DKSH

Sustainability at DKSH 2018

Think Asia. Think DKSH.

Welcome from the CEO

Dear reader,

Welcome to **DKSH's second sustainability reporting** compiled in accordance with Global Reporting Initiative (GRI) Standards.

As a Swiss company deeply rooted in Asia for more than 150 years, being a responsible corporate citizen has always been part of the DKSH mindset. Being a Market Expansion Services provider, our business is built on **integrity, trust and reliability**. These values are engrained in our culture and are an integral part of our unique selling proposition.

In this second edition of our GRI reporting, we are – for the first time – including our contribution to the United Nations' Sustainable Development Goals (SDG). We want to promote these goals through our business activities, with a focus on Asia. You can find more information on our prioritized goals on pages 14 to 15 of this report.

Regarding **environmental** topics in 2018, we have focused on increasing energy efficiency – with associated carbon and cost savings – in our distribution centers and fleet, as well as greatly expanding our carbon reporting. Our recently implemented transport management system will further cut emissions and reinforces our safe driving policy. Additionally, we are looking into carbon offsetting options for our unavoidable emissions.

In the **social** area, we contribute to society by providing access to healthcare and important daily consumption items through our business activities. Moreover, we supported 34 social projects - twice as many as in the year before.

An important milestone in **governance** was the introduction of our new Supplier Code of Conduct. This demonstrates our engagement in continuously promoting higher standards for ethical business practices in our supply chain, now and in the future.

Stefan P. Butz
CEO

Content

DKSH in summary

DKSH is the leading Market Expansion Services provider with a focus on Asia. We help our clients grow their business in the Consumer Goods, Healthcare, Performance Materials and Technology markets we serve.

DKSH's portfolio of services includes sourcing, market insights, marketing and sales, distribution and logistics as well as after-sales services.

Publicly listed on the SIX Swiss Exchange, the Group operates in 35 markets with 33,000 specialists, generating net sales of CHF 11.3 billion in 2018. With its Swiss heritage and long business tradition since 1865, DKSH is deeply rooted in Asia Pacific.

35 markets

825 business locations
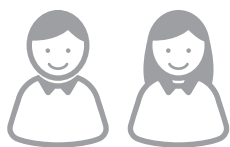
33,000 specialists

11.3 billion Net sales in CHF (2018)

4 Business Units

Consumer Goods

Healthcare

Performance Materials

Technology

Sustainability at DKSH

Environment

Energy savings of around 1,000 MWh per year due to more efficient use of air conditioning in Taiwan

Up to 10 percent fuel savings with the new transport network optimization system

Electricity consumption data collected for 27 DKSH operating markets

Siti Norazliyana Ali, Team Leader of Melaka Marine Program, WWF Malaysia:

"Corporates can play a crucial role in nature conservation by having their key staff understand how nature's services and the economy are interrelated. The generous donation received from DKSH will be channeled towards the continuation of WWF Malaysia's conservation efforts."

We are committed to conducting our business in an environmentally sustainable manner. With our focus on the sale, marketing and distribution of products, a significant part of our environmental impact results from warehousing, transport and logistics, and business-related travel.

DKSH encourages employee engagement in green issues. For example, a staff-led office waste taskforce launched at our Swiss headquarters in 2018. And in China, the company organized activities for World Environment Day.

New logistics technology cuts freight emissions

"Our distribution network makes thousands of deliveries every day, with customers ranging from large hospitals in city centers to small mom-and-pop stores in remote areas. Much of this distribution is outsourced to freight companies, who previously also took responsibility for much of the route planning. However, an overly simplistic approach was increasing journey times and fuel usage and sometimes resulted in half-empty vehicles driving around on days when we had fewer deliveries to make.

We are now implementing a transport planning tool which helps us select each day the most efficient plan from numerous possible combinations of vehicle loads, vehicle types, order of deliveries, and alternative routes. This enables us to optimize vehicle loading, shorten journeys, cut costs, and reduce transport emissions. The planning tool also helps us select the most appropriate size of truck for each journey, again reducing fuel use and associated emissions.

Our transport supervisors have trained 450 drivers in the use of this technology. The tool also alerts us to speeding, or if a driver has driven on the wrong type of road for the size of vehicle. It also ensures drivers are allocated the correct shift pattern, with designated rest breaks, in compliance with local legislation. These measures help reinforce our safe driving policy.

In 2018 we rolled the system out in Hong Kong, Malaysia, Singapore and Thailand. We will introduce it in Vietnam and Taiwan in 2019."

Brett Turner, Vice President, Group Transport Management, Thailand

Air conditioning adjustments reduce energy waste

"The Facility Management Team in Taiwan nurtures a 'Stay Hungry' culture where we are constantly seeking opportunities to save energy. For example, at our large distribution centre in northern Taiwan, we need to use a lot of cooling to keep medicines and other temperature-sensitive healthcare products below 23°C. However, the existing air-conditioning system lacked an inverter mode, meaning that whenever the system was activated it came on at full power, rather than selecting a speed according to how much cooling was needed. In 2018 our Facility Management Team modified the system so that the air conditioning system only switched on at the required power level, reducing energy waste. We constantly monitor and re-calibrate the system to ensure temperatures remain well within safe limits. This change will save 1GWh of electricity per year. We are now also working on adopting a greener design for our new next generation distribution center, which is expected to open in late 2020."

Gordon Chen, General Manager, Supply Chain Management, Taiwan

Social

10,000 employees received 14 hours of training each through the Fantree Academy

Zero workplace fatalities

13 years of continuous partnership with Right to Play

Grace Cheng, Vice General Secretary & Director of Public Relations, Chinese Christian Relief Association, Taipei:

"For the eighth year running, more than 500 DKSH employees supported our Christmas shoebox initiative, providing gifts to economically disadvantaged families in Taiwan. This is a strong commitment from DKSH to its local community."

We employ 33,000 specialists globally. Our success largely depends on the availability of skilled and committed people who share our values. That is why we established the DKSH Fantree Academy, our in-house learning and development center. The Academy uses customized programs to provide learning opportunities. It also serves as a platform for networking, sharing best practices and reinforcing our corporate culture.

Besides furthering our own employees, a strong commitment to the local communities we operate in has always been an integral part of our business.

One of our core initiatives in our major market Thailand is our decade-long partnership with international organization **Right to Play**. This global organization uses the transformative power of play to educate and empower children facing adversity. DKSH continued its support in 2018 by providing funding and use of our facilities. We also support other charities that directly meet the needs of our local communities.

For more examples of our local community initiatives, please see: www.dksh.com/global-en/home/about-us/sustainability.

Voices from Fantree Academy Participants

"The Service Excellence program helped my team and me to be able to think and feel from customers' shoes and to learn to be more empathetic so we can serve our customers better."

Eva Chan, Manager, Group SAP Security, DKSH Corporate Shared Services Center, Malaysia

"The 'Building Winning Sales Partnerships' course was a comprehensive and easily actionable program for me, as it is designed specifically for Business Unit Technology and linked to our CRM system. Using the selling tools and a common language from the program in my day-to-day job has had a very positive impact on both my sales performance as well as me personally."

Maggie Yang, Senior Sales Manager, Business Unit Technology, Taiwan

DKSH supports a local orphanage in Myanmar

"In March 2018, we organized a day trip to the Shwe Thar Lyaung pagoda and the beautiful Shwe Pyi resort for 100 children from the Witharkhar Orphanage and School. This nunnery school cares for orphans, providing them and other disadvantaged local children with a monastic education. DKSH Myanmar has supported their work for many years including donating a school building, supporting the teachers, and other ongoing support. Every year, we organize exciting activities for the children together with our employees. This fun day out in 2018 included playing games and learning about the environment. At the end of the outing, I handed out presents to all the children, and the 40 DKSH volunteers went back home having experienced a very special day serving the local community."

Phillip Wray, Vice President, Healthcare, Myanmar

Governance

**Introduced a new
Supplier Code of Conduct**

ISO certification 27001:2013
on information security
management achieved

Group Data Privacy Policy
developed

Debjit Rudra, Area Vice President and General Manager South East Asia, GSK Consumer Healthcare:

"We have had a very strong partnership with DKSH for many years and really appreciate their very clear and transparent ways of working based on trust. The senior management operates in a very collaborative manner and makes a genuine attempt to build a strong partnership."

Our success is founded on collaborative, ethical and sustainable leadership. DKSH's Board of Directors and the Executive Committee are responsible for defining the business strategy and assuring its execution, including sustainability. They are committed to upholding strong governance standards representing the interests of DKSH and its stakeholders. A sustainability team, led by Group Governance Risk & Compliance and Group Investor Relations, is supporting management in addressing material sustainability topics.

Our values and beliefs are enshrined in our Code of Conduct, adopted by our Board of Directors and made available to all our employees in English and local languages. Employees need to formally adopt the Code upon joining and receive periodic training to ensure that the Code is followed. We place great emphasis on hiring and retaining people who share our values and who, through their integrity, protect our business as well as that of our clients and customers. (GRI 102-16)

We operate as an intermediary between our clients and customers. For parts of our service delivery, we also rely on third parties. DKSH does not maintain relationships with third parties that do not act in line with our principles and standards of doing business. To further emphasize this, we introduced our Supplier Code of Conduct, which sets out clear expectations on issues such as labor rights and anti-corruption.

Successful ISO 27001:2013 certification for IT security management

"Our clients and other stakeholders want to feel confident that we are handling their data responsibly and are addressing cybersecurity risks. Our global information security management system underpins our approach to safeguarding our data. In 2017, Group IT Security embarked on a journey to get our systems certified to the ISO 27001:2013 standard. Beginning with our SAP Infrastructure, we consulted an external auditor who provided professional guidance and readiness before accredited certification body TUV Nord performed the certification audit. The DKSH Corporate Shared Services Center (CSSC) SAP Infrastructure was certified to 27001:2013 in 2018.

Going through this process has made us more aware of how we handle data, and how we can safeguard business information. It also helps us demonstrate to our business partners that we meet their requirements.

We will conduct quarterly internal reviews to maintain the SAP infrastructure system in collaboration with the Quality Assurance team. We are also planning to achieve certification for the remainder of the CSSC IT systems."

Siva Vijayandran, Senior Manager Group IT Security, CSSC Malaysia
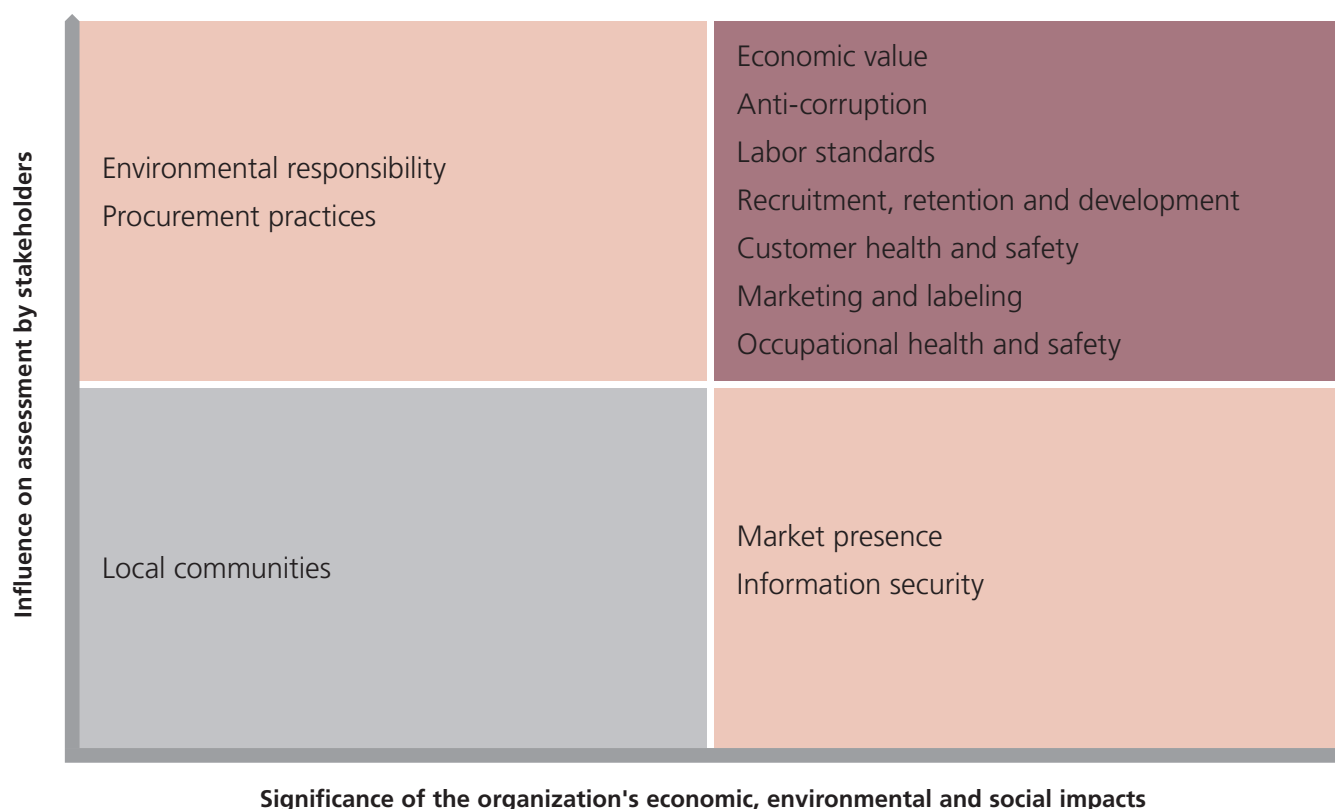
What really matters: our materiality matrix

