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SUSTAINABILITY REPORT



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BOARD OF DIRECTORS' STATEMENT

On behalf of the Board of Directors (“the Board”) of Duty Free International Limited (“DFI”), and together with its subsidiaries, the (“Group”), I am pleased to present to you our third annual sustainability report for the financial year ended 29 February 2020 (“SR 2020”).

The Board recognises the importance of sustainable growth and is responsible for overseeing the Group’s sustainability progress in integrating the Group’s sustainability agenda into its business and strategic decisions. The Group has formed a sustainability working group, which is guided by the Board to ensure that sustainability practices are executed across different business units. With the assistance of the sustainability working group, the Board has determined the Environmental, Social and Governance (“ESG”) factors that are material for the continuity of the Group’s business. As DFI embarks on this journey, the Group will strive to continuously identify, address and manage key material ESG factors of the business and review them on an ongoing basis. This approach will help achieve and build a sustainable business for the interests of all stakeholders over the long term.

Our various efforts in this SR 2020 highlights the importance of creating positive impact and sustainable value for our business stakeholders, environment, community, team members and customers.

A number of ongoing initiatives are geared towards achieving a more sustainable business such as:

- Perfecting the overall traveller experience by developing attractive shopping environments that directly and indirectly support local economies through local employment and tax payments;
- Remaining focused on diversity and inclusion by promoting a culture of inclusiveness and equal treatment in the workplace;
- Improving customer satisfaction and the shopping experience to trigger consumer recognition;
- Minimising our environmental impact by operating an integrated and efficient logistics chain; and
- Supporting the communities in which we live and work.

We would like to take this opportunity to express our heartfelt appreciation to our partners and stakeholders for their support and trust in DFI. To our staff, we thank you for your hard work and contribution to the Group.

On behalf of the Board

Ong Bok Siong
Managing Director

ABOUT DUTY FREE INTERNATIONAL LIMITED (“DFI”)

DFI is the largest local duty-free retailing group in Malaysia with more than 41 years of experience and has a strategic presence at all leading entry and exit points in Peninsular Malaysia. DFI Group operates duty-free retail outlets/complexes and trading outlets throughout Peninsular Malaysia including Johor Bahru, Bukit Kayu Hitam, Kuala Lumpur International Airports, Penang International Airport, Padang Besar and Langkawi.



DFI’s core value is providing travellers with an exclusive duty-free shopping experience beyond their expectations by delivering the highest standards of customer service, retail execution and extensive premium selection of international brands of imported duty free beverages, tobacco products, chocolates and confectionery products, perfumery, cosmetics and souvenirs.

In addition to DFI Group’s trading of duty free goods and non-dutiable merchandise, DFI owns the Black Forest Golf and Country Club and an oil palm plantation which are strategically located near the Malaysia-Thailand border at Bukit Kayu Hitam.



Duty Free Outlet at Senai International Airport

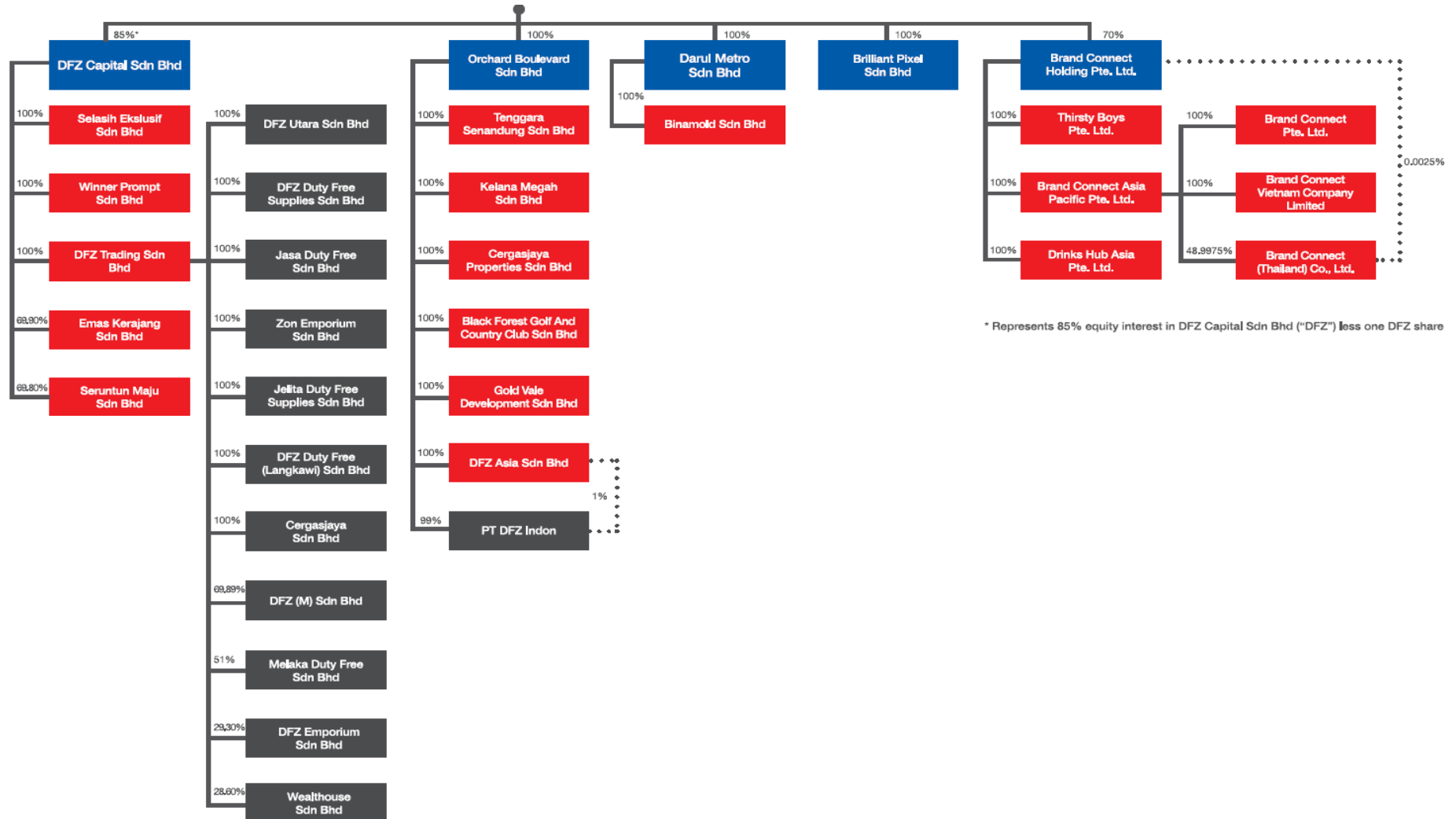


Diagram 1: Corporate Structure as at 29 February 2020

ABOUT THIS SUSTAINABILITY REPORT

As the largest local duty-free retailing group in Malaysia, DFI is much more than a profit-generating business; it is a Company that interacts proactively with society and the environment in which it operates.

This Sustainability Report is DFI's third annual reporting and the report documents DFI's sustainability achievements and progress along with the significant risks and opportunities related to them.

DFI's sustainability reporting continues to evolve over time from general disclosure to the broader 'triple bottom line' approach which covers:

- Economic, environmental and social development aspects; and
- The responsible business practices that the Company has today.

