments & Targets

We are committed to building a working environment that is conducive, inclusive and diverse.

In addition, we have following targets:

Scope	Current Targets	FY2019
Group-level	Conduct yearly performance and career development reviews	Achieved
Group-level	To send staff for regular training and education	Achieved

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Employee Well-Being

PRACTICES AND PERFORMANCE

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NEW HIRES AND TURNOVER²

<401-1>

There was sufficient manpower to meet our core operational needs during the year. However, to meet anticipated surges in demand during yearly festive periods such as Ramadan and Christmas, temporary workers are recruited which often include rehiring those familiar with Delfi's operations and those with a preference for such short-term contracts, thereby accounting for the overall turnover rate and correspondingly, new hire rate of 43.2%. Our permanent staff turnover rate was at about 12% for 2019.

EMPLOYEE BENEFITS

<401-2>

Delfi cares about its people. Beyond rewarding employees with remuneration that is commensurate with the efforts and performance delivered in helping the business achieve its goals, Delfi is invested in the well-being and morale of our employees. In our belief that happy employees will in turn raise productivity and efficiency, Delfi offers an extensive suite of employment benefits tailored for our full-time employees. Apart from the provision of baseline benefits mandated by respective local labour regulations, the HR team works closely with the country units in reviewing the non-monetary performance-based rewards and programs offered. Our benefits package may include life insurance, medical care benefits, disability coverage, parental leave and retirement provisions. We only partner with globally-recognised and reputable third party medical and financial organisations, with the aim to provide quality healthcare services and a holistic coverage for our employees.

Number (and Rate) of New Hires and Turnover³, by Gender

	Male	Female
New Hires	1025 45%	633 40%
TurnOver	1165 51%	747 48%

³ The total turnover rate of 49.8% illustrated above per the GRI rules, was driven largely by temporary short-term contract workers and part-time workers, who prefer not to be bound by long-term or permanent contracts.

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² Rates are computed by total employee numbers by gender, as at end of financial year 2019.

Occupational Health and Safety

SIGNIFICANCE OF IMPACT

<103-1>

At Delfi, a safety culture is deeply rooted in our organisation and everything we do. In that direction, our ultimate aim is for zero accidents. As such we place great emphasis on Occupational Health and Safety (OHS). We are fully aware that in our workplace we are responsible for the health and safety of our employees. We therefore carefully and constantly consider employee safety to prioritise what more can be done to avoid accidents. This includes proper training and identification of workplace hazards to ensure our employees acquire the necessary knowledge for the safe and hygienic performance of their duties. Another key issue is to provide our employees with appropriate protective measures, and enforce their use, so as to minimise risk of accidents and reduce their possible consequences.

MANAGEMENT APPROACH

<103-2><103-3> <403-1>

Policy

Our workforce is the heart of our operations, and their health and safety is of utmost importance. We meet and strive to exceed the relevant occupational health and safety standards.

In Indonesia's factory site, our employees are covered by an OHSAS 18001:2007 certified OHS Management System which is internally and externally audited on an annual basis. However, with the release of International Organisation for Standardisation (ISO) 45001 in March 2018, OHSAS 18001 will soon be withdrawn. As such, we are in the midst of migrating our certification to ISO 45001 within the stipulated grace period for companies to do so.

Commitments & Targets

We are committed to offer a healthy working environment and strive towards a healthy workforce. We aim for zero incidents resulting in fatalities and to continuously improve our health and safety performance across all our operations. We seek to be fully compliant with all relevant laws and regulations.

In addition, we have the following targets:

Scope	Current Targets	FY2019
Group-level	Zero incidents resulting in fatalities	Achieved
Facility-level (Indonesia)	To complete migration from OHSAS 18001:2007 to ISO 45001:2018 by FY2020	In progress



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Occupational Health and Safety

PRACTICES AND PERFORMANCE

<103-3><403-2>

As an employer, Delfi recognises that with optimisation of the work environment, we inevitably promote the mental and physical well-being of all people. In our ongoing pursuit to achieve an accident-free workplace, we commit ourselves to internal and external audits that enables us to identify violations and areas for improvement. We constantly encourage our people to flag any unsafe working conditions and practices across our operations. Comprehensive training and education programmes are conducted at facilities to increase awareness and set expectations of our safety culture. Further to that, all employees are required to maintain a strict adherence to procedures when operating specific machines and equipment to safeguard them and their co-workers from any unexpected issues that may arise.

Delfi upholds the principle of being 'accident free' and in this direction, we have upheld our zero incidents resulting in fatalities for FY2019. There were 6 recordable work-related injuries. At Delfi, we regard all cases as important. Documentation of the incident is detailed in a corrective action report post-investigation and subject to further review and approval by a Safety and Health Coordinator. Subsequent follow-up is conducted to ensure the implementation of corrective and preventive measures, such as activity-based audits, enhancement of Lock-out/Tag-out (LOTO) procedures and risk assessment training.

We continue to assess the safety aspects of our facilities and stay proactive in the implementation of projects and initiatives to drive workplace safety results.

Delfi's Employees	FY2018	FY2019
	Total	Total
Incidents resulting in fatalities	0	0
Injury rate⁴	0.35	0.12
Injury rate (Male)	0.29	0.18
Injury rate (Female)	0.43	0.05
Lost work day incident rate⁵	0.15	0.04
Injury rate (Male)	0.04	0.07
Injury rate (Female)	0.31	0
Occupational disease rate⁶	0	0
Lost day rate⁷	0.67	0.22
Lost day rate (Male)	0.46	0.39
Lost day rate (Female)	0.98	0
Absentee rate⁸ (%)	1.13	1.28
Absentee rate (Male)	1.12	1.37
Absentee rate (Female)	1.14	1.17

4 Injury rate is calculated as: Number of recordable incidents x 200,000, to total hours worked

5 Lost work day incident rate is calculated as: Number of lost work day incidents x 200,000, to total hours worked

6 Occupational disease rate is calculated as: Number of occupational disease incidents x 200,000, to total hours worked

7 Lost day rate is calculated as: Number of lost man-days x 200,000, to total hours worked

8 Absentee rate is calculated as: Number of absentee days, to total days scheduled to be worked

Case Study: Behaviour Based Safety Card - Keeping up with the best workplace safety practices

We implemented a safety awareness programme that is based on a point system using a 'Behaviour Based Safety Card' ("BBS Card") which encourages staff to give safety and work safety best practices, 'top of mind status'.

Through the BBS Card, data and information is collected and applied towards preventive action, mitigation of hazards, and unsafe action avoidance, to enhance our safety record. More importantly, everyone in the organisation has the chance and avenue to show that they care for each other.

Appreciation sessions take place once every 6 months, to recognise and celebrate individuals who have been exemplary in their safety conduct and record.