DKSH conducts materiality assessments to identify the most relevant topics for our stakeholders. Our last materiality assessment was conducted in 2017. In 2018, we performed a high-level review of the assessment. The review included the integration of updated information from business partners, analysts, media, investors and sustainability rating agencies. When defining report content, we have considered all significant aspects of our business along the value chain. Due care was taken for the preparation of this report through application of the reporting principles of stakeholder inclusiveness, sustainability context, materiality and completeness to the best of our ability.

For establishing our materiality matrix in 2017, a list of potential topics was assembled from several sources, including various industry frameworks, sustainability reports by peers, clients and customers, as well as important factors identified by DKSH's risk profile. Subsequent steps included an elimination of topics with limited relevance for our business, followed by an impact assessment conducted by survey, involving personnel located in various parts of the business and geographies.

Separately, expectations expressed by other important stakeholder groups, such as employees (via employee surveys), clients and customers, were taken up via direct feedback. In fact, many of our top clients and customers have adopted sustainability principles and reporting standards, and they expect DKSH to play its part in their upstream or downstream supply chains.

These expectations also relate to stakeholder groups that DKSH does not directly engage with – such as consumers of healthcare products and fast-moving consumer goods.

GRI 102-40, GRI 102-42 to 44, GRI 102-46 and 47

Influence on assessment by stakeholders

Environmental responsibility
Procurement practices

Economic value
Anti-corruption
Labor standards
Recruitment, retention and development
Customer health and safety
Marketing and labeling
Occupational health and safety

Local communities

Market presence
Information security

Significance of the organization's economic, environmental and social impacts

Our engagement for local communities

Mumbai, India
DKSH donates a new school bus to a center for children with special needs in India

Yangon, Myanmar
DKSH demonstrates its engagement for local communities with a day trip for the Witharkhar Orphanage

Phnom Penh, Cambodia
DKSH in Cambodia:
give blood – save lives

Dongala Palu, Indonesia
DKSH and Wicaksana help Donggala-Palu victims in Indonesia

34 supported projects in 2018

in **15** different markets
See more page 27
(GRI 413-1)

Singapore
DKSH partners with Beyond Social Services in spreading cheer to disadvantaged families in Singapore

Melaka, Malaysia
DKSH joins WWF-Malaysia in marine turtle conservation

Supporting the United Nations' Sustainable Development Goals

DKSH strives to create sustainable value for all our stakeholders. We are deeply rooted in the communities we serve across Asia and are committed to creating opportunities for local development.

Our business directly and indirectly contributes to the United Nations (UN) Sustainable Development Goals (SDGs). These Goals, adopted by the UN in 2015 for delivery by 2030, seek to address the world's biggest challenges for the benefit of all, including ending poverty, improving health and education, and tackling climate change.

Following a review of the SDGs in alignment with our materiality processes (see page 12), DKSH has prioritized five SDGs where we can make a particular contribution.

Goal 3 – Good health and well-being
Ensuring access to healthcare is at the core of our business and is aligned with one of DKSH's objectives to enable market access for healthcare products across Asia.

We also care about the health and safety of our employees and contractors, and we participate in health-related community engagement activities, such as blood donation campaigns.

Goal 4 – Quality education
As a services company, people are our greatest asset, and their dedication, attitude and passion drive the long-term success of our business. DKSH encourages employees to own their professional development through proactive engagement. In learning and development specifically, we subscribe to the 70-20-10 learning model (see page 23 for details).

The DKSH Fantree Academy, our in-house learning and development center, offers around 50 programs aimed at developing capabilities across all levels of the organization. We also recognize that an understanding of sustainability issues is an important skill for the future economy and seek to raise employee's awareness on these topics.

Goal 8 – Decent work and economic growth
DKSH contributes to economic growth in many markets in Asia through our commitment to providing attractive jobs and enabling employment. We respect labor rights, such as non-discrimination and no forced or child labor, and recognize the role we can play in our extensive supply chains in furthering these standards. In our own business, maintaining these standards particularly benefits lower skilled workers, such as those employed in our distribution centers, who can be more vulnerable to exploitation. Many of the distribution partners we work with are small 'mom-and-pop' stores, supporting local entrepreneurship and employment.

Goal 9 – Industry, innovation and infrastructure

An important part of DKSH's service offering is our market coverage via an established capillary distribution network, our 160 distribution centers and our 44 innovation centers across Asia.

Through our Business Unit Technology, DKSH further offers complete solutions for specialized industrial applications to primarily small and medium-sized enterprises in Asia. We provide access across the value chain, from sourcing, sales and marketing to after-sales services.

Goal 13 – Climate action

We seek to reduce the carbon impact of our activities across the value chain. We recognize that our large, mainly outsourced, fleet and temperature-controlled facilities for consumer goods and healthcare products are sources of emissions. We have standardized our global management approach for greenhouse gas emissions and are looking at lower carbon paths in the markets in which we operate, for our own operations as well as in support of our clients' climate change objectives.

Environment

Environmental responsibility

At DKSH, our environmental commitment includes addressing our own impacts, supporting our suppliers and clients in managing theirs, and raising our employees' awareness of "green" issues.

As a major employer, we have a role in educating our employees about how they can reduce their environmental impact at home as well as at work. For example, DKSH in China celebrated the World Environment Day 2018 with a "reduce-reuse-recycle" waste reduction campaign. In Malaysia, DKSH partnered with WWF to raise awareness of wildlife conservation, including marine turtle conservation, with various activities for our employees in the rainforest and at the beach.

In our own operations, with the adoption of our Health, Safety and Environment (HSE) policy in 2017, DKSH embarked on a journey to strengthen and standardize our environmental management across the business. In line with this policy, local HSE managers are responsible for maintaining a register of applicable national environmental laws and regulations and ensuring that all our operations are compliant through an adequate management program.

No incidents of non-compliance with environmental laws and regulations were noted in 2018.
GRI 307-1

As an international Market Expansion Services provider with a focus on sales, marketing and distribution, our main environmental impacts relate to our distribution centers, fleet and business travel. We also do some manufacturing which entails a different set of environmental impacts, although this activity is a minor part of our business.

Distribution centers
To distribute our clients' and our own products, DKSH operates 160 distribution centers (DCs) across Asia. Our DCs and warehouses are typically leased, with a few of them built-to-suit. For any investment into new facilities, environmental criteria will be considered in the planning phase.

Distribution centers account for a significant part of our carbon footprint. Energy is consumed for lighting, cooling and operating forklifts and other handling equipment. We aim to increase energy efficiency and choose lower carbon sources of energy where possible. Most of our handling equipment is battery-operated. Temperature-controlled facilities are adequately insulated to reduce cooling requirements and air conditioning systems are carefully calibrated. In 2018, our Healthcare DC in Taiwan switched to a more efficient use of air conditioning–thereby saving approximately 1,000 MWh per year. Energy-efficient lighting is also used, including the installation of smart LED systems. In 2018, DKSH switched to LED lighting in two DCs in Thailand and New Zealand. We also design facilities to make the best use of space, thereby minimizing our storage footprint and associated need for air conditioning and handling equipment. The installation of moveable pallet racks, a carousel system and a new mezzanine floor in our Hong Kong DC enables denser storage. For new facilities, we are optimizing our designs to achieve the greatest efficiency in picking, packing and storage.

Fugitive emissions, generated by the use of refrigerants, are another significant part of our carbon footprint. Temperature-sensitive products may require storage and transportation in air-conditioned vehicles or in special transportation boxes. In addition to monthly checks of cold rooms by maintenance contractors, our operations team inspect the operating parameters and conduct thermal imaging scans to identify any failures of the insulation or other sources of inefficiency. We also have implemented 'design principles' such as:

1. Situating freezers inside cold rooms, and cold rooms inside air-conditioned rooms, to reduce the loss of chilled air

2. Segregating docking areas from storage areas to maintain a stable storage temperature

3. Where possible, choosing to build two smaller cold rooms rather than one big one to increase cooling efficiency

Preparing goods for delivery requires use of packaging (mostly cardboard cartons and plastic for pallet wrapping) and packaging waste is generated from incoming shipments. Healthcare cold chain goods need particularly extensive packaging to protect the delicate items and we have set standards for shipping healthcare products. Where possible, we use returnable packaging. This typically works well in urban areas where our distribution centers are located. For example, our "B-box" in Thailand is used for shipping to key hospitals in Bangkok. Selecting the most appropriate packaging depends on the reuse markets and recycling facilities available in each market, and we look for the best option in each circumstance rather than adopting a single approach. Although local management of this issue is key, we will be looking further at our packaging composition and waste management processes from a Group perspective across our operations, to understand the scale of the issue and identify possible synergies.

Spills of hazardous substances can pose an environmental risk, both in storage and in transit. All such materials are handled in compliance with applicable Safety Data Sheets (SDS) and clear standard operating procedures. In some cases, we outsource the handling of certain substances to specialized service providers.

Transport
Our capillary distribution network serves several hundred thousand customers daily. We have a small fleet of our own, but delivery is mostly outsourced to specialized service providers, although we retain overall responsibility for delivery performance. One of our most significant impacts relates to fuel consumption within these vehicles.

Most of our service providers use diesel-powered delivery vehicles, although some are natural gas-powered. In our high-volume, high-frequency business (e.g. FMCG, Healthcare) with many delivery drop points to be serviced, delivery route optimization is key for operating efficiently. Fuel savings lead to cost savings, representing a win-win situation. To tackle emissions for our small company-owned fleet and our haulage suppliers, in 2018 we implemented a specialized software targeting transport network optimization in Thailand, Singapore, Hong Kong and Malaysia. This enables us to plan the most efficient usage of trucks and the best routes to take. The system will result in efficiency gains and savings of up to 10 percent as it reduces the number of vehicles needed and the time spent making deliveries as well as the distance driven. To ensure an effective use of the new system, training on route planning has been provided alongside the software.

A further roll-out of the system is planned for Taiwan and Vietnam in 2019 with additional energy savings anticipated. Please see page 7 for more details.

Business travel
Despite our widespread use of communication technologies, traveling remains an important factor in our service delivery and for managing the company. Most of these journeys are made by vehicles not controlled by the company, such as business flights, travel by sales and service teams in their own cars, and public transport. Internal approval systems are in place to prevent unnecessary travel. In recent years, we have upgraded IT communication capabilities and promoted conference and video calls to reduce the need for business travel.