REPORTING SCOPE AND BOUNDARIES

Information in this report covers DFI and its subsidiaries (the "Group"), for which DFI has managerial control. This coverage corresponds to the Corporate Structure as illustrated in the Diagram 1 above. No information or data from previous reports have been restated.

REPORTING PERIOD

This disclosure includes all information and data pertaining to activities undertaken from 1 March 2019 to 29 February 2020 ("FY2020") unless otherwise stated.

REPORTING PRINCIPLES

Sustainability principles are implemented in DFI's business. The Group reports on its sustainability performance in accordance with globally recognised standards and principles to enable stakeholders to make informed decisions about its performance in these areas.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards: Core Option and the Singapore Exchange's Practice Note 7.6 Sustainability Reporting Guide.

The principles of stakeholder inclusiveness, sustainability context, materiality and completeness, as well as responsiveness and impact, help DFI define its sustainability reporting content. The reporting principles of accuracy, balance, clarity and timeliness ensure reporting quality.

The ESG data and information provided have not been verified by an independent third party. Data has been obtained from reports generated from internal accounting systems. Internal data monitoring and verification have been relied on to ensure accuracy.

FEEDBACK

We welcome feedback from our stakeholders with regards to our sustainability efforts as this will enable us to improve our sustainability reporting and performance in the future. If you would like to get in touch, please contact office@dfi.com.sg.

SUSTAINABILITY AT DFI

Sustainability is integrated into DFI's business and its commitment to the triple bottom line of responsible economic development, environmental and social performance.

Conducting business responsibly is a cornerstone of the Group's strategy and culture and DFI is committed to:

- Being a responsible and relevant driver of positive change in society;
- Reducing risk throughout the Group and for its stakeholders; and
- Minimising negative economic, environmental and social impacts.

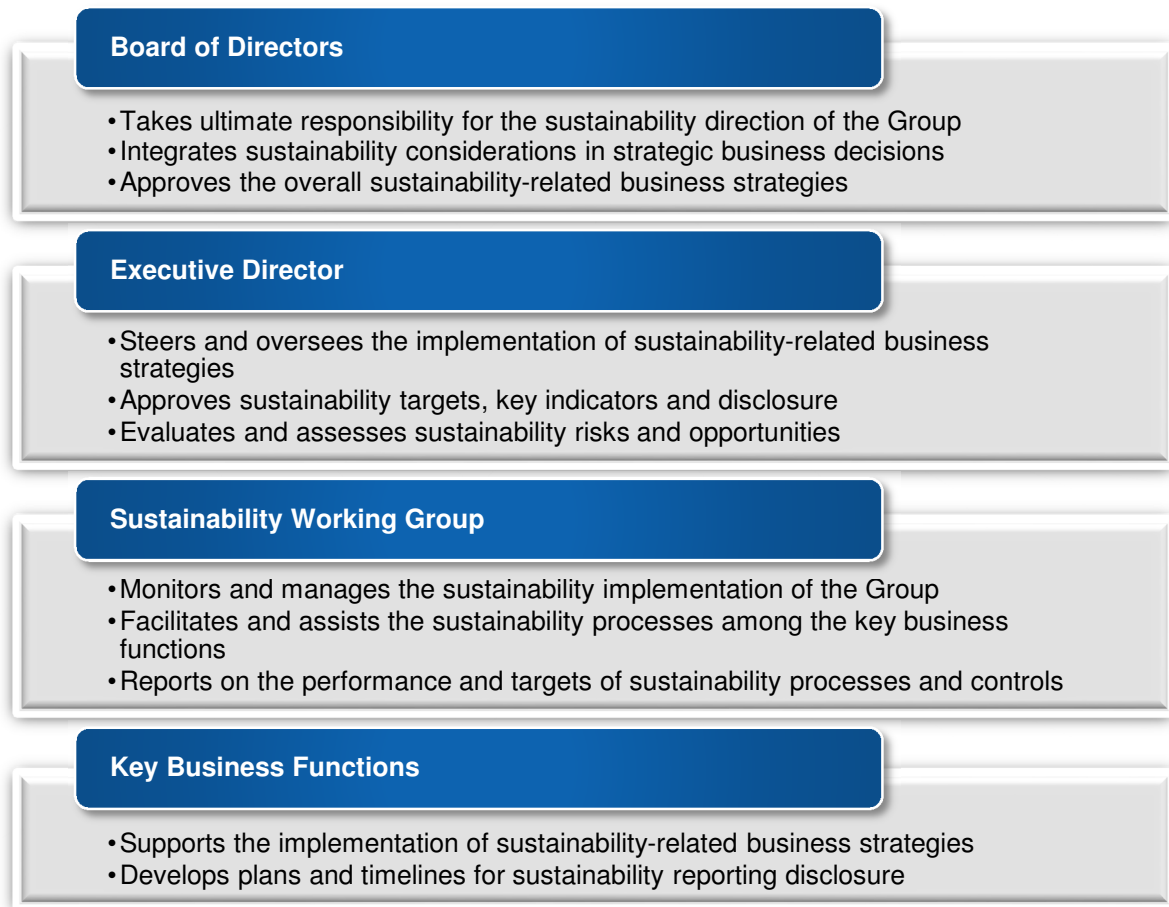
SUSTAINABILITY GOVERNANCE

DFI's sustainability governance model provides a solid foundation for developing and anchoring sustainability strategy and targets. It ensures that we focus on embedding sustainability into operations by implementing decisions in the relevant business areas. All units have different roles to play and duties regarding their support for the implementation.

Members of the Board of Directors are responsible for overseeing responsibilities for sustainability, operations, systems, operational resilience as well as related frameworks and processes. The Board of Directors is the ultimate governing body and oversees the integration of our sustainability agenda and initiatives across the Group. The sustainability agenda is steered by the Managing Director, Executive Director and the Sustainability Working Group. The Board considers sustainability as part of its strategic formulation and in determining material Economic, Environmental, Social and Governance (EESG) factors of the Company.

The Sustainability Working Group manages the day-to-day sustainability initiatives. It also ensures core business functions are able to complete their plans, meet their timelines and mitigate risks as required.

Sustainability Governance Structure at DFI



Each business area and group function are represented in the Sustainability Working Group. The Working Group prepares sustainability issues related to policies, guidelines and strategy. The business areas and group functions are then responsible for implementing these into the business.

DFI COMMITMENT TO ETHICAL BEHAVIOUR

DFI is committed to integrity and strong business. Several governance policies and procedures have been introduced such as the Code of Conduct, Anti-Corruption procedures and Whistle-blowing Policy.

Employees must commit to following the highest ethical standards while also familiarising themselves and abiding by applicable laws. All personal conduct must be above reproach and comply with the highest standards of conduct and business ethics. DFI's Code of Business Ethics and Standards of Conduct is enforced fairly and without prejudice at all levels.

Defining clear and strong corporate values that cover the entire Group is important. Aligning all activities and procedures with these values builds a powerful image of integrity and transparency. The Code of

Business Ethics and Standard Conduct governs the entire value chain, emphasising professionalism and surpassing applicable laws. It guides employees on expected conduct with stakeholders and describes the directives and principles to follow when performing all duties.

Principles and Key Ethical Conduct



All employees receive a personal copy of the Code and are required to acknowledge their responsibility for complying with its policies and procedures.

Training and communication familiarise all employee with the Group’s policy and helps reassert their commitment to it. The Code of Ethics, the anti-corruption policy, customer service and data protection are topics covered in Group training sessions.