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Consumer Health and Safety, and Mindful Consumption

SIGNIFICANCE OF IMPACT

<103-1>

The food and beverage industry landscape continues to advance and evolve. Fuelled by increasing stakeholder expectations, government regulations and innovation, the realities call for Delfi to sharpen its focus and awareness on consumer health and safety as a key sustainability matter since it directly impacts human lives. Consumers today are calling for greater transparency in disclosure of raw material origins, employee welfare, food safety programs and processes. A sizeable group of consumers are now looking beyond the traditional concerns of food safety – the effects of food-borne contamination or immediate physical affliction. These individuals are increasingly mapping their buying decisions to potential long-term health and wellness impacts as well as the environmental impact of sourcing and manufacturing food products.

As an established chocolate and confectionery company, Delfi strongly believes in having the social responsibility to promote mindful consumption of our products – especially in our young consumers. We continually allocate resources in food science research and product innovation to design a wider range of healthier treats for the world to enjoy.

In 2018, the World Health Organization (WHO) announced its intention to eliminate the use of artificial trans fats, otherwise known as partially hydrogenated oils (PHOs), from the global food supply chain. They estimated that more than 500,000 deaths a year could be attributed to cardiovascular diseases in which trans fat intake plays a significant role⁹. In light of the adverse impact caused by artificial trans fats, in 2019, Delfi voluntarily prioritised and committed to the removal of artificial trans fats across the full range of our manufactured products by the end of 2019. We are pleased to confirm that we achieved this important goal.

MANAGEMENT APPROACH

<103-2> <103-3>

Policy

Consumer health and safety, and mindful consumption are a priority for Delfi. We are proud of our Quality Management System that we have designed, developed, and implemented to ensure compliance with international and local food safety standards and recommendations.

Our policy on the quality of our products emphasises the following:

- Consistency in quality
- Microbiologically safe
- No foreign materials and no contamination
- Hygienically packed and sealed

Our Quality Management System is certified in accordance with internationally recognised standards (e.g. the FSSC 22000 Food Safety System Certification is internally and externally audited on an annual basis.)

Commitments & Targets

We are committed to deliver our brand promise of quality and safety to our consumers. We seek to be fully compliant with all relevant consumer health and safety laws and regulations.

In addition, we have the following targets:

Scope	Current Targets	FY2019
Group-level	No incidents of material non-compliance with applicable laws and regulations for consumer health and safety	Achieved
Group-level	No incidents of material non-compliance with applicable laws and regulations for product information and labelling	Achieved
Group-level	By end 2019, to remove artificial trans fats in our range of manufactured products	Achieved

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9 World Health Organization, 'WHO plan to eliminate industrially-produced trans-fatty acids from global food supply (May 2018)'

Consumer Health and Safety, and Mindful Consumption

PRACTICES AND PERFORMANCE

<103-3><416-2> <417-2>

Delfi's Quality Management System

As part of our overall Quality Management System, we have made significant investments in quality assurance systems in order to consistently achieve high manufacturing standards. The manufacturing standards which the Group follows include:

Good Manufacturing Practice ("GMP")

GMP was established by the Food and Drug Administration in the USA in 1967 under the authority of the Federal Food, Drug and Cosmetic Act. The GMP is based on international hygiene standards and promotes a quality approach to manufacturing. GMP guidelines provide minimum requirements that a food product manufacturer must meet to ensure that the products are of high quality and do not pose any risk to the consumer or the public. The regulations are relatively general and allow the Group to decide individually how to best implement the necessary controls to achieve goals such as cleanliness, equipment verification and process validation. In doing this, the Group takes into account the specific needs of its consumers.

Hazard Analysis and Critical Control Point ("HACCP")

HACCP was adopted by the Group as a comprehensive step-by-step food safety program for its production process. Assessments are made of the hazards applicable to microbiological, chemical, physical, food safety and quality standard risks. Based on such hazard assessments, the critical control points are determined within the production process to control identified hazards. Procedures for monitoring and taking corrective actions are established for each control point. Therefore, any problem is traceable to a specific point in the production process and/or the specific raw material utilised.

The Group conducts process testing to ensure the quality and specifications of our products are consistent and meet the exacting standards of our consumers. Such in-process testing involves performing tests on samples of products to determine if there are any quality defects. In addition, the Group conducts microbiological tests on samples to ensure that its strict specifications regarding microbiological content are adhered to so that its products are always safe for human consumption.

Each delivery of products is given a unique lot identification code printed on the individual packing and accompanying documents which incorporates the date of manufacture. It can be used to trace the complete production history of the product starting from the source of raw materials. Any delivery breaching the Group's quality standards can thus be identified and stopped before it is delivered to its customers and consumers.

FSSC 22000 Food Safety System Certification

FSSC 22000 provides a framework for effectively managing the Group's food safety responsibilities. FSSC 22000 is fully recognised by the Global Food Safety Initiatives (GFSI) and is based on existing ISO Standards. It demonstrates that the Group has a robust Food Safety Management System in place. The FSSC 22000 system uses a management systems approach to food safety, using ISO 22000 for the management system requirement and ISO Technical Standards or Publicly Available Specifications (PAS) for prerequisite program requirements. Our manufacturing facilities in Indonesia and the Philippines are currently certified against FSSC 22000 version 4.1, and will be upgrading to version 5 in due course.

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Consumer Health and Safety, and Mindful Consumption

High hygiene standards

Delfi observes high hygiene standards. Regular training and checks are conducted on our personnel at our facilities. These includes stringent requirements on attire, footwear and personal hygiene.

Innovation and technology

We draw on innovation and technology to improve our food safety standards. For example, we have made significant strides in improving our packaging materials to strengthen protection against the external environment. We have also rolled-out X-ray machines to enhance our foreign material detection systems across our facilities.

Labelling and communication

The display and provision of information on our products is important to our consumers as well as being the subject of many regulations. To that end, we strive to provide transparent access to reliable and accurate information on our products through responsible labelling. Our labels advise on the expiry, recommended storage conditions, allergen declaration, ingredients, nutritional value, etc. We continuously seek to improve the contents of our product labels with greater emphasis on the sustainability impact of our products.

Customer care portal

We value feedback from our customers. We ensure that all customers and consumers are heard through the launch of our customer care and feedback portal. We are making positive progress in the implementation of updated labels across our products manufactured in Indonesia and the Philippines which bears the address of the portal. The portal aims to provide a direct avenue for all customers to reach out to Delfi and is also a central system for the business to maintain an overview of the quality of the products, service delivery and feedback received.

In 2019, we have met our target of no incidents of material non-compliance with applicable laws and regulations for consumer health and safety as well as for product information and labelling.

Product Storage

Our prescribed standards and best practices for storage in our value chain, ensures that our products are safe and fit for human consumption, as well as fresh enough for our customers to enjoy our products.