Office and IT infrastructure
Most of our offices are leased, often with central control of air-conditioning and other fixtures by the building management, poor visibility of our direct energy usage and limited scope to change the building fabric and fittings. Options to reduce energy consumption in such cases include, for example, upgrading lighting to LEDs and modifying how we use the space, e.g. "turn off at night" policies

In 2018, employees in Switzerland began a zero-waste initiative to target office waste. Progress so far includes reducing general waste bins at our headquarters in favor of minimizing waste and recycling ,wherever possible, and collecting approximately 30 kilograms of coffee pods per month to recycle. This initiative demonstrates our employees' engagement in green issues and we aim to replicate this across the organization going forward.

Reporting approach
In our second year of reporting environmental data, we have expanded our reporting scope significantly.

Data on refrigerants, fuels and downstream transportation is captured for markets with the highest usage of refrigerated storage and largest distribution networks. These include Thailand, Malaysia, Singapore, Vietnam, Cambodia, Myanmar and New Zealand. For fuel, this includes usage of CNG, LPG, diesel and gasoline for our internal fleet of delivery vehicles and back-up electricity generators. For downstream transportation, major suppliers provided diesel consumption data in liters from bill data. For consistency, all fuel property factors were sourced from UK Government GHG Conversion Factors for Company Reporting (2018 edition). The Global Warming Potentials applied are from the Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report (AR4) over a 100-year period.

We collect data on electricity consumption from bills received from utility suppliers for 23 of our markets and have extrapolated energy data from cost data for a further three markets. We have applied Location-Based Factors according to the following hierarchy: (i) local government source (as recent as possible, by state if available), (ii) IEA 2012, (iii) nearest neighboring country. For Market-Based Factors, we applied the following hierarchy: (i) electricity supplier factor, (ii) most recent credible residual factor source (e.g. RE-DISS for European countries) and (iii) same as Location-Based Factor.

Kilometers flown data was supplied by our air travel providers for major markets including Hong Kong, Malaysia, Singapore, Switzerland and Thailand, and UK Government (2018) carbon factors applied. Data was extrapolated for the remaining markets based on the available flight spend data.

We have restated data for 2017 based on improvements to our data methodology. We will continue to refine our data processes to reduce extrapolation and may restate previous years' data to support like-for-like comparison.

We also disclose to CDP; please see our latest carbon disclosure for more detailed information.

Greenhouse gas emissions

	2017 In metric tons of CO_2e^1 (restated)	**2018** In metric tons of CO_2e^1	**2017 per employee** In kg CO_2e^1	**2018 per employee** In kg CO_2e^1	**Change per employee** In %
Scope 1 Fuel and refrigerants	10,175	8,218[3]	441	285	(35.4)
Scope 2 Electricity (location-based)[2]	56,202	57,416	1,758	1,740	(1.0)
Scope 3 Air travel	30,282	28,663	947	869	(8.2)
Scope 3 Downstream transportation	69,492	78,985[4]	3,009	2,765	(8.1)
Total GHG emissions	**166,151**	**173,282**	**6,155**	**5,659**	**(8.0)**

2017 serves as the base year
[1] Gases included are CO_2, CH_4, N_2O, HFCs
[2] Scope 2 emissions under market-based approach are 57,480 in 2018 vs. 56,392 in 2017
[3] We have further developed our reporting to cover all significant markets (excl. Indonesia) and expanded data coverage to include New Zealand, Myanmar and Cambodia. Scope 1 emissions decreased because of lower emissions from refrigerants. Although we upgrade our air conditioning systems on a regular basis, and newer systems are associated with lower fugitive emissions, the scale of the decrease between 2017 and 2018 is influenced by the maintenance schedule of the equipment and several years of data is needed to confirm an overall downwards trend
[4] We have further developed our reporting to cover all significant markets (excl. Indonesia) and expanded data coverage to include Myanmar and Cambodia

GRI 305-1 to 305-3

Energy consumption

	2017 In MWh (restated)	**2018** In MWh	**2017 per employee** In kWh	**2018 per employee** In kWh	**Change per employee** In %
Direct Energy Fuel	10,430	17,467[7]	452	607[1]	34.3[1]
Indirect Energy[2] Electricity	99,861	100,842	3,123	3,056	(2.1)
Total Energy[3]	**110,291**	**118,309**	**3,575**	**3,663**	**2.5**

[1] We have further developed our reporting to cover all significant markets (excl. Indonesia) and expanded data coverage to include New Zealand, Myanmar and Cambodia. Additionally, we refined the reporting to differentiate between fuel consumed by our own fleet and fuel usage in back-up generators, which combined with the larger Cambodian fleet, explains the increase in direct energy per employee
[2] Includes electricity consumed for cooling
[3] Excludes heating (currently data not available) and steam (not applicable)

GRI 302-1

Social

Recruitment, retention and development

As a services provider with roughly 33,000 employees, our success largely depends on the availability of skilled people who share our values. As our reputation is built on trust, integrity and reliability, we seek to retain talent to maintain stable relationships with our business partners.

DKSH provides a variety of benefits to its employees, based on applicable policies in the markets of operation. Standard benefits, with some variation by market, include life insurance, healthcare, disability and invalidity coverage, statutory retirement provision and parental leave. Benefits related to stock ownership are limited to eligible key managers of the company (Annual Report 2018, page 32).

Our practices with respect to providing benefits to employees comply fully with applicable legislation and in many cases exceed it. In four of our nine significant operating markets[1], the benefits provided to part-time and temporary employees are identical to those of permanent full-time employees, and in three other markets there are only minor variations. In two markets, no voluntary benefits are provided to part-time or temporary employees. **GRI 401-2**

[1] Refer to GRI 102-4 for definition

In addition to offering competitive remuneration and other benefits, we provide a compelling Employer Value Proposition (EVP). The EVP is our promise to employees – what we offer them in exchange for their skills, capabilities and experiences.

The DKSH Employer Value Proposition
1. Enjoy a world of learning and development. Thanks to DKSH's great diversity of services, industries, clients, products, regions and employees, you'll enjoy a world of on-the-job learning and development that will drive your personal and professional growth

2. Own your career and take business responsibility. DKSH offers you a dynamic growth environment and unique culture where you can "write your own career ticket" by taking business responsibility and career ownership early on, seizing development opportunities whenever they arise

3. Have a positive impact that touches people's lives. By helping DKSH and other companies grow and bring their products, solutions and progress to markets, you'll experience your own personal growth and the satisfaction of seeing the positive impact you have on the lives of others.

Performance reviews

At DKSH, we encourage employees to own their professional development through proactive engagement.

An important feature is the six-monthly performance review where they can discuss and agree on their personal development plan with their line manager. It is a requirement of our General Employment Policy that all employees participate in a formal annual appraisal of their performance with their line manager. This is carried out through the DKSH Talent Portal, an online performance and talent management solution. Regular dialogues between managers and employees on development objectives, including constructive and focused feedback, are also a part of the development journey at DKSH.

All our employees have a yearly appraisal. 16 percent of employees received a more extensive performance review in 2018 (2017: 11 percent). This review applied mostly to management-level employees. All decision-making with respect to appraisals, development opportunities and promotions is required to uphold our equal opportunities commitment.
GRI 404-3

As part of our continuous efforts to engage our specialists and create a dynamic and high-performance work environment, we regularly conduct employee surveys. These surveys focus on the work environment, leadership, organizational transformation, company culture and other matters affecting workplace effectiveness. Resulting action plans are drawn up, implemented and monitored

Learning and development

In learning and development, we subscribe to a 70-20-10 learning approach. This approach recognizes that the greatest impact of learning comes from job-related, hands-on experience and occupational training (70 percent). The remaining impact comes from learning through others (20 percent) and through formal courses (10 percent), largely provided internally via DKSH's Fantree Academy.

The DKSH Fantree Academy, our in-house learning and development center, offered 49 programs in 2018 (2017: 39) to develop capabilities across all levels of the organization. The training programs span three pillars: essential skills, leadership programs and functional skills. Training is provided through various channels, including classroom, instructor-led, on-the-job training and training through the company's intranet.

Since 2015, the number of trained employees and total number of course participants increased every year. In 2015, 5,045 employees attended at least one Fantree Academy course, whereas in 2018 it was 9,778 DKSH employees (2017: 8,754). As employees can attend several courses, there were 17,461 registrations to training courses in total in 2018, up by more than a fifth against 2017 (14,255) and more than twice as many as in 2015 (8,792).

Nearly 10,000 DKSH employees participated in Fantree Academy in 2018, each receiving an average of 14 hours of training.
**GRI 404-1**

Mobility, benefits and recognition

The diversity of our business enables our employees to gain new experiences by promoting internal mobility across markets and organizational units. We regularly advertise job openings internally to foster career progression and only recruit externally if no suitable internal applications are received. Our Mobility Guidelines, part of our Group Compensation and Benefits, provide guidance on supporting employees as they move through the company, such as subsidizing costs and providing cultural training to expatriate workers and their families when entering a new market.

Recognition is a key part of our approach to retaining talent. Each year, we celebrate the employees who have most embodied our corporate values through the DKSH Fantree Awards.

Labor standards
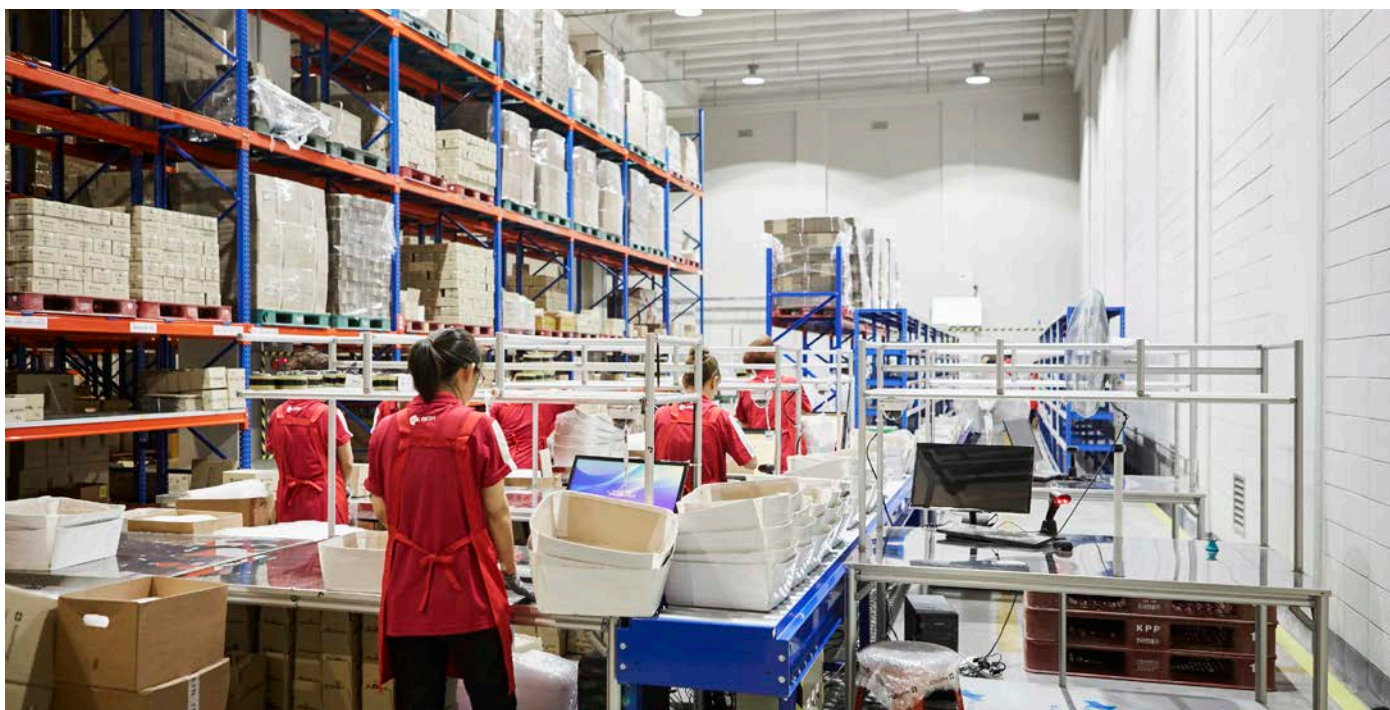
In our service business, ethical conduct and integrity of our workforce is crucial for our reputation as a trusted service provider. Pleasant and safe workplaces free of discrimination and harassment and respecting human rights are key elements in our employment offering, as laid out in our Code of Conduct. We respect our workers' rights for freedom of association and collective bargaining.