The internal audit team assess the Group’s adherence to its ethical values. Various audits assess employee and departmental compliance with policies, procedures, local laws and regulations. Business activities that pose a higher risk to compliance and the Group’s reputation are periodically audited such as financial management and reporting, corporate governance, employment issues, supply and capital expenditure transactions and other operational procedures. Any cases or suspected cases of activity involving corruption including bribery and fraud are investigated. The Board is regularly updated on the Group’s compliance status.

ANTI-CORRUPTION AND WHISTLEBLOWING

Our anti-corruption policies and procedures are laid out in the Employee Handbook and also readily accessible through the Group’s intranet. This policy ensures strong business ethics and compliance with the new section 17A of the Malaysian Anti-Corruption Commission Act 2009 (“MACC Act”), which will take effect on 1 June 2020. In-house training was delivered to the management team on The New Corporate Liability Offence for Corruption under the MACC Act on 11 March 2020.

The Group introduced a ‘whistleblowing’ communication procedure in 2012 to encourage employees to disclose any malpractice or misconduct they may become aware of. Whistleblowers may direct their concerns to the Audit Committee Chairman with background details, history of events and the reasons for the concern including the identity of the alleged person involved.

Any information provided will be investigated depending on its severity, reliability and credibility. Employees using this channel are protected by the Group. We did not receive any whistleblowing cases during the year.

Reportable Incidents

- Failure to comply with: { legal obligations
relevant financial reporting standards
- Abuse of: { power or authority
- Serious improper matters which may: { cause financial or non-financial loss to the Group
damage the Group’s reputation
- Actions that: { endanger the health or safety of employees
are intended to conceal any of the above



STAKEHOLDER ENGAGEMENT

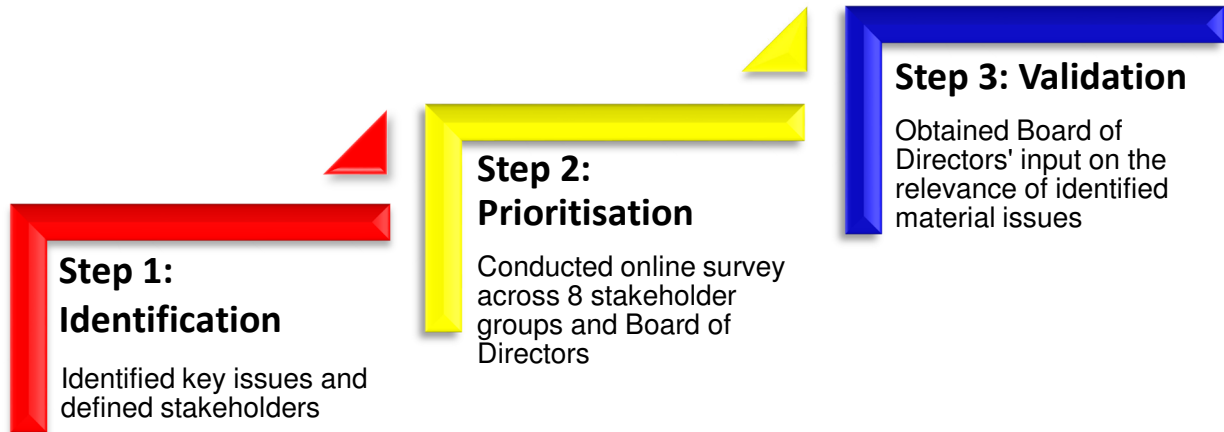
Stakeholder engagement is the process of involving people who may be affected by DFI's decisions or can influence the implementation of these decisions. As such, stakeholders are integral to the sustainability of our business. Engaging with stakeholders is fundamental as understanding their expectations and responding to their concerns increases accountability and strengthens stakeholders' confidence in DFI.

In FY2018, we conducted a materiality assessment workshop to identify key stakeholders who have direct influence in our business and operations. These stakeholder groups along with the engagement platforms, frequency of engagement and areas of concern are presented in the table below.

Stakeholder Group	Engagement platforms	Frequency	Areas of Concern
Customers	<ul style="list-style-type: none"> Corporate website Feedback forms Social media Loyalty programme 	<ul style="list-style-type: none"> Continuously Continuously Continuously Continuously 	Quality of products and services, product prices and promotions
Employees	<ul style="list-style-type: none"> Annual performance review Intranet portal Email communications Internal meetings 	<ul style="list-style-type: none"> Annually Continuously Continuously As needed 	Job related trainings and development, work-life balance, employment benefits, performance appraisal and reward system
Board of Directors	<ul style="list-style-type: none"> Board meetings Email communications 	<ul style="list-style-type: none"> Quarterly and Annually As needed 	Regulatory compliance, economic performance, corporate governance and risk review
Government	<ul style="list-style-type: none"> Formal meetings Dialogues 	<ul style="list-style-type: none"> As needed As needed 	Regulatory compliance, economic performance, and societal welfare
Investors	<ul style="list-style-type: none"> Media release Investors relations roadshow SGX* announcements Dialogues Annual Reports 	<ul style="list-style-type: none"> Quarterly As needed Quarterly/as needed As needed Annually 	Regulatory compliance, financial performance, new development of the Group and return on investment, dividend distribution
Suppliers	<ul style="list-style-type: none"> Meetings and dialogues Email communications Trade fairs and events 	<ul style="list-style-type: none"> As needed Continuously Annually 	Product knowledge, events, partnerships, compliance and performance against contract terms
Financiers	<ul style="list-style-type: none"> Financial reports Regular meetings 	<ul style="list-style-type: none"> Annually As needed 	Compliance with financiers' terms and conditions and financial performance

MATERIALITY ASSESSMENT

Materiality is the principle of defining the economic, environmental and social topics that matter most to our business and stakeholders. We have adopted the following process for our materiality assessment.



We commissioned a comprehensive study in the last quarter of FY2020. An external consultant was selected to secure the anonymity of the respondents and ensure the complete impartiality of the assessment. Stakeholder representatives were asked to rate the importance they placed on 17 areas of sustainability.