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Responsible Water Use

SIGNIFICANCE OF IMPACT

<103-1>

As a responsible guardian and steward of the environment, Delfi practices responsible water usage. Water is precious in every sense of the word, for human life, the well-being of individuals and the health of the community as a whole. With this in mind, we in Delfi exercise utmost care in managing our access to and usage of water. We are conscious of using only what the Group needs and engage in recycling at every available opportunity so as not to strain the water supply or unnecessarily tap into the water-table. Delfi is careful in looking after the availability of this precious resource, at every step of the value-chain, so that this 'balance' in the ecosystem is preserved, soothed and allowed to perform its functions for the people in the community and the environment at large. We are of the view that management of our water access and usage play a significant role in our role as a good corporate citizen.



MANAGEMENT APPROACH

<103-2><103-3>

Policy

We believe in investing in good environmental housekeeping practices and technologies designed to enable sustainable water security for both the business and people who depend on water availability in the long-term. Our water management policies seek to fully comply with relevant laws and regulations.

Commitments & Targets

We are committed to responsible water use across all operations. We seek to be fully compliant with all relevant laws and regulations.

In addition, we have the following targets:

Scope	Current Targets	FY2019
Facility-level	By end 2020, to achieve zero processed water discharge	In progress
Facility-level	We continuously seek to reduce our water consumption as a percentage of produce	Achieved

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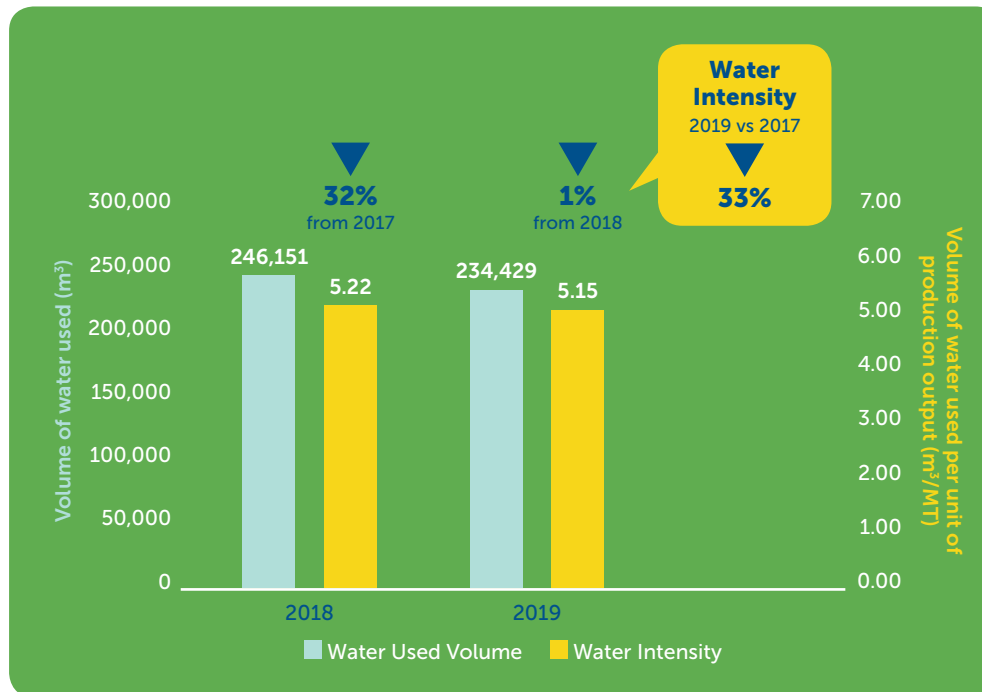
Responsible Water Use

PRACTICES AND PERFORMANCE

<103-3><303-1>

We seek to ensure that our operations use water responsibly and efficiently. We rely on both the municipal water supply as well as locally sourced groundwater for our needs. When there is a surplus in our water storage, we would share this with some of the local community and our neighbours.

In 2019, total water used by our units amounted to 234,429 m³. On a per metric ton basis, the total volume of water used for 2019 was 5.15 m³/MT, which was a reduction of 1% from 2018. This achievement was largely due to conservation efforts and control procedures established to limit unnecessary water use during production at our facilities. More notably, our commitment to increase the use of treated water that has undergone processing by our wastewater treatment plant at our facilities continues to play a significant part in reducing our consumption from external sources.



Case Study:

Improving WWTP using Anaerobic System

After completing the first press installation in 2018, we focused on improving the quality of the waste water treatment plant ('WWTP') for water processing and filtration, by using an anaerobic system which enhances the effectiveness of the WWTP. This initiative supports our 'reduce, reuse and recycle' priority and is in line with our overall objective of recycling waste water and reducing groundwater usage.



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Treatment and Disposal of Waste and Effluents

SIGNIFICANCE OF IMPACT

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Waste and effluents management is critical for global sustainable development. Proper sanitation, clean water and air is important for human health and the environment. As part of the food processing sector, we understand the importance in managing and reducing the waste and effluents generated throughout our operations. For our communities to prosper and enjoy a high quality of life, we have to conscientiously monitor our discharge into the environment and seek to eliminate or at least reduce any ecological impact. It is thus vital to prioritise waste disposal methods, that minimise any such impacts, such as reusing, recycling and recovery. Treatment of our effluents is also crucial in ensuring that hazardous substances do not leach into ecosystems and undergo bioamplification along the food chain. Managing waste also brings about potential cost-savings to our organisation. Looking into resource efficiency in our production will enable us to create more with less and deliver greater value to our stakeholders.



MANAGEMENT APPROACH

<103-2><103-3>

Policy

We believe in investing in good environmental housekeeping practices that will minimise our environmental footprint. Our waste and effluent management policies seek to fully comply with relevant laws and regulations.

Commitments & Targets

We are committed to an efficient use of resources and reduction of waste and pollution. We seek to be fully compliant with all relevant laws and regulations.

In addition, we have the following targets:

Scope	Current Targets	FY2019
Facility-level	We continuously seek to reduce waste as a percentage of produce.	Achieved
Facility-level (Indonesia)	In 2020, we will continue to implement the steps needed to achieve a "PROPER" ¹⁰ Green rating through improving our environment management procedures beyond the expected compliance level.	In progress (achieved PROPER Blue rating)

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10 Indonesia's Program for Pollution Control, Evaluation, and Rating (PROPER) is a national-level public environmental reporting initiative. The objective of this regulatory tool is to promote industrial compliance with pollution control regulations, facilitate and enforce the adopt of practices contributing to clean technology, and to ensure a better environmental management system. The program uses a five colour-coded performance rating – gold (excellent), green, blue, red and black (poor).