At the end of 2018, 27 percent of DKSH's employees were covered by collective bargaining agreements (2017: 24 percent[1]). **GRI 102-41**

[1] Restated figure from 2017

Much of our workforce is employed in markets and industries which typically rank high on human rights risk indices. Additionally, we procure a sizeable range of supply chain-related services and products across Asia, such as outsourced transport and delivery services for our distribution network as well as labor and equipment and materials for our logistics and marketing operations (warehouse workers, product promoters, component suppliers for our own-brand manufacturing). To mitigate the risk of human rights violations, we focus our attention on contractors who directly help us deliver our service offering, including delivery drivers and warehouse workers.

The Human Resources (HR) and Supply Chain Management teams in each of our key operating markets have responsibility for all hiring and for ensuring employees and contractors have the correct documentation. We operate management programs in line with applicable local laws and labor regulations to prevent the hiring of under-age persons or illegal workers, to ensure decent and safe workplaces, fair and timely pay, and adequate rest periods. We expect all our business partners to respect the basic principles of human rights, as mandated by our Supplier Code of Conduct. Violation of these principles can lead to contract termination.

DKSH does not discriminate based on age, religion, gender or any other category, and this policy is enshrined in our Code of Conduct ("the Code"). As part of the Code and related trainings, we explain our stance on human rights and non-discrimination to employees and ask any staff member who feels that they, or one of their colleagues, is subject to discrimination or harassment to report it to the HR department. Organizationally, we practice a business partnering approach, whereby representatives of the HR department are stationed within operations for ease of access.

Our management approach on non-discrimination and human rights practices has focused thus far on legal compliance; governance processes, and evaluation of their effectiveness has mainly been at the local level. Although we are not aware of significant issues arising from our current approach, we are mindful that a compliance-led approach could lead to varying standards among markets. We are considering centralized oversight of this issue, with clear reporting lines to Group management. We are also planning a human rights impact assessment to better understand where our risks lie and how to mitigate them. This will focus on major operations and key contractor types, identified using a risk-based approach, and we will comment further on our progress in future reports.

Discrimination and harassment
Our Group's HR Function ensures that employees are aware of proper reporting channels for incidents of discrimination and harassment. In 2018, no such incidents were reported to HR.

DKSH recorded no incidents of discrimination or harassment in 2018.
GRI 406-1

Induction training for new employees and on-site contractors includes the importance of treating all people with respect. It specifically states that any form of discrimination based on gender, race or any other protected characteristic, sexual harassment and bullying are not acceptable. The training encourages people to report to the site manager or HR in case of misconduct and emphasizes that reports will be kept confidential.

Labor rights
GRI 407-1, GRI 408-1, GRI 409-1
Our Code of Conduct and Supplier Code of Conduct respect workers' rights to freedom of association and collective bargaining and prohibit the use of forced or child labor. The induction training all employees and on-site contractors receive encourages any worker suspecting a violation of their colleague's human rights to report it in confidence.

Freedom of association and collective bargaining
We would never penalize anyone engaging in workers' groups in good faith. Where such arrangements exist, we respect the terms and conditions in collective agreements and we nurture relationships with unions through constructive engagement. We are committed to ensuring that appropriate mechanisms are in place to enable employees and contractors to express their views about their workplace through, for example, open meetings for group discussion between employees and local management, or meetings with elected workers' representatives. This includes markets where collective bargaining is restricted by law or by custom.

Child labor
The HR teams check that applicants are legally able to work, and proof of identity is needed for all contractors working on our sites. However, we are aware that complying with local requirements on minimum age could lead to different standards being applied in different markets. As part of our human rights assessment, we will evaluate the effectiveness of existing management systems and processes to mitigate any risk of child labor in our operations and among our contractors. We will also look at measures to reinforce the provision against child labor in our new Supplier Code of Conduct. We will report more fully on this disclosure in future reports.

Forced or compulsory labor
As part of our human rights assessment, we will evaluate the effectiveness of existing management systems and processes to mitigate the risk of forced or compulsory labor in our operations and among our contractors. We will report more fully on this disclosure in future reports.

Human rights assessment
Our Code of Conduct training includes human rights issues. We ran a large-scale Code of Conduct training campaign in 2016, followed by a refresher training for employees in 2017 that could be accessed electronically. New recruits also receive induction training. We aim to have a training that reaches all employees, annually. We are currently unable to quantify the number of hours spent on Code of Conduct training in 2017 and how much of this time can be attributed to human rights. We will repeat the training across our operations during 2019.

74 percent of our employees received training on our Code of Conduct in 2017, including human rights issues.
GRI 412-2

Local communities

A strong commitment to the local communities we operate in has always been a key part of our business.

We create positive impacts on society, particularly in less developed regions, by providing stable jobs with fair employment terms and opportunities for personal development, and by setting a clear standard for how business should be conducted. Furthermore, through our capillary distribution network, we enable market access for healthcare products and other necessary items across Asia, contributing to the quality of life in the communities we serve. In addition, we provide ingredients and equipment to build local industries and infrastructures with our Business Units Performance Materials and Technology.

Directly linked to our business activities, our colleagues in Business Unit Healthcare in 2018 organized blood donation campaigns in Cambodia, Hong Kong, Malaysia, Myanmar and the Philippines. Business Unit Consumer Goods regularly participates in food donation programs. In Singapore for example, DKSH donated almost 300 food bundles to low-income neighborhoods in August 2018.

Alongside our business activities, we strive to create a positive impact by engaging in projects and selected sponsorship programs to develop and support local communities. However, as stated in our Code of Conduct, DKSH does not engage in political processes and for that matter refrains from any form of donation to political parties, elected

officials or candidates for public office, or in support of any political campaigns.

In terms of charities, one of our core initiatives in our major Thai market has been to support **Right to Play** for more than ten years. This global organization uses the transformative power of play to educate and empower children facing adversity.

We are also open to opportunities to offer roles to local people who have struggled to enter the workplace. For example, in Malaysia, DKSH employs around ten deaf people from the local community at the Famous Amos cookie outlets.

We support humanitarian relief through donations of money, products, food and volunteering. In 2018 our efforts included donating to the victims of the Hualien earthquake in Taiwan in February 2018. In October 2018, DKSH – through its subsidiary Wicaksana – helped those affected by the massive earthquake and tsunami in Donggala in Indonesia.

In 2018, 100 percent our markets with significant operations participated in charitable activities benefitting local communities (2017: 70 percent). In total, DKSH supported 34 (2017: 16) projects.
GRI 413-1

To raise awareness for wildlife conservation, DKSH employees spent a few days in the wilderness of the Ulu Muda forest in Northwestern Malaysia together with WWF. They left Ulu Muda with a fresh respect for this beautiful rainforest and its native inhabitants as well as a new vigor to spread awareness of the importance of wildlife and forest conservation.

Governance

Economic performance

DKSH drives a clear strategy for sustainable, profitable growth that continuously increases our market share and helps our clients expand their businesses. The economic value that we generate benefits our stakeholders, such as providing returns and dividends for our shareholders, salaries for our employees and tax payments to local governments. DKSH contributes to various charitable projects based in our local communities. By supporting a diverse range of smaller charities, we respond directly to the local need.

Our stakeholders have a keen interest in DKSH as a long-term investment opportunity, attractive employer, reliable business partner, responsible taxpayer and good corporate citizen. Therefore, the generation and distribution of economic value is key for us to meet our stakeholders' needs.

DKSH's strategy for economic value generation is based on our three strategic pillars:

• We focus on our existing Business Units and markets to leverage our leadership position
• We continuously strengthen and extend our service offerings to ensure long-term success for our customers and clients
• We progressively drive improvement in the efficiency and effectiveness of our processes

DKSH has a Group Tax Policy in place and is committed to paying its taxes in a timely manner and in the markets where the revenue was generated. Intra-group transactions are carried out under market conditions and are supported by transfer pricing documentation.

DKSH monitors its financial performance through a process steered by the CEO, the CFO and the Board of Directors. The Group publishes its results twice a year. Please see our Annual Report for more information.

		DKSH 2016 Annual Report	DKSH 2017 Annual Report	DKSH 2018 Annual Report
Direct economic value generated	Revenues	10,541	11,058	11,455
Economic value distributed	Operating costs	(9,641)	(10,113)	(10,444)
	Employee wages and benefits	(594)	(639)	(669)
	Payments to providers of capital	(98)	(311)	(119)
	Payments to govern-ments (taxation)	(80)	(77)	(71)
Economic value retained*	Direct economic value generated - economic value distributed	127**	(82)	151**

*   Positive value = value added/retained to company
    Negative value = economic value distributed higher than value generated due to special dividend paid in 2017
** Figures do not add up because of rounding

GRI 201-1

Market presence

DKSH promotes and distributes our clients' products in local markets, particularly in Asia. Our in-depth knowledge of the markets we do business in is a key part of the value we bring to our clients, who often do not have a local presence. An important part of our service offering is our market coverage via a capillary distribution network, which means that we can serve our customers wherever they are located.

Operating as part of the many diverse local communities we do business with is part of our corporate culture. We also believe sharing business practices across cultures contributes to local skills and economic development.

Our mixed management teams represent various cultures and backgrounds. This aligns well with requirements of the business and with DKSH serving as a bridge between international clients and local markets and customers. Our roughly 33,000 DKSH employees cover 70 nationalities, meaning that we speak the language and understand the culture of our business partners in the 35 markets we operate in. In 2018, 53 percent of senior management (2017: 57 percent) in our markets with significant operations was hired from the local community, whereby "senior" refers to managers in corporate, regional or local management roles. Local management roles include first and second line full-time managers.

DKSH defines significant operations as all markets with more than 500 employees. This includes the nine markets of Cambodia, Hong Kong, Indonesia, Malaysia, Myanmar, Singapore, Taiwan, Thailand and Vietnam.
GRI 102-4

53 percent of local senior management is hired from local communities, whereas "local" throughout this report refers to the 35 markets we operate in.
GRI 202-2

Procurement practices

The bulk of our procurement activities refer to goods we source and distribute under marketing and distribution services agreements with our clients. These goods are procured directly from our clients' supply sources based on market demand, in line with contractual agreements. Supply sources may be local in the markets of distribution or from other parts of the world, as determined by our clients.

For the local execution of our business, our main expenditures are for marketing activities (advertising, promotional services in consumer outlets), transport and delivery services for our local distribution network, facilities rental for office, distribution center and retail operations, and distribution center operations (purchase or lease of material handling and racking equipment, logistics workers, packing materials and utilities). Although we do not have a specific policy of procuring locally, almost 100 percent of our procurement by spend in 2018 was from local companies as it was mainly service delivery.

For the local execution of our business, 100% of our procurement by spend in 2018 in significant locations of operation was from local companies as it was mainly service delivery.
GRI 204-1

Regarding supplier selection, our technical requirements typically will limit the number of qualifying suppliers. In Business Unit Healthcare, for example, redressing suppliers (for repacking or labeling of products) need to be able to operate under the requirements of Good Manufacturing Practices (GMP). Supplier assessment is based mainly on factors such as the company's financial robustness, capabilities, capacities and standing in the market. The respective Business Unit's Quality Assurance (QA) team will monitor service delivery and the need to retain or replace service providers. This activity is often also under scrutiny by our clients' own Quality Assurance (QA) management.