Stakeholder Groups Contacted for the Study



Sustainability Topics Identified for the Survey

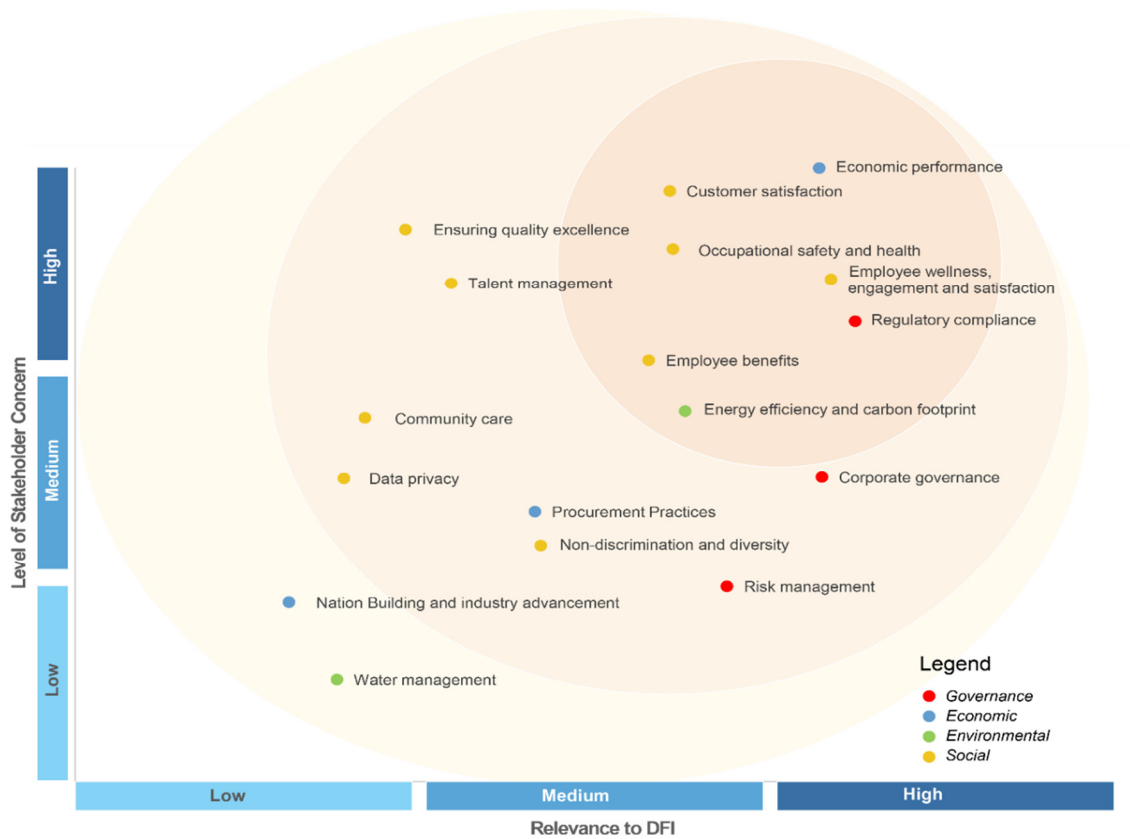
Material Topic	Description
Governance	
Corporate governance	Managing business strategy and processes in order to build financial integrity, confidence and superior performance
Regulatory compliance	Complying with all other legal, economic, environmental and social legislation and supporting regulators in shaping policies, addressing industry challenges and meeting the national agenda
Risk management	Managing regulatory, foreign exchange fluctuation and other industry risks
Economic	
Economic performance	Generating sustainable financial and economic returns and stakeholder value to ensure DFI's sustainability
Procurement Practices	Encouraging a sustainable supply chain and managing suppliers and service providers for responsible business conduct in areas of integrity, social commitment, environment, safety and health
Nation building and industry advancement	Contributing to national advancement by boosting economic growth and developing the travel, tourism and retail industries
Environment	
Energy efficiency and carbon footprint	Using energy efficiently to minimise carbon emissions, clean renewable energy and moving towards a more energy-efficient future
Water management	Using water efficiently and reducing consumption whenever possible
Social	
Employee wellness, engagement and satisfaction	Attracting and retaining employees by creating a great place to work through providing welfare and a healthy lifestyle and regular engagement with employees
Occupational safety and health	Maintaining an injury-free working environment for all employees and eliminating workplace health and safety risks
Talent management	Building on employees' functional, technical and personal skills to ensure that the DFI brand is positively represented
Non-discrimination and diversity	Extending fair and non-discriminatory treatment to all employees
Employee benefits	Providing fair and comprehensive employee benefits

Material Topic	Description
Customer satisfaction	Assessing and responding to customers' needs to enhance satisfaction and engaging regularly to improve customers' shopping experience
Ensuring quality excellence	Providing travellers with an exclusive shopping experience beyond expectations by having the highest standards of customer service, unique and exclusive travel retail concept and exquisite product offerings
Data privacy	Protecting customers' data privacy and DFI's information including confidential business data and employee information
Community care	Being part of a society where DFI operates through philanthropic giving, partnerships with the community and annual donations via non-profitable organisations

The respondents rated the importance of the criteria deemed to them as stakeholders. An average score was calculated for all areas within each stakeholder group before obtaining an average rating from all stakeholder groups.

We also asked five members of our board of directors to complete a similar survey. Their views represented DFI's strategic perspective. The results are presented in the materiality matrix below.

Group Materiality Matrix



SUSTAINABILITY PILLARS


Sustainability can be defined as the processes and actions through which mankind avoids the depletion of natural resources to keep an ecological balance so that society's quality of life doesn't decrease.

Our sustainability framework consists of three main pillars: economic, environmental, and social or people, planet and profits.



People

- Managing and identifying business impacts on employees, workers in the value chain, customers and local communities.
- Employee wellness, engagement and satisfaction
- Talent management
- Occupational safety and Health
- Customer satisfaction
- Quality
- Employee benefit



Planet

- Showcasing our commitment of being a responsible corporate citizen by conducting business in an environmentally-friendly manner.
- Energy and carbon reduction
- Water and waste management

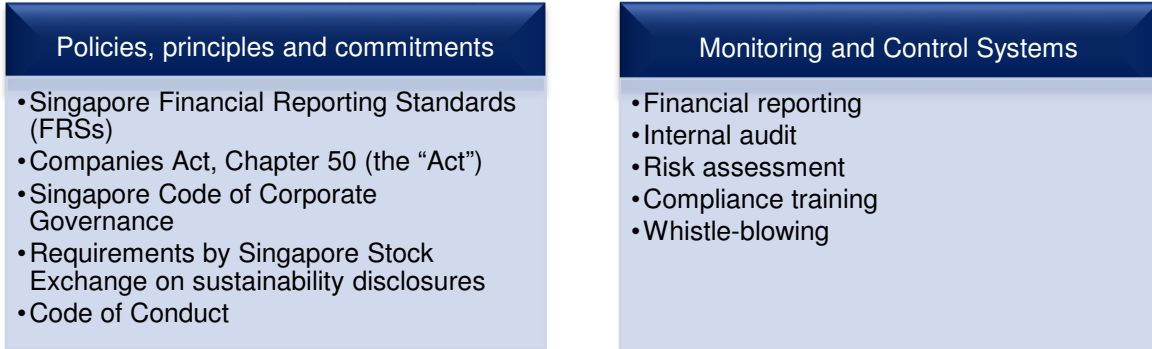


Profits

- Creation and distribution of economic value to our stakeholders and ultimately reflecting our commitment to profitable growth through performance excellence.
- Economic Performance
- Anti-corruption
- Nation building and industry advancement
- Procurement practices

ECONOMIC

Our Management Approach



DFI continues to be a major player in Malaysia’s travel retail industry. This is due to the geographical and multi-diversification of DFI’s duty-free and duty-paid retailing outlets at all entry and exit points of Malaysia. Together with Brand Connect Group, as illustrated in the Diagram 2 below, DFI is able to develop and expand its beverage distribution business and market operations beyond the current sales channels in the Malaysian duty-free market to include South East Asia’s duty-paid market. All these outlets are centrally managed in Kuala Lumpur and Penang, Malaysia.

We constantly seek ways of enhancing our service levels while continuing to:

- Focus on strategies that improve operational efficiency;
- Expand our customer base by improving product and service quality; and
- Intensify efforts to strengthen our distribution network and marketing, expand product offerings and explore opportunities to expand the Group’s distribution channels.



Retail outlet at Johor Bahru



Diagram 2: Our presence as at 29 February 2020

ECONOMIC IMPACT OF DUTY FREE AND TRAVEL RETAIL

The duty-free and travel retail industry is a fast-growing sector of the Asia Pacific economy. It contributes significantly to the economic development of the country and region through the employment and activity it generates. Facilitating wider economic activity in other industrial sectors such as aviation, maritime travel and tourism, our operations support the growth and development of regional economies.