Treatment and Disposal of Waste and Effluents

PRACTICES AND PERFORMANCE

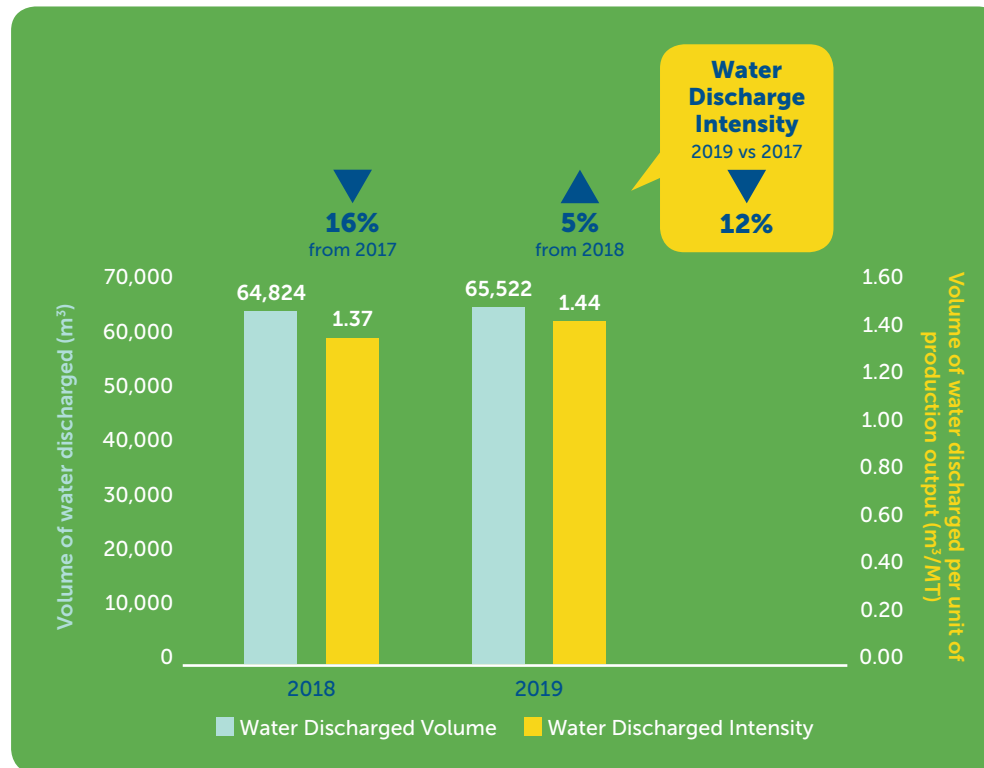
<103-3><306-1><306-2>

Effluents

<306-1>

We closely monitor our water discharge¹¹ in both our manufacturing facilities in Indonesia and the Philippines. The wastewaters from our facilities are biologically treated before being discharged into nearby rivers. We utilise wastewater quality indicators to measure and ensure that these indicators are in generally acceptable ranges¹² before discharge into the natural environment.

In 2019, a total volume of 65,522 m³ water was discharged in Indonesia and the Philippines. On a per metric ton basis, the total volume of water discharged for 2019 was 1.44 m³/MT, which was an increase of 5% from prior year. This increase was largely attributed to the collection of rainwater, in addition to the process water, which flows through to our wastewater treatment plant at Philippines' facility for processing.



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¹¹ In line with GRI Standards Disclosure 306-1, disclosure of water discharges in this Sustainability Report excludes discharge of collected rainwater and domestic sewage

¹² Generally acceptable ranges of our water quality indicators include Chemical Oxygen Demand (COD) below 100 mg/litre, Biochemical Oxygen Demand (BOD) below 50 mg/litre, Total Suspended Solids (TSS) below 70 mg/litre, pH of 6.5 to 9.0

Treatment and Disposal of Waste and Effluents

PRACTICES AND PERFORMANCE (CONT'D)

<103-3><306-1><306-2>

Waste<306-2>

At Delfi, we ensure that our waste is safely disposed of to ensure that we do not contaminate our environment. All of our waste is managed by authorised waste contractors, which is in line with regulatory requirements. The terms, hazardous and non-hazardous waste, are terms used in accordance with GRI Standards.

In 2019, the volume of overall waste amounted to 1,291,283 kg in Indonesia and the Philippines. On a per metric ton basis, the volume of overall waste for 2019 was 28.39 kg/MT, which was a 10% reduction from prior year. This was achieved through close monitoring and a maintenance regime, to ensure optimal operating conditions.

Non-hazardous waste consisted of typical packaging and production peripherals comprising of paper, plastic, and metallic materials. In respect of our non-hazardous waste which made up 91.4% of our total waste, 92.9% was recycled, 3.5% was accounted for through recovery, 3.4% was reused and the remaining 0.2% was disposed by contractors in compliance with local regulations.

Hazardous waste relates to waste from our analytical laboratory (e.g. laboratory chemicals) and maintenance activities (e.g. transformer oil). Our hazardous waste which amounted to 8.6% of our total waste, was managed and disposed of in compliance with local regulations by authorised waste contractors.



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Sustainability in Securing Agricultural Products

SIGNIFICANCE OF IMPACT

<103-1>

At Delfi, our sustainability objectives are integrated in our business practices. We understand that agricultural practices can potentially bring about adverse environmental impacts, and it is therefore an objective for our sourcing function that all the agricultural products used are derived sustainably and purchased responsibly along our direct supply chain. Delfi practices due diligence in our operations in ensuring minimal adverse environmental impacts, such as engaging stakeholders who believe in the same sustainability agenda as we do, and continuously improving our sourcing approach to advance our sustainability vision.

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Economic

Since our establishment in 1952, value creation has always been integral to our business and viewed with priority here at Delfi, for all stakeholders involved. We have been positively impacting the community by creating jobs over our 67 years in existence, enhancing livelihood and providing a source of stable income, and we aim to achieve even more in the future, in line with our emphasis on value creation. We support over 3000 jobs within our operations spanning across 4 countries, namely Singapore, Indonesia, the Philippines and Malaysia.

Further to that, as part of our efforts to advance positive social, environmental and economic benefits to communities around the world, we support and engage in practices that fully comply with environmental and socioeconomic legislative and regulatory requirements. To that end, we take necessary steps needed to prevent and mitigate any adverse impacts identified within our operations and in our direct supply chain.



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Compliance with Import, Export and Trade Regulations

SIGNIFICANCE OF IMPACT

<103-1>

Delfi is a responsible organisation – Through our value creation chain, our resources, materials and products move across borders from country to country, on a daily basis. Any lapses or failures in compliance with import, export and trade regulations would directly impact our organisation and may lead to socioeconomic, civil or even criminal penalties. Non-compliance could also cause significant business disruption such as loss of business opportunities, custom clearance and shipment delays, container abandonment or government sequestration. Such disruptions would ripple across our organisation – affecting our production and delivery schedules, greatly impacting our stakeholders across the value chain and our brand reputation. On a financial level, these costs collectively would have a significant bearing on our financial bottom line.

PRACTICES AND PERFORMANCE

<103-3>

Our cross-functional teams support one another in ensuring that our approach towards being fully compliant remains robust. We conduct regular internal meetings to update each other on any changes to the relevant laws and regulations at the local, national and international level. These laws and regulations are complex, dynamic and require close monitoring.