Part of our unique selling proposition (USP) is how quickly and flexibly we can respond to client and customer requirements, and this is reflected in the lead time we can offer our suppliers. Our delivery services providers are expected to meet certain key performance indicators, such as delivery accuracy and timeliness, which are monitored over time and may lead to performance improvement discussions (applicable mostly in our Fast-Moving Consumer Goods and Healthcare businesses). Since our clients and customers value our reliability, we seek long-term stable relationships with critical suppliers. For our crucial delivery services, we operate from a few main providers in each market. Corporate Supply Chain Management (SCM) sets the standards for transport logistics suppliers and oversees implementation of the standards in local operations.

Importantly, our policies require suppliers to be dealt with fairly and transparently, and for the results of tender or bidding processes to be communicated openly. DKSH is also bound to investigate any complaints raised by suppliers of unfair or unethical practices conducted by any of our employees or by their competitors. At the same time, we also expect our suppliers to act in line with our principles and standards, as expressed via our Supplier Code of Conduct introduced towards the end of 2018.

A comparatively small part of our business relates to the sourcing of materials and components for the own brand items we manufacture or distribute (OEM). These include watches and healthcare products, as well as our food manufacturing and Levi's franchising business in South East Asia.

In our own brands healthcare business, supplier selection is primarily driven by quality and capability considerations. In a significant part of this business, DKSH is the licensee, and the supply source is either the licensor or is determined/approved by the licensor. All supply sources must meet GMP and WHO standards and be compliant with the Pharmaceutical Inspection Co-operation Scheme (PICS). Suppliers are audited accordingly, by health authorities as well as by our own audit procedures.

In our watch business, to avoid the sourcing of materials from conflict zones, we choose local suppliers who respect standards of responsible procurement (OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, Kimberley Process Certification Scheme and Responsible Jewellery Council).

Our franchise business for Levi's follows the strict procurement guidelines by the Levi Strauss Company. Levi Strauss either supplies materials to us for manufacturing, appoints supply sources, or audits and approves suppliers selected by DKSH prior to us procuring materials from them. Whenever possible, we give preference to local suppliers over imported goods.

Our food processing activity in the Philippines focuses on flexible solutions for customers in the food services or consumer business (premixes and finished products). About 60 percent of procured materials for production (mixing and blending) are sourced from local suppliers, with the rest procured internationally from China, USA, ASEAN, Korea and Europe.

Anti-corruption
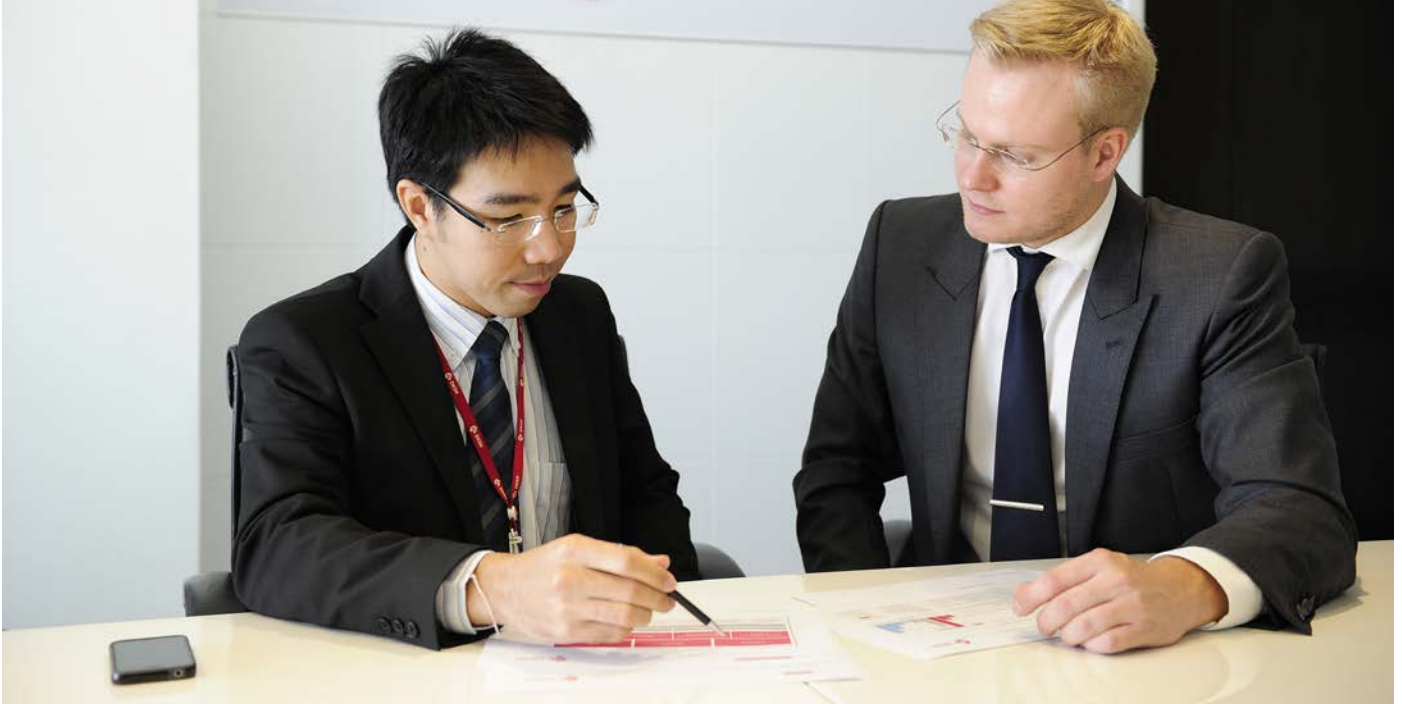
As a Market Expansion Services provider, we play an important role in the supply chain of the industries we serve, acting as a link between our clients and customers. Trust and integrity are of paramount importance in our service business. We advocate compliant and ethical behavior in all our business activities, and we do not tolerate corruption. Most of our business is conducted in Asia where we operate in several markets and industries with perceived higher integrity risks. It is therefore imperative that our employees understand our values and expected standards of business conduct and live up to and respect them in all their activities. We place great emphasis on hiring and retaining people who share our values

and who, through their integrity, protect our business and that of our clients and customers.

100% of our employees are made aware of our anti-corruption policies upon joining, including periodic reminders during their employment with us.
GRI 205-2

We model our anti-corruption program on the requirements of the U.S. Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act (2010) and we adhere to the same high standards irrespective of where we are operating.

DKSH expects lawful and ethical behavior from all employees and business partners as laid down in our Code of Conduct, which also prohibits any form of bribery and corruption, including facilitation payments.

Non-compliance risks are addressed in a comprehensive compliance program that includes our Anti-Bribery and Anti-Corruption and other policies, risk assessment, processes and procedures, training and education, monitoring and auditing, as well as confidential reporting and investigations. Accountable to the General Counsel, the Group's Governance Risk Compliance (GRC) Function is responsible for operating an effective compliance program based on our compliance policy framework.

For the execution of the compliance program, GRC works directly with DKSH's operating markets. The management team for each market oversees compliance at a national level, led by a Head of Country Management who is appointed by the Chief Executive Officer (CEO). In markets with perceived higher compliance risks, the Head of Country Management is supported by dedicated local compliance managers who operate under the guidance and control of GRC. For compliance initiatives relating to specific Business Units or Functions, GRC engages directly with the global Business Unit or Function Heads.

As stated in the Code of Conduct and the Anti-Bribery and Anti-Corruption policy, employees and intermediaries are required to immediately report any incidents of non-compliance – including demands for bribes or facilitation payments – to their supervisors or to GRC (an email address is provided in the published Code of Conduct and various internal policies, for use by internal and external stakeholders in confidence). Substantiated cases are investigated, ensuring confidentiality and protection of the reporters. An annual review of compliance with our standards is made to the executive management, to identify trends and the areas to focus compliance efforts.

Training and communication are important cornerstones of our compliance culture. New employees undergo thorough onboarding procedures upon joining our organization. These include endorsing our policy framework and completing certified compliance training. Periodically, all employees need to refresh their knowledge of DKSH's anti-corruption policies and its standards and expectations on proper behavior in business.

In 2018, apart from onboarding procedures, 1,675 selected employees completed anti-corruption training, focusing on higher risk positions (sales, marketing, procurement Functions) and markets (based on Transparency International's Corruption Perception Index) as well as employees in control Functions.
GRI 205-2

DKSH's governance bodies for sustainability are identical with those responsible for the strategic and operational management at corporate and market level (Board Members in listed entities, corporate executive management, country management teams). The regional split in 2018 was as follows:

Region	Total governance body members
Thailand	12
Greater China*	21
Malaysia and Singapore	23
Rest of Asia Pacific	82
Rest of the World	39
Total	**177**

*China, Hong Kong, Macau and Taiwan

In 2018, 100 percent of governance body members were aware of DKSH anti-corruption policies. 94 percent of governance body members were selected for anti-corruption training (excl. non-executive board members), all of which completed the training in 2018 and 2019.
GRI 205-2

Integrity of the supply chain

As an outsourcing partner to our clients, we are committed to upholding integrity in the supply chain, which includes our downstream business partners whom we rely on for parts of our service delivery. DKSH does not maintain relationships with business partners that do not share our values and meet our standards of doing business.

In communicating our anti-corruption policies, we focus on business partners assisting us with the execution of our business directly. These include sales intermediaries, such as sub-distributors, tender agents and resellers, or vendors, such as commission agents, consultants, forwarders, importers, customs brokers, fulfilment agents and event organizers.

These business partners are engaged based on contracts that contain anti-corruption compliance clauses, with our Code of Conduct and Anti-Bribery and Anti-Corruption policy serving as contractual documents. Towards the end of 2018, we introduced a more focused Supplier Code of Conduct which will replace our Code of Conduct as a contractual document for all supplier agreements. This will be realized over time as contracts are renewed or new contracts are entered.

Anti-corruption policies are communicated to all our downstream business partners. **GRI 205-2**

Effectiveness of the compliance program

Management is responsible and accountable for ensuring proper application of compliance standards in the business. The Group's compliance function, GRC, supports management through providing advice, methodologies, tools, etc. and performs reviews to assess the level of awareness, understanding and application of standards and compliance controls. Furthermore, the Group's Internal Audit (GIA) Function performs compliance audits through audit assignments derived from GIA's risk assessment.

Externally, DKSH's compliance program is assessed by prospective or active clients and/or external audit firms appointed by them. The assessment includes thorough due diligence procedures and pre- or post-contract compliance audits and reviews.