The table below illustrates the Group's value distribution to its different stakeholders:

RM ('000)	FY2018	FY2019	FY2020
Economic Value Generated*	111,851	113,866	83,300
Economic Value Distributed			
- Employees (Salary and other benefits)	36,020	36,720	36,250
- Government (Income tax)	21,160	16,097	13,479
- Providers of capital (Dividends and finance costs)	77,339	75,067	25,315
- Community (Donations)	1,071	3,072	1,110
Total Economic Value Distributed	135,590	130,956	76,154

Further insights into the Group's economic performance for FY2020 can be found in our Audited Financial Statements for the Financial Year Ended 29 February 2020 ("AFS FY2020").

ENCOURAGING LOCAL COMMUNITY DEVELOPMENT

A wide and varied geographical reach helps DFI bring value to local communities in which it operates. Committed to each community where operations are based, DFI aims to have a positive impact by actively contributing to the surrounding area.

DFI hires local staff and purchases goods from local suppliers whenever possible. The Group helps develop the local markets in which it operates by procuring products and services from local distributors and suppliers as well as directly generating jobs. Goods are not only purchased from well-established brand partners but also smaller-scale souvenirs and crafts from local manufactures.

DFI also delivers employee training at each location. Different courses and programmes help enhance the knowledge and skills of the local professional community. Improving local future employment opportunities contribute to the development of local markets.

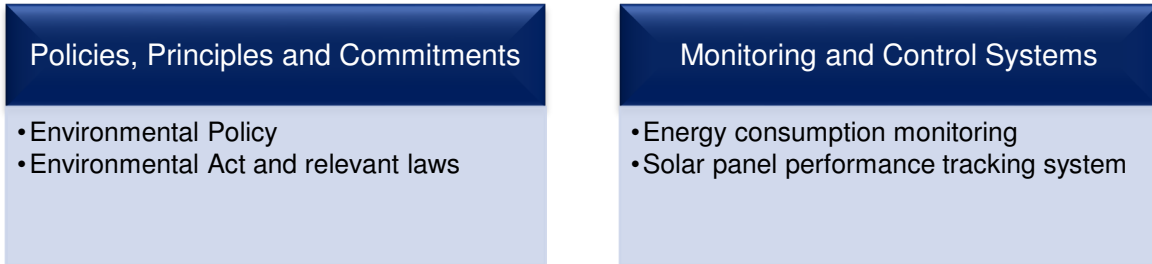
ENVIRONMENTAL

Since DFI’s core business activity consists of selling third party products, its direct environmental impact is low but not insignificant.

DFI’s primary environmental aspects are related to energy use and waste generation. Our target is to manage these aspects effectively in order to minimise the environmental impact. The energy consumed by DFI’s outlets and logistics activities, fuel use as well as packaging and other waste, are the main aspects considered.

We are also conscious that our liabilities are not limited to the impacts generated by our own actions. Airports, duty free zones, bordertowns, downtown and seaport concessionaires are also considered in order to minimise the impacts generated along the supply chain.

Our Management Approach

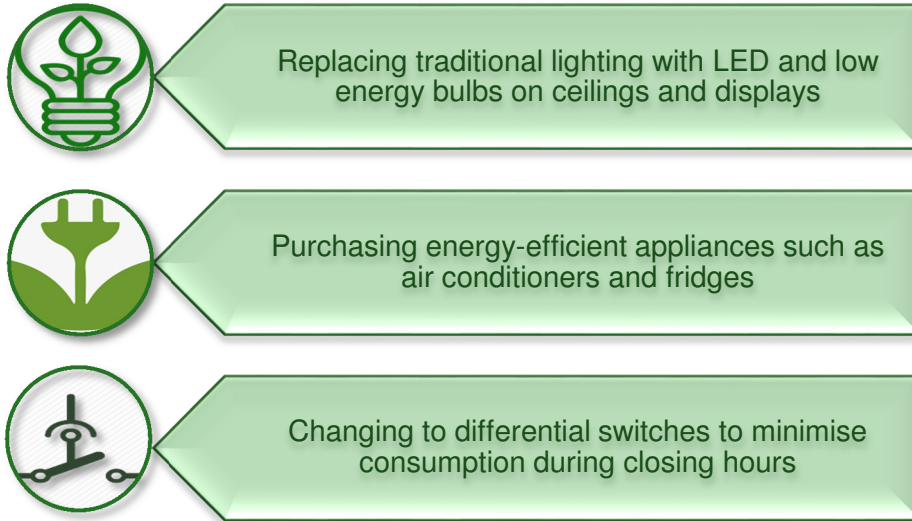


ENERGY CONSUMPTION AND EMISSIONS

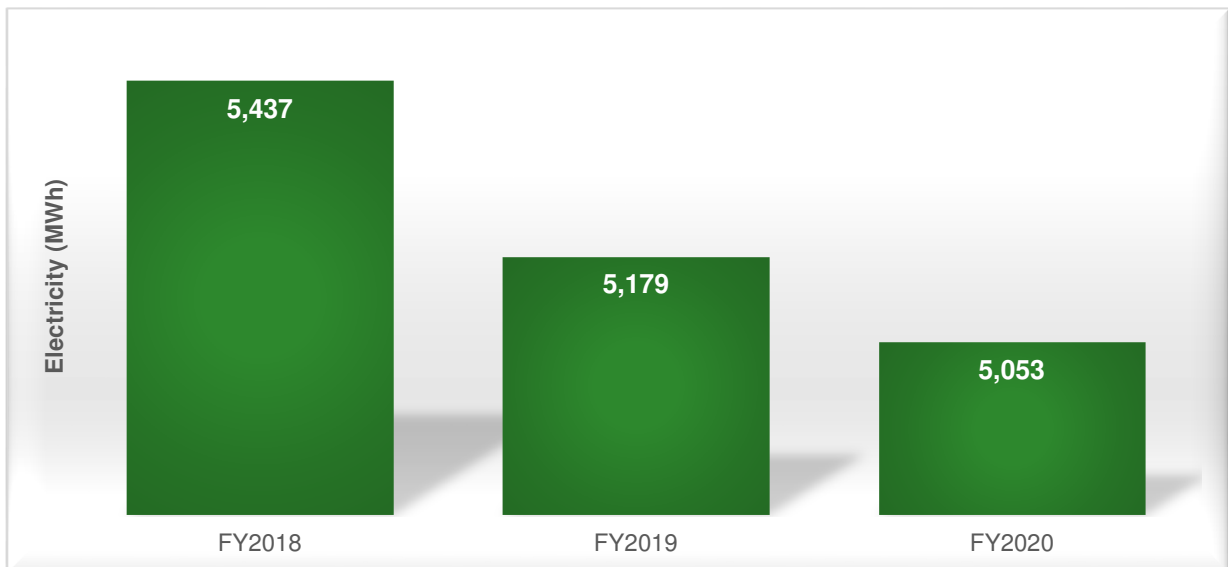
DFI’s operational energy consumption has traditionally been high in its retail operations as optimal in-store lighting and ambient temperature are required to create a luxury shopping experience. Food and beverage refrigeration, screen displays and other energy-consuming devices can increase this consumption considerably. Energy is also used for offices and warehouses.