We work closely with Badan Pengawas Obat dan Makanan ('BPOM') Republik Indonesia and participate in BPOM's focus group discussions for the formulation of regulations. This has strengthened our channels of communication with BPOM, providing us an official platform to directly engage and build on good sector practices shared in enhancing our compliance track record for food safety and quality.

MANAGEMENT APPROACH

<103-2><103-3>

Policy

To ensure smooth cross-border operations, we continuously update and refine our compliance systems and processes to ensure compliance with the relevant laws in all jurisdictions that we do business.

Commitments & Targets

We are committed towards full compliance with all applicable import, export and trade regulations in all the countries that we operate in.

In addition, we have the following target:

Scope	Current Target	FY2019
Group-level	Zero material incidents of non-compliance with applicable import, export and trade regulations.	Achieved

Categories of laws and regulations that impact Delfi's internal policies, procedures and practices

Free trade agreements	Transactions and tax regulations	Cargo security	Customs regulations	Import valuation and classification	Export control regulations	Trade embargoes and economic sanctions
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In 2019, there were zero material incidents of non-compliance with applicable import, export and trade regulations.

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Governance

OUR VALUES

<102-16>

Integrity, excellence and commitment, are values that guide all of us at Delfi as we seek to enhance our organisation's development, performance and growth. These core values are embedded within our concept of corporate governance and form an integral part of Delfi's ethos, business, systems, processes and operations. Our mission is to delight customers and consumers with superior chocolate confectionery products and services.

Delfi's **Code of Conduct** provides a framework for ethical decision making and good conduct for the Group. The Code contains important core values and principles of the Company's professional conduct and governance. The Board of Directors, Management and all employees are dedicated to upholding the Code.



CODE OF CONDUCT

<102-17>

Delfi has an Ethics Code, within our Code of Conduct, to which advice on matters of ethical concerns and grievances may be sought by our internal and external stakeholders. These matters will be handled objectively and subject to further investigation, disciplinary action/s or legal process, where justified and necessary. A link to the Code may be found at http://www.delfilimited.com/NewsRoom/20190401-Code_of_Conduct-Delfi.pdf.

In addition, Delfi has a whistle blowing mechanism and policy that seeks to encourage reporting in good faith, of matters which may comprise misdemeanours, misconduct, fraud, corruption, illegal acts, etc. The mechanism and policy seek to provide for reporting in confidence that stakeholders are treated fairly and shielded from any reprisal.

In regard to issues relating to our ESG concerns, external stakeholders can also file their feedback, concerns or grievances through our general corporate relations channels. Internal stakeholders can do so through human resources / union-management channels. We seek to investigate, address and resolve all confirmed cases as soon as practicable. All grievance proceedings and records will be kept in confidence.

CORPORATE GOVERNANCE

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The Board of Delfi comprises a healthy well-balanced mix of entrepreneurs, professionals and corporate expertise. Out of a total of 8 Directors, our Board comprises 3 executive Directors, 4 non-executive independent Directors and 1 non-executive non-independent Director. There is a clear separation of the role of the Chief Executive Officer and the Chairman. One of our 3 executive Directors serves as CEO and Managing Director. The Board meets regularly and is provided with timely updates and information. As and when there are urgent commercial or other corporate matters, Board meetings are convened to seek guidance from the Board or to elicit a decision. All Directors are expected to act in good faith, and to act in the interests of Delfi. The Board is supported by the Executive Committee, the Audit Committee, the Remuneration Committee, the Nominating Committee, the Risk Management Committee and the Market Sustainability and Strategy Committee. These committees (with the exception of the Executive Committee) provide guidance and regularly review matters within their purview.

A full report on our corporate governance practices in compliance with the Code of Corporate Governance 2018 can be found under our Corporate Governance Report in our Annual Report 2019.

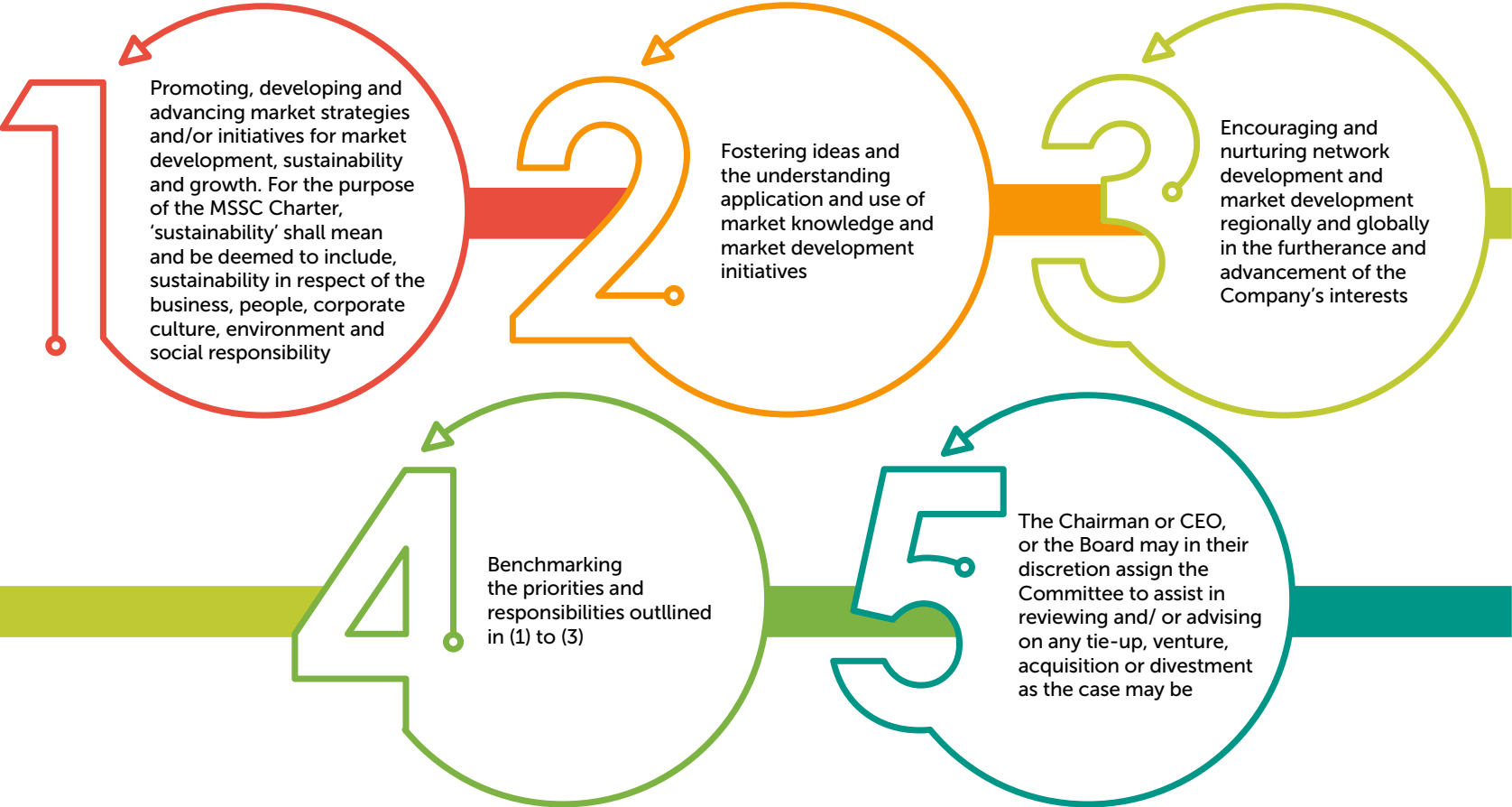
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Governance