Occupational health and safety
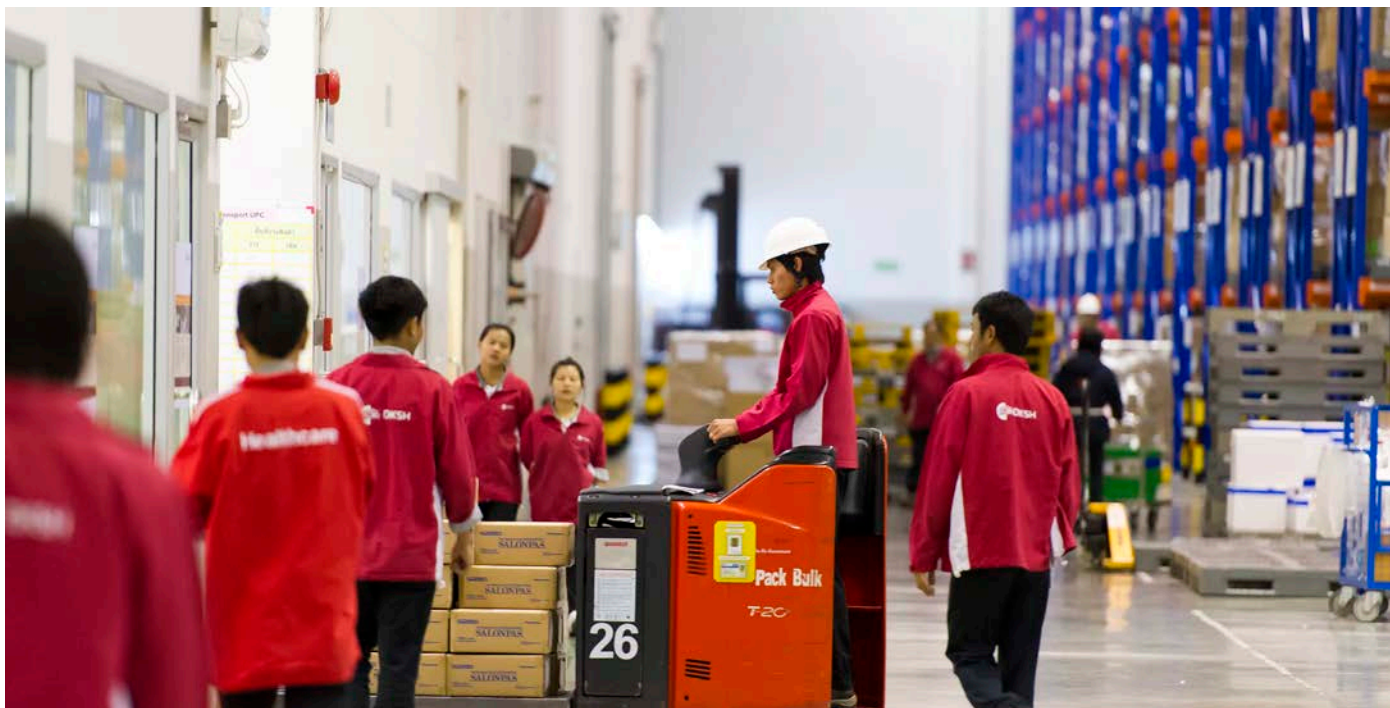
Considering the nature of our business, health and safety in the workplace, including operational settings at distribution centers and warehouses, remains one of our top priorities. In smaller parts of our business, we deal with the storage, handling and transportation of dangerous goods, (e.g. chemicals, aerosols) where there is the potential for our employees in Supply Chain Management and other Functions to be exposed to health and safety risks. Our capillary distribution network means a significant amount of travel for sales teams and delivery drivers (mostly contractors), making safe driving a priority as well.

Our Code of Conduct, which employees are trained on regularly, stipulates our approach to health and safety, the role we all must play in keeping our workplaces safe, and the importance of reporting hazards promptly to the line manager or Health, Safety and Environment (HSE) officer.

Our induction training for all new recruits includes a comprehensive HSE module, in addition to any job-specific training they receive. This includes rules and guidelines within our key operations, such as usage of forklifts and other handling equipment, and the wearing of personal protective equipment (PPE). All new recruits must complete the training (with signed attendance

records) before commencing duties. Periodic refreshers are also held, and attendance is monitored.

HSE policy and management system
Since 2017 we have been operating a new HSE policy and management system, which provides centralized support and global standards to local HSE managers who implement the system in line with local legislation. This includes as a minimum: vehicle and traffic safety management, fatigue management, alcohol and drugs prohibition, dangerous goods handling and storage, waste and environmental management, and specific guidelines for manufacturing operations and those

operating, servicing or installing machinery. In cases where DKSH internal standards exceed local regulatory requirements, the DKSH standard should be met.

Roles, responsibilities and accountabilities are defined, documented and communicated to enable all individuals to fulfill their role in improving health and safety performance. Steering Committees (SC) at Group and market levels are responsible for setting the health and safety agenda, with policies and strategies to drive performance. HSE Managers drive implementation of the program at the market level. Local Business Units, Functions, their respective line managers and specific site managers act as risk owners, who are responsible and accountable for preventing and responding to incidents in their areas.

Contractors
The new HSE policy includes roles and responsibilities for Supply Chain Management (SCM), and we have issued training to our relevant employees on how to communicate our requirements to the suppliers they interact with. This includes ensuring all contractors working on our sites are aware of emergency procedures, proper lifting techniques and other safety procedures. HSE managers are asked to ensure contractors have a clear reporting line for any concerns they may have.

Specific HSE requirements relating to suppliers are also covered in SCM policies, the Standard Operating Procedure on Workplace Safety (which includes safe driving), Working Instructions on Visitor Safety, Contractor Safety and Permit to Work (which also covers safe driving), and Contracator Guidelines.

For the handling of hazardous goods, we have a Standard Operating Procedure on Hazard Identification and Risk Assessment and Risk Control (HIRARC), HIRARC Training and Guidelines, and a HIRARC Inspection Form. Following safety audits, corrective action plans are used to address any issues.

The new vehicle tracking solution we began implementing in 2018 will be able to identify speeding among our own fleet and contracted delivery drivers.

We evaluate our health and safety management approach through performance monitoring at site, market and Group levels. A health and safety scorecard is generated and reported to the Group Steering Committee on a quarterly basis. Management approaches are adapted accordingly. A global leadership team under Group Supply Chain Management conducts regular monitoring and reviews activities under an internal assessment program that includes safety.

2018 performance
In line with our health and safety objective of continuous improvement, DKSH continued to align our health and safety management and practices with global standards in 2018. Greater emphasis has been put on preventative measures and enhancing employee health and safety awareness in key areas of our business, including dangerous goods and hazardous substances management. We have improved our health and safety tracking, monitoring and reporting systems. DKSH's Group and market level health and safety committees, comprised of management and employee representatives, periodically review health and safety activities and performance to drive improvement.

Workplace audits by key clients, customers and standards boards and regulatory bodies all facilitate hazard identification, including internal stakeholders (Group SCM, HSE managers) across the organization. Key hazards consist of, inter alia, improper forklift activities, improper stacking of loads and storage of materials, improper manual lifting and/or handling, operating powered equipment and potentially dangerous goods and hazardous substances exposure. Actions taken to manage risks include engineering and administrative controls, as well as personal protective equipment. Examples are establishment of policies, processes and procedures, setting up of warning signs and equivalent mechanisms at the working environment, use of protective equipment, ensuring operational competency and trainings of our workers. In some instances, the risk is transferred via outsourcing of specific dangerous goods and hazardous substances to third party vendors with capabilities and capacities for management and storage.

DKSH is pleased to report zero work-related fatalities for 2018. One incident of high-consequence work-related injury was recorded in our China market involving a DKSH employee during product handling (broken finger due to mishandling of equipment). We will continue to step up efforts to engage our workforce on the importance of health and safety incident prevention and mitigation.

DKSH is closely monitoring our safety performance data to ascertain the impact of our health and safety initiatives. We believe that our promotion of timely hazard identification and mitigation, as well as legal and compliance self-assessment and management at individual markets have improved our operations' and sites' ability to identify and address unsafe conditions or actions.

Work-related injuries 2018

Employees	Number	Rate[1]
Fatalities from work-related injuries	0	0
High-consequence work-related injuries	1	0
Recordable work-related injuries	52	0.9
Number of hours worked (in million)	57.5	

Workers (all, no exclusions)	Number	Rate[1]
Fatalities from work-related injuries	0	0
High-consequence work-related injuries	0	0
Recordable work-related injuries	12	1.4
Number of hours worked (in million)	8.8	

[1] per 1,000,000 hours worked

Main types of work-related injuries

Types of injury	Employees	Other workers
No. of First Aid injuries	23	10
No. of Medical treatment beyond first aid	9	2
No. of Job restrictions or transfers	1	1
No. of Lost time injuries	42	9
No. of Fatalities	0	0

Data was compiled via an internal reporting system guided by Occupational Safety and Health Administration (OSHA) reporting requirements. HSE managers in markets are responsible for recording incidents into incident registers and to report these for consolidation at Group level.

GRI 403-9

Customer health and safety
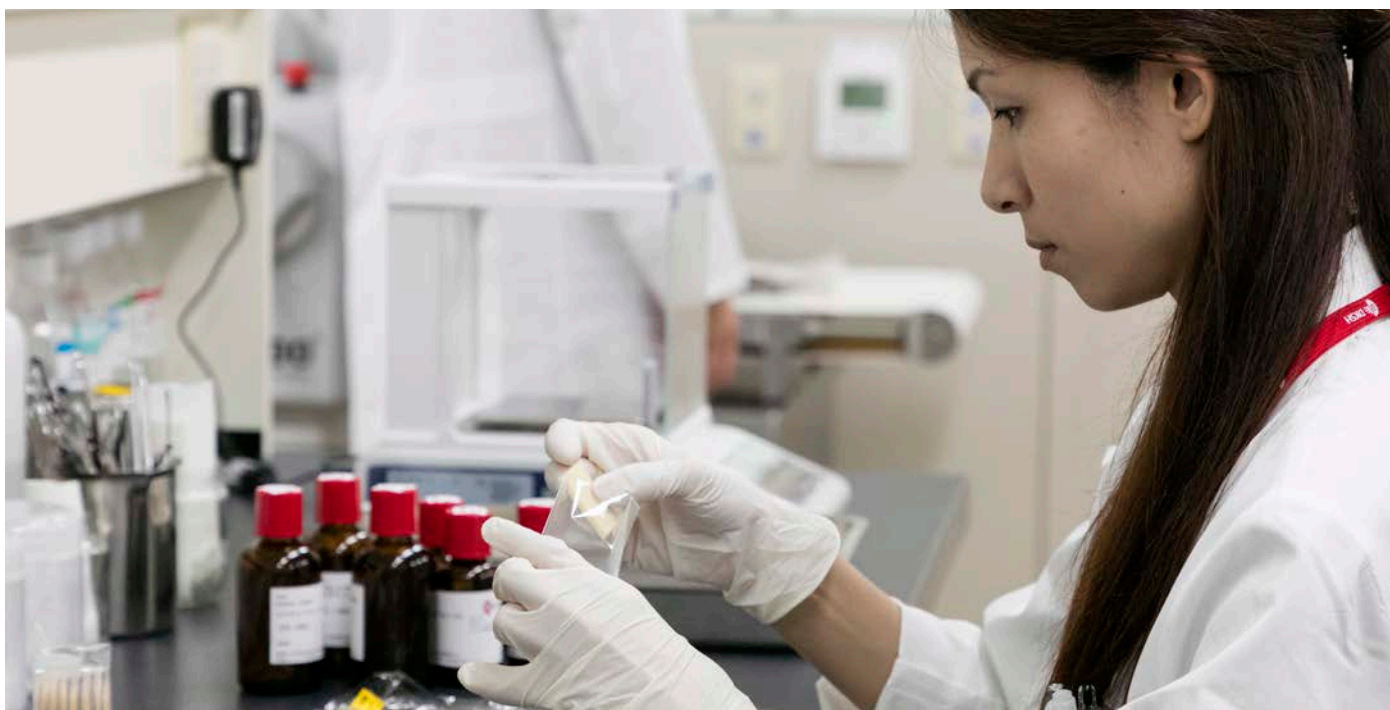
The requirements to operate our business may be different for each of our four Business Units, yet product safety is critical to all business models and to DKSH's brand reputation. We serve two main categories of business partners: clients to whom we provide Market Expansion Services, and customers who buy our products and services. These two categories differ regarding the legal position on liability, the reputational risk of an unsatisfactory product or service, and the nature of the activities we need to undertake to uphold customer health and safety.

Strong product stewardship mitigates against compliance risks and legal damages. As a service provider with very limited manufacturing activities, our main role is to safeguard the quality and safety of the products in our care and custody, and to ensure the safe delivery of any services we provide that are ancillary to our products. Traceability is also a key factor; if any issue arises in our supply chain, we can pinpoint and address it.

Health and safety risks differ across our four Business Units, given their widely varying products. For example, the Performance Materials and Technology Business Units predominantly serve the manufacturing industry, with Performance Materials providing specialty chemicals and food ingredients, and Technology offering customized solutions spanning a wide array of industries. Meanwhile, the Consumer Goods and Healthcare Business Units operate closer to consumer markets, distributing food, non-food and healthcare products.

The variety of items, the number of markets and cross-border transfers, and the changing regulatory landscapes all demand the highest levels of product stewardship for the goods in our custody. Our ability to navigate such complexity is part of the reason clients choose to work with us.