This energy consumption has an associated environmental impact with greenhouse gas (GHG) emissions being generated that contribute to climate change. DFI continued to focus its efforts on re-defining processes and re-designing premises to lower energy requirements. All outlets monitor their energy consumption.

Energy-Saving Measures at DFI



Electricity Consumption at DFI Group



SWITCHING TO SMART METERS

Currently, Malaysian electricity provider, Tenaga Nasional Berhad (“TNB”), is rolling out a smart meter programme. This initiative is part of the government’s nationwide initiative, endorsed by the Energy Commission. DFI complies fully when replacements are scheduled.

Smart meters provide a better energy experience as they record information automatically to TNB via radio-frequency waves for monitoring and billing. Daily energy usage can be read more easily and billing is more accurate. This helps plan greener and more efficient energy use.

Benefits of Smart Metering



RENEWABLE ENERGY

As a form of renewable energy, solar energy from the sun's radiation is converted to electricity. It has the least negative impact on the environment compared to other energy sources and does not produce greenhouse gases or pollute the water.

The first solar panels were installed at our Bukit Kayu Hitam outlet in FY2019. During FY2020, solar panels were also installed at our Padang Besar outlet. Solar energy continues to help reduce the Group's energy consumption. We will continue to study the feasibility of expanding the installation of solar panels to our other outlets as we progressively transition to the use of renewable energy.

The installed solar panels' performance is tracked using a vendor's photovoltaic (PV) system — Sunny Portal. This system allows DFI to access and analyse key system data remotely in real-time. The monitoring mechanism measures both the overall assumption of internal power and external energy as power is generated for self-consumption.

This energy data is available on a daily, monthly and yearly basis and includes historical data. The system is also able to detect minor deviations and resolve them quickly. There is also a built-in community portal for DFI to benchmark its PV system data with other peer users.

Description	FY2019 savings	FY2020 savings
Solar installed capacity (kWp)	353	565
Total electricity generated (MWh)	398	613
Monthly average electricity savings (MWh)	41	152
Monthly average cost savings (RM)	20,955	25,969



WASTE MANAGEMENT

DFI works with its supply chain partners to reduce excess packaging entering the waste stream, addressing the problem at its source. Our waste is disposed of at a place designated by the local authority. The waste is collected and handled by a licensed third-party waste handler each week.

MINIMISING PAPER WASTE

Printing is discouraged and we advise employees to scan documents and save or send them electronically. This initiative benefits the environment and also increases the likelihood that documents will be read as they can be accessed from a device rather than in hard copy.

WATER MANAGEMENT

Water usage for our operations is considered minimal; however, we strive to minimise it whenever possible. Memos and notices are displayed in toilets to remind employees and visitors to save water and turn off taps that are not in use.

EMPLOYEES AWARENESS

Employee awareness campaigns are designed and delivered to promote easy habits that avoid unnecessary energy use. Notice and reminders are being sent to employees to practice energy conservation including avoiding water wastage in toilets.

SOCIAL

Social responsibility matters – to our employees, our suppliers, our investors and our customers. At DFI, we have a long-term commitment to being a responsible business, we focus on stimulating socio-economic development, creating value-added employment and embracing an exclusive duty free shopping experience beyond expectations.

Our Management Approach

Policies, Principles and Commitments

- Code of Conduct
- Employee Handbook
- Sponsorship Guidelines
- Training policy
- Employment Act and other labour laws
- Quality procedures and certifications
- Standard Operating Procedure (SOPs)

Monitoring and Control Systems

- Employee performance evaluation
- Grievance mechanism
- Employees satisfaction study
- Customer satisfaction survey

SOCIAL: EMPLOYEE AND WORK PLACE

Our culture values meritocracy over hierarchy with the spirit of embracing change. We continue to commit towards our goal of maintaining a kind and respectful environment so that everyone feels like a DFI family member.

Our traits are fundamental to the way we operate and how we recruit, evaluate and compensate our people.



Our Traits



Anchored by these objectives, our human capital strategy includes:

- Strongly focuses on recruiting, retaining and investing in best in class talent;
- Nurturing a diverse and empowered employee base; and
- Investing in continuous training and development for employees.

RECRUITING AND RETAINING THE BEST TALENT

We offer competitive compensation and benefits and provide comprehensive and innovative career development and training for employees.

Periodically, we engage with our employees to understand the gaps more clearly. This approach helps us address and gauge the overall sentiment of employees. Our turnover statistics are presented in the charts blow.

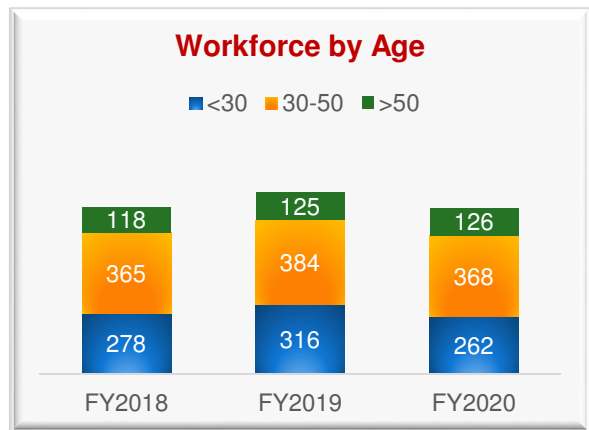
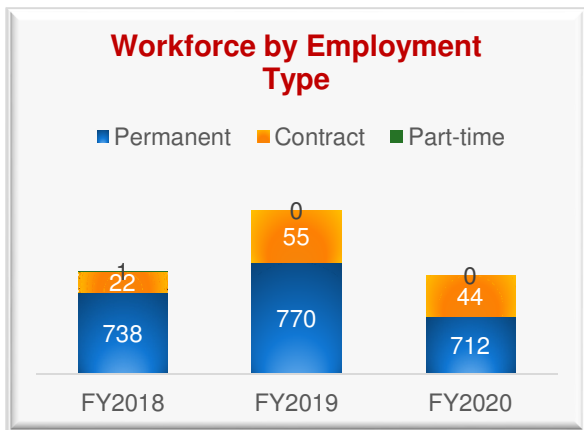
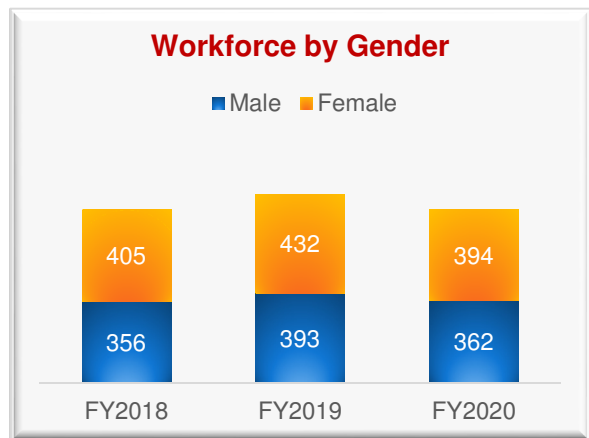
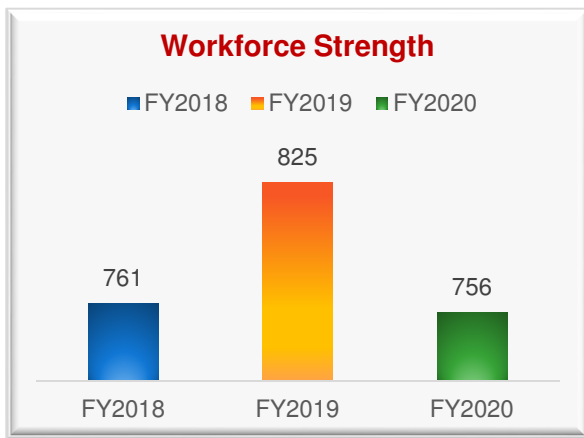
Turnover at DFI