SUSTAINABILITY GOVERNANCE

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The Board, supported by the Market Sustainability and Strategy Committee ('MSSC'), is collectively responsible for the sustainability of Delfi. It provides strategic direction and specifically considers sustainability as part of its strategy. The charter requires the MSSC to be composed of 3 or more directors, with a majority of whom shall be independent directors. Its mandate is as follows:



The Board works closely with Management in determining and overseeing the management and monitoring of Delfi's material sustainability matters. The Board has the ultimate responsibility for Delfi's sustainability reporting process.

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Governance

SUSTAINABILITY GOVERNANCE (CONT'D)

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Corporate Social Responsibility

Beyond our customers, consumers and business partners, Delfi recognises the importance of enriching lives and building sustainable relationships with the many communities we serve.

Delfi Limited Bursary

The Delfi Group believes that where possible we should support deserving students who are unable to achieve their academic potential just because they lack adequate funding. No person should be left behind for want of financial means to benefit from a good education. In the same vein, Delfi believes in the importance of nurturing and grooming the next generation as strong ethical leaders. Through the bursaries awarded to students of Singapore Management University (SMU), Delfi hopes to empower exceptional students to strive for excellence. There are 3 students on this programme for the academic year 2019/2020.

Delfi's Milk Drinking Movement

Delfi partnered with an elementary school, Andir 01 Elementary School, in Bandung, Indonesia in September 2018 to bring the Milk Drinking Movement (Gerakan Minum Susu) to life. The Milk Drinking Movement is expected to benefit the students in giving them their nutritional needs for growth. Our work under this movement is expected to be carried out monthly over a 3-year continuous period. To supplement our contribution to the children under this initiative, we try to liven the spirits of these children by providing them with additional chocolate treats to reward them for their efforts at school.

The initiative is in keeping with Delfi's regulatory commitment with Indonesia's Ministry of Agriculture, to help energise and contribute to the development of the domestic fresh milk industry locally. To spread the joy that Delfi's Milk Drinking Movement brings, we have expanded our reach to include other schools in Bandung, Indonesia, namely, SDN Dayeuhkolot 07 this year.



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Supply Chain Assessment

SIGNIFICANCE OF IMPACT

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Securing socially and environmentally sustainable agricultural products is important to Delfi and our stakeholders. We recognise that our impact on people and the environment extends beyond our own business activities. These impacts can occur as a result of our business relationships throughout our supply chain. Therefore, due diligence is expected of Delfi in taking concrete steps to prevent and mitigate all forms of adverse social and environmental impacts that are directly linked to our operations and products. To that end, we seek to drive the sustainability agenda along our supply chain and collaborate with like-minded business partners to mutually advance our shared sustainability vision.

MANAGEMENT APPROACH

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Policy

Our emphasis is to actively seek out and work with suppliers that support sustainable practices. Sustainability is a core criterion in our supplier evaluation, and we are continuously improving our procurement and sourcing approach to drive the sustainability agenda.

Delfi's Prescribed Standards, Requirements & Practices comprise our minimum requirements relating to the Environment, Social & Working Conditions, in purchasing products, materials and services. Our approach is based on international laws, regulations and the core conventions as defined in the fundamental principles of Human Rights at work, namely:

- The Universal Declaration of Human Rights (UN, 1948)
- Convention on the Rights of the Child (UN, 1989)
- ILO Declaration (ILO, 1998)
- The Rio Declaration on Environment and Development (UN, 1992)
- The Ten Principles of the UN Global Compact Framework (UN, 2000)
- The Johannesburg UN World Summit on Sustainable Development (UN, 2002)

Commitments & Targets

We are committed to sustainable procurement and in promoting positive socioeconomic and environmental impact through our supply chain.

In addition, we have the following target:

Scope	Current Target	FY2019
Group-level	All existing and new potential suppliers to complete the Supplier Self-Assessment Program based on revised evaluation matrix.	In progress

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Supply Chain Assessment

PRACTICES AND PERFORMANCE

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Delfi Limited's Prescribed Standards

We urge all our partners and suppliers to uphold the Delfi Limited's Prescribed Standards, Requirements and Practices for the Environment, Social and Working Conditions ("Delfi's Prescribed Standards").

We recognise that our business has an impact on people and the environment locally, globally and especially in the countries in which we operate and do business in. We believe that we are empowered to choose to act responsibly, with integrity and to

do good while fulfilling our intent of being a good business partner. Upholding this principle is a pre-condition to our future growth; a growth that will be achieved along with other like-minded responsible business partners and suppliers who share and identify with our vision, mission and approach to doing business.

As a result, Delfi requires business partners and suppliers to acknowledge and agree to our Delfi's Prescribed Standards, for the Environment, Social & Working Conditions for the management of businesses, the purchase, and/or acquisition of products, materials and/or the delivery of services. Ultimately, it is the spirit of the Delfi's Prescribed Standards that is important to us, and it is with this spirit that we consistently urge our business partners and suppliers to stand shoulder to shoulder with us in upholding the Delfi's Prescribed Standards.

The following table summarises the elements covered in the Delfi's Prescribed Standards.

Summary of elements in Delfi's Prescribed Standards, Requirements & Practices for the Environment, Social & Working Conditions		
Environment - Air pollution - Noise pollution - Water and ground pollution - Energy reduction - Reduction of other environmental impacts - Storage, transportation and handling of chemicals - Storage, handling and transportation of hazardous and non-hazardous waste	Social - Health and safety - Safety hazards and fire prevention - Housing facilities and accomodation - Wages, benefits and working hours - Child Labour - Forced and bonded labour - Discrimination - Freedom of association - Harrassment, abuse and disciplinary action	Governance - Legal compliance - Confidentiality and intellectual property - Ethics and business

Launch of Supplier Self-Assessment ("SSA") Program

Aside from Delfi's Prescribed Standards that our suppliers are encouraged to adhere to, we are currently in the midst of rolling out a SSA program which incorporates social and environmental criteria as part of our evaluation matrix used to assess new potential suppliers, as well as our existing suppliers in a phased-approach on their compliance and competence in managing ESG-related aspects across their value chain. The SSA questions are based on internationally-recognised standards such as but not limited to ISO14001 Environmental Management Systems, SEDEX membership and OSHAS, whilst

taking into consideration the respective countries' environmental conservation laws to assess suppliers on their attitude towards environmental and social responsibility.