All employees and contractors working in our distribution centers receive training on the proper handling of goods and the operation of related equipment (if applicable) before they are allowed to start working. Ensuring the safety of the final product is also a key focus in the pre-qualification of new suppliers to DKSH; corrective action plans, additional auditing or contract termination may be required in the case of significant non-compliance with quality and safety requirements. Beyond these controls, our management approach varies significantly by Business Unit due to the distinctly different products and legal requirements.

The Quality Assurance, Regulatory Affairs and Supply Chain Management teams in each Business Unit regularly perform quality audits and reviews to ensure ongoing compliance with applicable standards. Business Unit Performance Materials implemented a standard Internal Process Review (IPR) to assess health and safety risks and define mitigations.

Additionally, our operations are frequently audited by our clients or their appointed auditors. Due to the sensitivity of the products, most of these audits occur in the Business Unit Healthcare. In 2018, 143 such audits took place, which means that on average the Business Unit is subject to more than one audit per month per market of operation (2017: 111 audits).

There were no incidents of non-compliance concerning health and safety impacts of products and services in 2018.
GRI 416-2

Business Unit Consumer Goods

Our focus is on the proper handling and storing of goods in line with good warehousing and distribution practices. Storage and handling of products is executed as per agreed specifications with our clients to ensure the integrity and safety of our products throughout their life cycle. This can include adaptation of products to local regulatory requirements.

DKSH complies with applicable regulations set by the food and drug administrations in the markets where we operate. Freshness is key for food and beverage products. Some products must be stored under temperature-controlled conditions to preserve their quality. Our IT systems support good storage practices that enable methods such as FIFO (first in, first out) or FEFO (first expired, first out) to minimize product waste.

Business Unit Healthcare

Quality requirements and expectations are compliant with international guidelines (e.g. those from the World Health Organization, the International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use and the Pharmaceutical Inspection Co-operation Scheme). We maintain rigorous and up-to-date quality standards when handling, storing and distributing healthcare products. All our distribution facilities relating to pharmaceutical products and medical devices are approved by the respective local health authorities with the appropriate internationally recognized Quality Management System certification (e.g. ISO 9001 and ISO 13485).

Pharmacovigilance (PV)
Regulations on drug safety are continuously evolving and differ from market to market and across regions. This poses a challenge for all our healthcare clients. We have customer-facing compliance and regulatory services teams providing specialist support to get our clients' products to market and to diligently manage drug safety expectations.

Counterfeit products
Counterfeit products are a significant concern in the healthcare industry. We have established internal best practices related to the management of suspected counterfeit products and our SAP systems are validated for batch traceability across the entire supply chain.

Product recalls
If safety concerns trigger a product recall, our SAP systems allow for the full traceability of products and enable a fast and efficient recall. We have established internal best practice procedures in the event of a recall, which include setting up a product recall committee to steer escalation and tracking and monitoring of the entire process in collaboration with our clients.

Business Unit Performance Materials

This Business Unit has a dedicated and independent Regulatory Affairs (RA) team with specialists for Safety, Health and Environment (SHE), Quality Assurance (QA) and Registrations (REG) on local, regional and global levels. Critical safety, health and environment processes and controls are harmonized and documented to fully comply with the Globally Harmonized System (GHS), requirements related to Classification, Labelling and Packaging (CLP), and other health and safety standards.

Performance Materials has implemented a stringent and standardized qualification and certification program for supplier and service providers based on relevant and applicable standards such as GxP (for pharmaceuticals), IFS, BRC and ISO 22000 (for food), ISO 9000, CLP (for chemicals), internal Standard Operating Procedures (SOPs) and the DKSH HSE Policy. The evaluation, qualification and certification of service providers (logistics, warehouses, labs) and suppliers involves safety document assessments, safety audits and corrective action plans along the entire supply chain. Our food production activity in the Philippines is FSSC 22000 (Food Safety System Certification) certified.

To ensure safe handling and usage of the products, we guarantee fully compliant product documentation and classification in all cases. For chemicals, Safety Data Sheets (SDS) and CLP are provided with all relevant products. For food and pharmaceuticals, health certificates and quality documents are provided, if applicable. Documentation and classification are subject to safety audits. Full product and batch traceability is guaranteed along the entire supply chain.

A global deviation reporting and management process ensures any health and safety related issues are documented, followed by corrective actions and reviews.

Business Unit Technology
The Business Unit Technology distributes various types of machinery or equipment, sourced from reputable manufacturers. Depending on the type of product, units are tested before delivery and our service offering also includes installation, commissioning and training to ensure proper and safe operation. Our service engineers are trained by the manufacturers.

Marketing and labeling

Our company's main activity is to market and distribute products sourced from manufacturers. Many of our products are imported and require local customization before being fit for sale. Additionally, a core activity in our service delivery to clients and customers is the advertising and promotion of our products in the markets we serve.

The marketing of our products can involve various risks if not managed properly and supported with the relevant and necessary product information. Rising public awareness and new policy initiatives on transparency have increased demand for correct and complete product information, making this topic highly relevant for DKSH's business model and brand reputation.

Product adaptation and customization to meet regulatory requirements, including product labeling, is an important DKSH service offering. Our regulatory affairs teams in the various Business Units are responsible for establishing relevant Standard Operating Procedures and for monitoring compliance, with assistance from our quality assurance teams. In our Business Unit Healthcare, where regulations are particularly stringent, we perform customization work in accordance with Good Manufacturing Practices (GMP). In Business Unit Performance Materials, we implement and audit against GHS (Globally Harmonized System), with its strict requirements for classification, labeling and packaging.

For the marketing of our own-brand products, our regulatory affairs teams ensure compliance with applicable laws. For all the products distributed by the Business Units Consumer Goods and Healthcare, we observe guidelines on responsible marketing published by the relevant industry bodies. Policies, procedures and controls are in place and are supported by training activities to ensure that the marketing of our products meets our standards and expectations.

DKSH carefully monitors and validates relevant product data from clients on an ongoing basis and takes corrective actions where appropriate. Any complaints about marketing and labeling are addressed by the relevant Business Unit. Given the magnitude of our business operation, incidents may occur despite our significant efforts outlined above. In 2018, a total of nine incidents were noted, some of which resulted in small fines or warnings.

DKSH recorded nine incidents regarding marketing and labeling practices in 2018.
GRI 417-3

Industry-specific risks in the healthcare business

Advertising and promotion of healthcare products in many jurisdictions are highly regulated, often limited or even disallowed. Many products are prescribed or dispensed by healthcare professionals, or they require professional expertise for their application. Various segments in the healthcare industry (specifically for prescription drugs and medical devices) and in the food sector (e.g. infant nutrition) have adopted codes of ethics advocating responsible marketing of their products. DKSH adheres to these standards through membership in the respective industry associations and by operating management programs to ensure compliance by employees and service providers.

Information security

The operation of our business results in a significant accumulation of data relating to our products and services as well as to our customers and business partners. Unavoidably in our business, we also serve clients who are competitors in the market-place. Ensuring confidentiality is therefore crucial. At times, personal data needs to be collected relating to employees, contractors and others. In today's digital and intercon-nected world, risks of data theft or leakage have risen, and information security has become a key topic for any business.

In line with our Code of Conduct, we are fully committed to processing and protect-ing personal data with due care, and to comply with applicable data protection laws as well as DKSH's principles of protecting confidentiality. Our information security program and cyber security strategy is en-dorsed and supported by the Executive Committee and the Board of Directors. The overall program functions directly under the Group's Chief Information Officer. Our strat-egy focuses on cyber threat preventive countermeasures, stepping up organization information security maturity and group wide cyber security awareness programs.

In line with our strategy, we have an IT Security Policy in place and a dedicated global Information Security team, which is available via a 24/7 hotline for urgent security matters.

We train our staff on various topics relating to information security. In 2018, DKSH held an internal "IT security roadshow" with more than 600 participating employees from 19 markets, including all markets with significant operations. In addition, all em-ployees who use IT in their work were re-quired to pass an online IT security aware-ness training. DKSH's main IT hub is in Malaysia, however, each market has its own local IT team responsible for regular addi-tional IT security trainings.

Quarterly Group-wide IT newsletters as well as ad-hoc IT news flashes ensure that awareness of sensitive topics is raised across all markets. In 2017, we embarked on the implementation of ISO 27001:2013 standard on information security management and achieved certification of the Corporate Shared Services Center SAP Infrastructure in 2018. Our quality assurance team ensures that the required standards are maintained on an ongoing basis.

To further demonstrate our commitment to protecting our clients' and customers' data, we harmonized our operations with the EU General Data Protection Regulation (GDPR). To align our operations with the GDPR, in May 2018 we implemented a new Group Data Privacy Policy, a new Website Policy and a Global Privacy Governance Structure. Under this new structure, our Global Privacy Lead oversees the work of the Privacy Coordinators in each of the main Global Functions and Business Units. There are also Privacy Coordinators in the key operating markets. Thus, every Business Unit and Function has a go-to person for data security.

Group Internal Audit conducts independent audits on access management. Furthermore, the Group IT Security team performs audits on all market IT installations on a regular basis. Our business continuity and contingency plans as well as incident response procedures are tested twice yearly.

In 2018, DKSH received no complaints regarding data breaches of customer privacy and loss of customer data from outside parties or regulatory bodies. Similarly, DKSH is not aware of any identified leaks, thefts, or losses of customer data.
GRI 418-1

Appendix

Stakeholder engagement

Identification of relevant stakeholder groups resulted from an assessment carried out by senior management.

Groups were selected based on their ability to influence or impact (directly or indirectly) DKSH's approach to business, or the potential for DKSH to have an impact on them.

DKSH engages with the identified stakeholder groups as follows:

Stakeholder Group	Engagement and key topics
Clients	As a partner in the downstream supply chain, our engagement with clients is the most intense of all stakeholder groups. Discussions on expectations are part of due diligence, business negotiations and sustainability audits. Other examples of engagement are annual client satisfaction surveys and regular business reviews. Topics focus on employment practices, responsibility in the supply chain, product stewardship, health and safety, anti-corruption, information security and, lastly, our emissions.
Suppliers, Vendors	Our engagement with suppliers and vendors is mainly via business negotiations and business reviews during the financial year. Vendor concerns are primarily ethical business practices, including fair competition and anti-corruption. DKSH's expectations are enshrined in our Supplier Code of Conduct.
Employees	As a service provider, employees are our most important asset. Therefore, employee engagement and satisfaction are of highest importance. We conduct periodic structured employee engagement surveys and promote an open feedback culture. Employee concerns mainly are good corporate citizenship, fair employment practices, development opportunities and associated training, safe and healthy workplaces, our safeguarding of the environment, the integrity of our products and services, as well as our engagement with local communities.
Customers	Our direct interaction with customers through our operations focuses mostly on their expectations or areas of concern. Engagement with customers in the manufacturing industries in our BU Performance Materials is most intense and key topics include procurement practices.
Shareholders, Investors	DKSH directly engages with investors via roadshows and meetings as well as indirectly through interaction with sustainability rating agencies. Investor's main interests are economic performance, customer health and safety and anti-corruption.
Local communities	Our local management directly engages with the communities in the markets we operate in to address topics such as labor practices and environmental responsibility.
Authorities	DKSH is in continued exchange with authorities as part of the licensing process and other regulated activities, to ensure legal requirements are met.

GRI 102-40, 102-42 to 102-44

Further details about our employees

All disclosures in this Statement relating to employee numbers are based on head-count, rather than full-time equivalents. This contrasts with the data reported in our Annual Reports, but we believe it is more appropriate for Sustainability reporting purposes. All data was extracted from DKSH's SAP HRIS system.