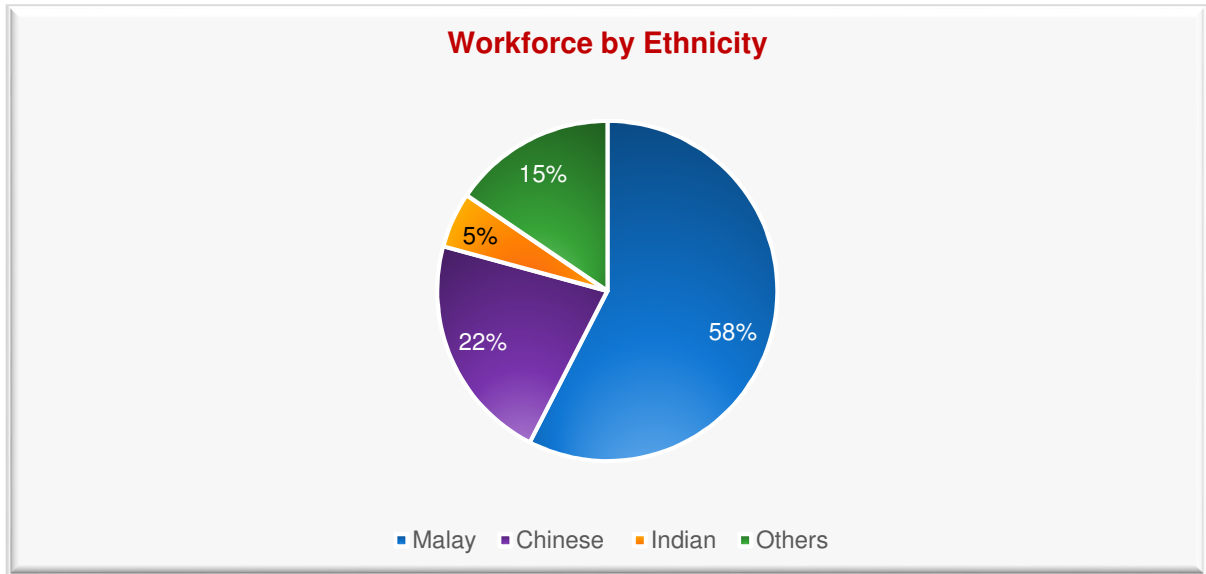
	FY2018	FY2019	FY2020
By gender			
Male	122	109	113
Female	118	110	104
By Age Group			
<30	131	136	134
30-50	75	58	57
>50	34	25	26
Total turnover rate (%)	32%	26%	29%

EMBRACING A DIVERSE WORKFORCE

We operate a transparent and inclusive work environment and understand diversity is fundamental to maintaining our ability to grow as a company. DFI strives to be a gender-intelligent organisation that recognises and values the differences that people from all backgrounds bring to the workplace. Diversity goes beyond race and gender to include marital status, parental status, religion, political origin, social status, ethnic background, disability, age, union membership or any other characteristic protected by local law.

The following figures offer a glimpse of the diversity and balance in DFI.





Breakdown of New Hires by Gender and Age Group

New Hires	FY2018	FY2019	FY2020
Number of employees			
By gender			
Male	70	125	89
Female	74	113	83
By Age Group			
<30	96	170	114
30-50	33	50	39
>50	15	18	19

Women Empowerment

	FY2018	FY2019	FY2020
% Women in Middle Management	62%	58%	44%
% Women in Senior Management	27%	32%	29%

SALARY AND BENEFITS

Offering benefits to employees is important as it shows DFI is invested in their overall health and future. A solid employee benefits package also helps to attract and retain talent.

Contract conditions such as base pay and employee benefits always comply at least with the statutory minimum. Employees are treated equally regardless of gender. The ratio between the minimum wage offered by DFI to its men and women is 1:1.

In addition to salary provisions, DFI offers a range of benefits that improve employee welfare, increase morale and offer peace of mind and security.

Examples of Benefits Offered

Leave	<ul style="list-style-type: none"> • Annual, sick, hospitalisation, maternity and paternity, marriage, compassionate and calamity leave
Insurance	<ul style="list-style-type: none"> • Employee Provident Fund (EPF), Social Security Scheme (SOCSO) and Employee Insurance Scheme (EIS) in Malaysia • Statutory contributions to Central Provident Fund (CPF) in Singapore • Group Personal Accident (GPA), Group hospitalisation and surgical insurance scheme.
Monetary reward	<ul style="list-style-type: none"> • Salary, bonuses, increments, incentives, clams and overtime.
Medical	<ul style="list-style-type: none"> • Outpatient and prolonged illness benefits, medical expense reimbursement and overseas medical treatment.
Fringe benefits	<ul style="list-style-type: none"> • Accommodation, transportation, uniforms, presents and contributions, and employee purchase discounts.

GRIEVANCES

DFI provides effective means for employees to bring work feedback and complaints to the management's attention. Employees may raise grievances to their immediate superiors who hopefully offer a reasonable and acceptable settlement to the problem at the earliest available opportunity.

If employees and their immediate superiors are unable to resolve the problem through informal discussions, the complaint is escalated to the Head of Department and subsequently Human Resources Department, Division Head, General Manager and Managing Director.

COMMUNICATION AND ENGAGEMENT

Internal communication is the main tool used to build good relationships with employees and share our values with them. Communication helps the business reinforce employees' feelings of pride and belonging and engagement with the Group.

As employees represent our brand and the Group, it is essential to ensure that they feel empowered and have a sense of ownership of all they do. Qualified and engaged employees are vital in defining good strategies, efficient operations, offering outstanding customer service and generally performing Group activities successfully. Communication needs to be clear, transparent, bi-directional and aligned.

DFI has developed various communication and dialogue tools such as face-to-face meetings and the Group intranet.

The Group takes into consideration its employees needs whenever there are operational changes. Minimum notice period follows all requirements stipulated under the employment law or employment contract, where relevant. This period can vary depending on the extent of the operational changes.

DFI is proud of its united and engaged workforce and continues to strengthen the bond through various engagement activities such as festive celebrations, annual dinners, luncheons and casual outings.

PERFORMANCE EVALUATION

DFI conducts performance evaluation to provide feedback to employees. This information is useful in their self-development and should eventually increase DFI's effectiveness. Performance evaluation is linked to employees' confirmation, promotion, bonus and merit pay increases.

Employees are evaluated annually on two main areas: Key Result Areas (KRA) and personal attributes. The initial evaluation is performed with the immediate superior. The final rating is moderated by the outlet manager or Head of Department before submission to the management.

DFI practises a two-way appraisal process using a Balanced Scorecard. Employees and their superiors discuss achievable goals and devise a customised career path. In FY2020, 100% of DFI employees have undergone the performance evaluation process.

OCCUPATIONAL HEALTH AND SAFETY

Health and safety in the workplace is essential for employee welfare. DFI strives to achieve the highest occupational health and safety standards. Compliance with these standards is actively encouraged across the Group and extended to all business and supply chain partners.