Sustainability Projects and Initiatives

Delfi believes in collaborating with businesses, communities, governments and non-governmental organisations ('NGOs') to tackle systemic sustainability concerns that may be prevalent in our sector. So, for example, in the chocolate industry and the cocoa ingredients industry, it is imperative that we do our part in helping to address these concerns and work against known ills such as child labour, forced labour, human rights violations, cruelty against animals, deforestation, and pollution, while we also focus on promoting good policies and practices in employment, health, safety and governance.

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Stakeholder Goals

GOALS FOR OUR STAKEHOLDERS

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At Delfi, passion for people has always been at the heart of what we do. Focusing our connections with all our stakeholders is vital for us to constantly meet and hopefully exceed their expectations. Our conversations with our stakeholders allow us to understand their key concerns and respond accordingly. Our sustainability approach draws upon these outcomes. We connect with our stakeholders through various modes of regular engagement including meetings, briefings, phone calls and other forms of communication.

Investors	Consumers	Employees
We aim to promote investors' understanding of Delfi's strategy and performance through timely, appropriate and accurate dissemination of corporate information.	We are committed to going the extra mile to consistently provide superior quality for our consumers – many of whom have been with us across generations – with a superior Delfi experience.	We provide a livelihood for our employees. Our aspiration is to create a workplace that all our employees and workers are proud of – a true Delfi family.
In the long-term, we seek to build trust-based relationships with our investors through our emphasis on governance structures and collaborative dialogue.	We emphasise continuous product development and quality enhancement in our journey to meet the needs of our broad range of consumers.	Our focus is on treating our employees and workers fairly, fostering close labour union relations and advocating excellence in occupational health and safety.
Local Communities	Suppliers	Customers
We respect the communities we operate in, and are keen to advance the interests of the Company and the community in lockstep.	As we view our suppliers as business partners, our objective is for mutual growth through fair and transparent dealings in compliance with relevant laws and regulations.	At Delfi, we see distributors, wholesalers and retailers as our customers as well as our partners in expanding our reach to our consumers, and ultimately driving sales for the company.
As a good corporate citizen, we aim to achieve our goals through actively shaping and participating in community programs and initiatives.	We are also increasingly seeking out and working with suppliers that subscribe to our sustainability agenda. We audit our original product manufacturers and key suppliers for sustainable value creation.	Our goal is to create a fair and mutually beneficial arrangement, through clear and open communication lines on expectations.
Governments & Regulators	Trade & Industry Associations	Non-profit Organisations
We have the utmost respect for the rule of law, and continually extend our cooperation with governments and regulators.	Our goal is to play an active role in the trade and industry associations of which we are members, to help further the interests of the group.	We seek to constructively engage non-profit organisations, align on common social causes and explore models for further partnership where feasible.
It is our priority to ensure compliance with the relevant laws and regulations in the jurisdictions in which we do business.	We hope to lend our support and contribute to the various initiatives that will help advance our sustainability agenda.	

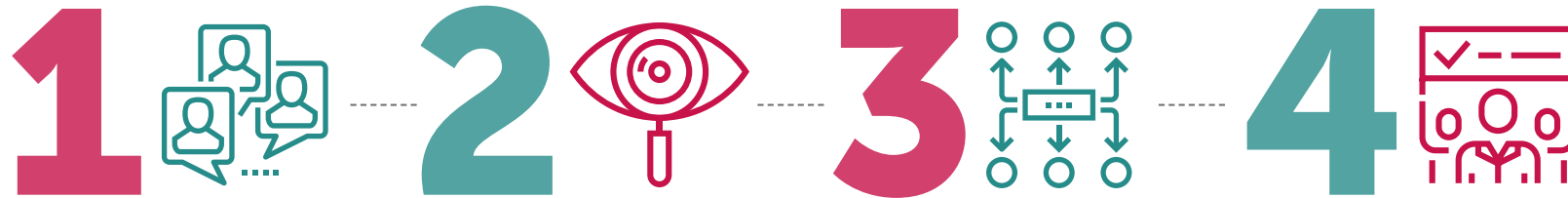
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Materiality Assessment

MATERIALITY ASSESSMENT

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At Delfi, we believe that our Sustainability Mission is built on the four intertwined themes of social, environmental, economic and governance factors which we call our "Sustainability Pillars". The sustainability matters that we have focused on are what we believe to be the most relevant to our business and our key stakeholders.



Preparation & Engagement

- Determine the process principles of our materiality assessment
- Cross-functional focus group discussions and interviews were conducted to consider sustainability from both internal and external stakeholders' perspectives

Identification

- Based on our stakeholder engagement and drawing from insights on our internal and external value drivers, a comprehensive universe of 30 potential material sustainability matters was identified

Assessment & Prioritisation

- Facilitated by independent consultants, a materiality assessment workshop was conducted in FY2017
- In FY2018, we identified 2 additional material matters: responsible water use and employee well-being
- In FY2019, we reviewed our materiality matrix to ensure continued relevance to our business and stakeholders

Validation

- The reviewed materiality matrix was validated by the Board of Directors for reporting in our third Sustainability Report

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Reference:

SR - Delfi's Sustainability Report 2019

AR - Delfi's Annual Report 2019

GRI 2016 Standards Disclosures		Reference(s) or Reasons for Omission (if applicable)
General Disclosures		
Organisational Profile		
102-1	Name of the organisation	Board Statement (SR Pg 1)
102-2	Activities, brands, products, and services	Introduction (SR Pg 5)
102-3	Location of headquarters	Introduction: About Delfi (SR Pg 5); About this report: Feedback (SR Pg 3)
102-4	Location of operations	Introduction: About Delfi (SR Pg 5)
102-5	Ownership and legal form	Introduction: About Delfi (SR Pg 5)
102-6	Markets served	Introduction: About Delfi (SR Pg 5)
102-7	Scale of the organisation	Our People: Profile of our Workforce (SR Pg 10); Introduction (SR Pg 5); Five-Year Financial Highlights & Review (AR)
102-8	Information on employees and other workers	Our People: Profile of our Workforce (SR Pg 10)
102-9	Supply chain	Introduction: Our Value Creation Chain (SR Pg 8)
102-10	Significant changes to the organisation and its supply chain	Business Review: Key Developments in 2018 to Drive Future Growth (AR)
102-11	Precautionary principle or approach	Corporate Governance Report: Principle 9 – Risk Management and Internal Controls (AR)
102-12	External initiatives	Not applicable
102-13	Membership of associations	Delfi is a member of the following: • Southeast Asia Alliance on Sustainable Palm Oil (SASPO) For more information, refer to: http://www.delfilimited.com/corporate_sustainability.html
Strategy		
102-14	Statement from senior decision-maker	Board Statement (SR Pg 1)
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	Governance: Our Values (SR Pg 26)
102-17	Mechanisms for advice and concerns about ethics	Governance: Code of Conduct (SR Pg 26); Corporate Governance Report: Whistle Blower Protection Mechanism & Policy (AR)