GRI 102-8

Total number of employees by employment contract (permanent and temporary), by gender

Gender	Permanent	% of total	Temporary	% of total	Total
Female	16,058	96.0%	672	4.0%	16,730
Male	15,668	98.7%	203	1.3%	15,871
Total	**31,726**		**875**		**32,601**

Total number of employees by employment contract (permanent and temporary), by region

Region	Permanent	% of total	Temporary	% of total	Total
Thailand	11,175	95.0%	589	5.0%	11,764
Greater China*	2,899	97.3%	79	2.7%	2,978
Malaysia and Singapore	5,013	100.0%	1	0.0%	5,014
Rest of Asia Pacific	12,177	98.4%	196	1.6%	12,373
Rest of the World	462	97.9%	10	2.1%	472
Total	**31,726**		**875**		**32,601**

*China, Hong Kong, Macau and Taiwan

Total number of employees by employment type (full-time and part-time), by gender

Gender	Full-time	% of total	Part-time	% of total	Total
Female	16,340	97.7%	390	2.3%	16,730
Male	15,801	99.6%	70	0.4%	15,871
Total	**31,141**		**460**		**32,601**

Membership of associations

DKSH companies are members of several associations in the markets we operate in, with a strong focus on industry associations for the chemical, pharmaceutical and food industries, as well as membership of chambers of commerce. Membership is generally considered from a strategic perspective, and in some instances, DKSH managers hold positions in governance bodies, participate in projects or committees.

DKSH does not provide funding to associations beyond routine membership dues, apart from our membership of the Swiss Chamber of Commerce and Industry in Japan, for historic reasons (this is where DKSH was originally founded in the 19th century; we are the Swiss company with the longest uninterrupted presence in Japan).

The below list provides an overview of membership of associations by market.
GRI 102-13

Market	Name of association or advocacy organization
Switzerland	scienceindustries
	Business Association Chemistry Pharma Life Sciences
	vips - Association of Pharmaceutical Companies in Switzerland
Germany	VCH Verband Chemiehandel e.V.
	OAV German Asia-Pacific Business Association
Denmark	Kemi and Lifescience
	Danish Chamber of Commerce
Spain	Spanish Chemicals Distributors Association AECQ
Hong Kong	Hong Kong Association of Pharmaceutical Industry
	Swiss Chamber of Commerce

Market	Name of association or advocacy organization
Japan	European Business Council in Japan European (EU) Chamber of Commerce in Japan
	Austrian Business Council in Japan
	Swiss Chamber of Commerce and Industry in Japan
	German Chamber of Commerce and Industry in Japan
	The Tokyo Chamber of Commerce and Industry
Cambodia	European Chamber of Commerce
Malaysia	Malaysia Retailers Association
	Malaysia Retail Chain Association
	Pharmaceutical Association of Malaysia
	Malaysian Animal Health and Nutrition Industries Association
	Malaysia International Chamber of Commerce and Industry
	Swiss Malaysian Business Association
	Malaysian Employers Federation
	Federation of Malaysian Manufacturers
New Zealand	Food and Grocery Council
Philippines	Philippine Swiss Business Council
Singapore	Singapore International Chamber of Commerce
	Singapore Business Federation
	Singapore Association of Pharmaceutical Industries (SAPI)

Market	Name of association or advocacy organization
Thailand	Pharmaceutical Reseach & Manufactures Association (PReMA)
	Thai Medical Device Technology Industry Association (THAIMED)
	The Federation of Thai Industries (FTI) Foods & Beverages, Food Industry Club
	The Federation of Thai Industries (FTI) Food Supplements Club
	Thai Cosmetic Manufacturers Association (TCMA)
	Thai Retailers Association (TRA)
	Cosmetics Industry Association
	Thai Self-Medication Industry Association
	The Federation of Thai Industries, Responsible Care Management Committee of Thailand (RCMCT), Chemical Industry Club
	Hazardous Substances Logistics Association (HASLA)
Taiwan	Taiwan Association of Logistics Management
	International Research-Base Pharmaceutical Manufacturers Association (IRPMA)
	Taipei Medical Instruments Commercial Association
	Taipei Pharmaceutical Agents and Distributors Association
	Taipei Pharmaceutical Business Association
	Taipei Instruments Commercial Association
	Taipei Kitchen Commerce Association
	Taipei Machinery Traders' Association
	Taiwan Commercial Kitchen Equipment Development Association
	Taoyuan Pharmacists Association
Vietnam	European Chamber of Commerce in Vietnam
	Eurocham Pharma Group
	Eurocham FAASC
	AmCham

GRI Standards and Disclosures

GRI Content Index

About this report

DKSH's second report, released in July 2019, prepared in accordance with the Global Reporting Initiative (GRI) Standards "Core option" offers a review of the Group's sustainability efforts. It outlines our progress over the past year and shows important areas of action for the future.

If you have any feedback or need further information on our sustainability approach, please contact sustainability@dksh.com.

Abbreviations:
AR = Annual Report
CB = Corporate Brochure
CoC = Code of Conduct
All documents are available at: www.dksh.com/global-en/home/about-us/sustainability/sustainability-reports

GRI standards and diclosures		References	Omissions
GRI 101	**Foundation (2016)**		
GRI 102	**General Disclosures (2016), Core option**		
GRI 102-1	Name of the organization	AR 2018, p. 7	
GRI 102-2	Activities, brands, products and services	CB 2019, p. 13-16	
GRI 102-3	Location of headquarters	AR 2018, p. 7	
GRI 102-4	Location of operations	p. 32	
GRI 102-5	Ownership and legal form	AR 2018, p. 7-8	
GRI 102-6	Markets served	CB 2019, p. 12-16	
GRI 102-7	Scale of operations	AR 2018, p. 4-5, 91-92 CB 2019, p. 36	
GRI 102-8	Information on employees and other workers	p. 50	
GRI 102-9	Supply chain	CB 2019, p. 12-16	
GRI 102-10	Significant changes to the organization and its supply chain	AR 2018, p. 38-40	
GRI 102-11	Precautionary principle or approach	DKSH takes a risk-based approach to managing its operations and supply chain. Although most of the products we distribute have been developed by our clients, we run a product stewardship program covering activities such as storage, labeling, packaging and arranging transportation, and our tracking systems ensure that any issues can be quickly traced back to the source. Regular auditing is in place to ensure product safety and that operations are being run in accordance with our environmental policies.	

GRI standards and disclosures		References	Omissions
GRI 102-12	External initiatives	DKSH currently does not openly subscribe to or endorse any external initiatives, but through our clients' expectations, we are indirectly exposed to such initiatives and strive to meet their requirements. An example for this is the Pharmaceutical Supply Chain Initiative (PSCI), which is endorsed by many of our multinational clients in our healthcare business and passed down to us as a partner in their supply chain. Going forward, we will be evaluating the most suitable initiatives to endorse, given the vast diversity of our enterprise.	
GRI 102-13	Membership of associations	p. 51-53	
GRI 102-14	Statement from senior decision-maker	p. 2	
GRI 102-16	Values, principles, standards and norms of behavior	p. 10 CoC, p. 1-6	
GRI 102-18	Governance structure	p.10 AR, p. 7-27	
GRI 102-40	List of stakeholder groups	p. 12, 49	
GRI 102-41	Collective bargaining agreements	p. 24	
GRI 102-42	Identifying and selecting stakeholder	p. 12, 49	
GRI 102-43	Approach to stakeholder engagement	p. 12, 49	
GRI 102-44	Key topics and concerns raised	p. 12, 49	
GRI 102-45	Entities included in the consolidated financial accounts	p. 101-102	
GRI 102-46	Defining report content and topic boundaries	p. 12	
GRI 102-47	List of material topics	p. 12	
GRI 102-48	Restatement of information	In our second year of reporting environmental data, we have restated some of our 2017 carbon emissions and energy consumption figures to reflect our updates to our methodology and improved data sources which have reduced the need for extrapolation. This enables a clearer like-for-like comparison between 2017 and 2018 data. Please note 2018 fuel, refrigerants and transportation data for Myanmar, New Zealand and Cambodia, which were not in the scope of the 2017 reporting.	

GRI standards and disclosures		References	Omissions
GRI 102-49	Changes in reporting	There have been no major changes in the material issues we report on between 2017 and 2018. In 2018 we have expanded environmental data reporting to include fuel, refrigerants and transportation data for New Zealand, Myanmar and Cambodia.	
GRI 102-50	Reporting period	Calendar year 2018	
GRI 102-51	Date of most recent report	Published October 2018, relating to calendar year 2017	
GRI 102-52	Reporting cycle	We intend to update the report on a yearly basis.	
GRI 102-53	Contact point for questions regarding the report	sustainability@dksh.com	
GRI 102-54	Claims of reporting in accordance wit the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option	
GRI 102-55	GRI content index	p. 55-59	
GRI 102-56	External assurance	GRI Report 2018 has not been externally assured.	
Economic			
GRI 201	**Economic performance (2016)**		
GRI 103	Management approach (2016)	p. 30	
GRI 201-1	Direct economic value generated and distributed	p. 31	
GRI 202	**Market presence (2016)**		
GRI 103	Management approach (2016)	p. 32	
GRI 202-2	Proportion of senior management hired from the local community	p. 32	
GRI 204	**Procurement practices (2016)**		
GRI 103	Management approach (2016)	p. 33-34	
GRI 204-1	Proportion of spending on local suppliers	p. 33	
GRI 205	**Anti-Corruption (2016)**		
GRI 103	Management approach (2016)	p. 35-37	
GRI 205-2	Communication and training about anti-corruption policies and procedures	p. 35-37	
Environment			
GRI 103	Management approach (2016)	p. 17-19	
GRI 302	**Emissions (2016)**		
GRI 302-1	Energy consumption within the organization	p. 20	

GRI standards and disclosures		References	Omissions
GRI 305	**Energy (2016)**		
GRI 305-1	Direct (scope 1) GHG emissions	p. 20	
GRI 305-2	Indirect (scope 2) emissions	p. 20	
GRI 305-3	Other indirect (scope 3) emissions	p. 20	
GRI 307	**Environmental compliance (2016)**		
GRI 307-1	Non-compliance with environmental laws and regulations	p. 17	
Social			
GRI 401	**Recruitment and retention (2016)**		
GRI 103	Management approach (2016)	p. 22-23	
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 22	
GRI 403	**Occupational health and safety (2018)**		
GRI 103	Management approach (2016)	p. 38-39	
GRI 403-9	Types of injury and rates of injury, occupational diseases, lost days, absenteeism and number of work-related fatalities	p. 40	
GRI 404	**Training and education (2016)**		
GRI 103	Management approach (2016)	p. 22-23	
GRI 404-1	Average hours of training per year per employee	p. 23	Information is currently unavailable per employee category, but we will be working towards refining this in future reporting.
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	p. 23	Information is currently unavailable according to employee categories.
GRI 406	**Non-discrimination (2016)**		
GRI 103	Management approach (2016)	p. 24-26	
GRI 406-1	Incidents of discrimination and corrective actions taken	p. 25	
GRI 407	**Freedom of association and collective bargaining (2016)**		
GRI 103	Management approach (2016)	p. 24-26	
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	p. 25	
GRI 408	**Child labor (2016)**		
GRI 103	Management approach (2016)	p. 24-26	
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	p. 25	Information is currently unavailable. We will report more fully on this disclosure in future reports.

GRI standards and disclosures		References	Omissions
GRI 409	**Forced or compulsory labor (2016)**		
GRI 103	Management approach (2016)	p. 24-26	
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	p. 25-26	Information is currently unavailable. We will report more fully on this disclosure in future reports.
GRI 412	**Human rights assessment (2016)**		
GRI 103	Management approach (2016)	p. 24-26	
GRI 412-2	Employee training on human rights policies and procedures	p. 24-26	Information is currently unavailable. We will repeat the training across our operations during 2019.
GRI 413	**Local communities (2016)**		
GRI 103	Management approach (2016)	p. 27-28	
GRI 413-1	Operations with local community engagement, impact assessment and development programs	p. 28	
GRI 416	**Customer health and safety (2016)**		
GRI 103	Management approach (2016)	p. 41-43	
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	p. 42	
GRI 417	**Marketing and labeling (2016)**		
GRI 103	Management approach (2016)	p. 44-45	
GRI 417-3	Incidents of non-compliance concerning marketing communications	p. 45	
GRI 418	**Customer privacy (2016)**		
GRI 103	Management approach (2016)	p. 46-47	
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 47	