Slips, trips and falls, lifting and carrying heavy loads, and standing for long periods of time are examples of ways employees may be injured at work. Safety briefings and awareness sessions covering all these areas are delivered regularly to remind employees of safe ways of working with minimised risks of occupational injuries. Employees who work on the floor are reminded of the importance of wearing suitable footwear.

Other safety training and workshops organised for employees during the year included a fire and safety workshop by the Malaysian Fire and Rescue Department (“BOMBA”). This workshop was attended by our employees at Penang operations.

DFI also conducts monthly inspection on all electrical and fire emergency system including fire alarm, emergency lights, exit sign, automatic sprinkler, pressurised hydrant, wet and dry riser as well as hose reel system. DFI engages a third-party service and maintenance company to conduct monthly inspection on its machine room, lift and escalators to ensure that they are functioning at all times.

ENHANCING WELLBEING AND MENTAL HEALTH

DFI investigates and implements new ways to add further flexibility to the workplace, providing that they are practical solutions that bring added value to the business. For example, DFI offers a wide range of shift patterns to suit both the Group’s operational requirements and individual needs.

OUR SAFETY PERFORMANCE

The right to a safe and healthy work environment is non-negotiable. Safety underpins all that we do as a business. We are pleased to report that we recorded zero fatalities, serious injuries and incidents during this reporting period. Any unsafe behaviour and practices are not tolerated.



INVESTING IN OUR TALENT

DFI is fully committed to empowering its talent at all levels and aims to offer opportunities for employees to grow and develop successful careers within the Group.

DFI's training programmes encourage internal development and know-how. Specific customised courses are run for employees depending on their role in addition to the basic training required by law such as health and safety. The training programme aims to build employee excellence that is relevant to all job roles across the Group. Training courses on multiple customer service and product knowledge programmes are delivered across all the DFI locations in order to develop and deliver a strong and consistent customer service proposition.

DFI's Contribution to Training

	FY2018	FY2019	FY2020
Number of training programmes	72	79	68
Total investment in training (RM)	93,199	101,176	125,950
Number of training hours	2,893	4,884	9,248
Average number of training hours per year per employee	4	6	12

DFI encourages the professional development of employees by encouraging them to participate in approved conferences, seminars and training courses. These personal development programmes must be directly related to operations, activities and objectives and help employees improve their job performance. DFI ensures that all employees are trained and become sufficiently experienced to competently and effectively undertake their assigned activities and responsibilities.



Staff Training at Johor Bahru Branch

DFI's Scope of Training and Development



Types of Training Programmes

Training Areas	Objective
Retail sales and services	Retail selling skills and techniques to boost outlet sales and enhance customer experience
Product knowledge	Refresher course on product information and brand knowledge
Information Technology	Enterprise Resource Planning system, basic computer skills and cyber security skills
Regulatory compliance	Content and importance of regulatory requirements such as Code on Corporate Governance, stock exchange rules and regulations
Safety and health	Safety, health and preparedness in case of a fire hazard
Leadership and management	Organisational management skills and team coordination
Employee soft skills	Improve employees soft skills such as Microsoft excel training, communication and marketing skills

EQUAL OPPORTUNITIES AND NON-DISCRIMINATION

DFI recognises the importance of respecting human rights across all business operations. Our approach applies to all employees and contractors and follows the Universal Declaration of Human Rights, the core conventions of the International Labour Organisation and the United Nations Guiding Principles on Business and Human Rights.

DFI is committed to providing equal employment opportunities to all individuals regardless of race, colour, religion, sex, national origin, age, disability, marital status, sexual orientation or any other characteristics protected by law. It is company policy to provide equal opportunity to all employees with regards to hiring, pay rates, training and development, promotions and other terms of employment.

DFI's policy on discrimination and harassment is clearly stated in its Code of Business Ethics. Employees are reassured that they can raise legitimate concerns and make reports in good faith without fear of reprisal.

We are pleased to report that there have been no reported incidents of discrimination or harassment during this reporting period.

SOCIAL: SOCIETY

As a corporate citizen, DFI recognises the importance of coexisting with the community and, thinking about what we can do for society as a company. DFI's community activities aim at contributing to the betterment of society. As our operations involve a wide range of communities, it is important that we establish a long-term relationship with it, and contribute to its development. We have formulated a policy on social contribution activities and are carrying out a wide variety of activities across the Company.

SOCIAL: PRODUCTS AND SERVICES EXCELLENCE

Business excellence begins with engaging with our business and brand partners. These strong relationships are reflected in our delivery of the best customer service and being recognised as a renowned travel retail partner by our stakeholders.

DELIVERING AN EXCLUSIVE SHOPPING EXPERIENCE

DFI UNIQUE OUTLET LAYOUT

DFI's traditional duty-free concept outlets cater to every type of customer with all the main product categories and a wide range of brands being displayed in carefully arranged zones.

Engaging With Supply Partners to Create Perfect Shopping Experience



Each section at our outlet is focused on a single product category. A highly-trained employee is stationed and ready to offer expert advice to customers.

PEST CONTROL

Despite not handling food, pest problems can take hold, especially as goods and people are constantly entering our premises.

Multiple entry points and densely populated shopping areas make retail stores inherently vulnerable to pests. DFI engages a third-party pest controller to conduct regular pest control at its stores.

CUSTOMER FIRST

Customers always come first at DFI. Due to the nature of the travelling customer, DFI must adapt its retail strategy to meet customers' needs in a limited timeframe, with the extra challenge of meeting the expectations of a diverse array of customers.

Our goal is to create a unique shopping experience by understanding what and how and when they want it, and to offer it in exclusively designed outlets.

REWARDING CUSTOMER LOYALTY

The ZON Community Loyalty Programme was introduced to appreciate and reward our loyal customers for their continuous support and keeping them updated with the on-going promotions at our outlets. ZON Community Cardholders enjoy the exclusive member's discounts and benefits.

CUSTOMER DATA PRIVACY AND SECURITY

Protecting customers' private data in processes that involve the handling of customers' information is an important concern for the Group.

Our stores scan boarding passes and passports where applicable. We receive information from other sources such as store cameras, the DFI website and our social media account. The handling and storage of this information present a data protection risk.

A number of measures have been introduced to ensure customer data is handled correctly. DFI has developed a robust IT security system, a data protection and CCTV policy, training for employees dealing with personal information and procedures that abide by the Personal Data Protection Act (PDPA) 2010. There have been no reported breaches of customer privacy or data during this reporting period.

PUBLIC SAFETY

All our retail outlets have dry floors, clear paths, well-stocked shelves, ample parking areas, unobstructed by carts and well-maintained pavements to prevent unwanted accidents befalling on visitors to our outlets.

Precautions and measures taken to ensure the safety of our customers and all who come to our outlets include:

- Placing signs around the building that serve as a reminder such as 'watch your step', 'no smoking', 'caution wet floor', 'no admittance' and 'danger'; and
- A round-the-clock alarm system, CCTV and security guards.

All common areas are protected with firefighting equipment and access remains unobstructed at all times. DFI also has scheduled inspection and maintenance works for lifts, escalators and other engineering equipment.

DFI ensures that all of its safety certificates and permits to work are up-to-date. All retail and wholesale premises are inspected and certified by BOMBA before receiving a certificate of safe practice.



Duty Free outlet at Langkawi, Pantai Cenang

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