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102-18	Governance structure	Governance: Corporate Governance (SR Pg 26); Governance: Sustainability Governance (SR Pg 27); Board of Directors (AR); Corporate Governance Report: Principle 1 – The Board’s Conduct of Affairs (AR)
102-23	Chair of the highest governance body	Governance: Corporate Governance (SR Pg 26); Corporate Governance Report: Principle 1 – The Board’s Conduct of Affairs (AR)
102-25	Conflicts of interest	Corporate Governance Report: Principle 2 – Board Composition and Guidance (AR); Principle 5 – Board Performance (AR); Disclosure under SGX-ST Listing Manual Requirements – (a) Interested person transactions and conflicts of interest (AR)
102-29	Identifying and managing economic, environmental, and social impacts	Board Statement (SR Pg 1); Corporate Governance Report: Principle 1 – The Board’s Conduct of Affairs (AR)
Stakeholder Engagement		
102-32	Highest governance body’s role in sustainability reporting	Board Statement (SR Pg 1); Governance: Sustainability Governance (SR Pg 27)
102-40	List of stakeholder groups	Stakeholder Goals (SR Pg 31)
102-41	Collective bargaining agreements	There is no collective bargaining agreements in place
102-42	Identifying and selecting stakeholders	Stakeholder Goals (SR Pg 31)
102-43	Approach to stakeholder engagement	Stakeholder Goals (SR Pg 31)
102-44	Key topics and concerns raised	Stakeholder Goals (SR Pg 31)
Reporting Practice		
102-45	Entities included in the consolidated financial statements	About this Report: Reporting Period and Scope (SR Pg 3)
102-46	Defining report content and topic Boundaries	Materiality Assessment (SR Pg 32)
102-47	List of material topics	Materiality Assessment (SR Pg 32)
102-48	Restatement of information	Not applicable to this report
102-49	Changes in reporting	Materiality Assessment (SR Pg 32)
102-50	Reporting period	About this Report: Reporting Period and Scope (SR Pg 3)
102-51	Date of most recent report	About this Report: Reporting Period and Scope (SR Pg 3)
102-52	Reporting cycle	About this Report: Reporting Period and Scope (SR Pg 3); Delfi to perform sustainability reporting on an annual basis.
102-53	Contact point for questions regarding the report	About this Report: Feedback (SR Pg 3)
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared with reference to GRI 2016 Standards.
102-55	GRI content index	GRI Content Index (SR Pg 33)
102-56	External assurance	About this Report: Independent Assurance (SR Pg 3)

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103-1	Explanation of the material topic and its boundary	Responsible Water Use (SR Pg 18)
103-2	The management approach and its components	Responsible Water Use (SR Pg 18)
103-3	Evaluation of the management approach	Responsible Water Use (SR Pg 18)
Water and effluents		
303-1	Water withdrawal by source	Responsible Water Use (SR Pg 19)
Material Topic: Treatment and Disposal of Waste and Effluents		
Management Approach		
103-1	Explanation of the material topic and its boundary	Treatment & Disposal of Waste & Effluents (SR Pg 20)
103-2	The management approach and its components	Treatment & Disposal of Waste & Effluents (SR Pg 20)
103-3	Evaluation of the management approach	Treatment & Disposal of Waste & Effluents (SR Pg 20)
Effluents and Waste		
306-1	Water discharge by quality and destination	Treatment & Disposal of Waste & Effluents (SR Pg 21)
306-2	Waste by type and disposal method	Treatment & Disposal of Waste & Effluents (SR Pg 22)
Material Topic: Sustainability in Securing Sustainable Agricultural Products		
Management Approach		
103-1	Explanation of the material topic and its boundary	Sustainability in Securing Sustainable Agricultural Products (SR Pg 23) Supply Chain Assessment (SR Pg 29)
103-2	The management approach and its components	Supply Chain Assessment (SR Pg 29)
103-3	Evaluation of the management approach	Supply Chain Assessment (SR Pg 29)
Material Topic: Supply Chain Assessment		
Management Approach		
103-1	Explanation of the material topic and its boundary	Supply Chain Assessment (SR Pg 29)
103-2	The management approach and its components	Supply Chain Assessment (SR Pg 29)
103-3	Evaluation of the management approach	Supply Chain Assessment (SR Pg 29)
Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	Supply Chain Assessment (SR Pg 30) Introduction: 2019 Highlights (SR Pg 6)
414-1	New suppliers that were screened using social criteria	Supply Chain Assessment (SR Pg 30) Introduction: 2019 Highlights (SR Pg 6)
Material Topic: Employee Well-being		
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103-1	Explanation of the material topic and its boundary	Employee Well-being (SR Pg 11)
103-2	The management approach and its components	Employee Well-being (SR Pg 11)
103-3	Evaluation of the management approach	Employee Well-being (SR Pg 11)

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401-1	New employee hires and employee turnover	Employee Well-being (SR Pg 12)
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Well-being (SR Pg 12)
Material Topic: Occupational Health and Safety		
Management Approach		
103-1	Explanation of the material topic and its boundary	Occupational Health & Safety (SR Pg 13)
103-2	The management approach and its components	Occupational Health & Safety (SR Pg 13)
103-3	Evaluation of the management approach	Occupational Health & Safety (SR Pg 13)
Occupational Health and Safety		
403-1	Workers representation in formal joint management– worker health and safety committees	Occupational Health & Safety (SR Pg 13)
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Occupational Health & Safety (SR Pg 14)
Material Topic: Consumer Health and Safety, and Mindful Consumption		
Management Approach		
103-1	Explanation of the material topic and its boundary	Consumer Health & Safety, and Mindful Consumption (SR Pg 15)
103-2	The management approach and its components	Consumer Health & Safety, and Mindful Consumption (SR Pg 15)
103-3	Evaluation of the management approach	Consumer Health & Safety, and Mindful Consumption (SR Pg 15)
Customer Health and Safety		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Consumer Health & Safety, and Mindful Consumption (SR Pg 17)
Marketing and Labelling		
417-2	Incidents of non-compliance concerning product and service information and labelling	Consumer Health & Safety, and Mindful Consumption (SR Pg 17)
Material Topic: Compliance with Import, Export & Trade Regulations		
Management Approach		
103-1	Explanation of the material topic and its boundary	Compliance with Import, Export & Trade Regulations (SR Pg 25)
103-2	The management approach and its components	Compliance with Import, Export & Trade Regulations (SR Pg 25)
103-3	Evaluation of the management approach	Compliance with Import, Export & Trade Regulations (SR Pg 25)
--	Incidents of non-compliance concerning import, export and trade regulations	Compliance with Import, Export & Trade Regulations (SR Pg 25)

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