



Domino's Pizza 达美乐比萨

DPC Dash Ltd

达势股份有限公司

(Incorporated in the British Virgin Islands with limited liability)

Stock Code : 1405



2023

ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT

CONTENTS

| | |
|-------------------------------------|----|
| About the Report | 2 |
| Reporting Scope | 2 |
| Reporting Principles | 2 |
| Report Access | 2 |
| About DPC Dash | 3 |
| Company Profile | 3 |
| Business Model | 3 |
| 2023 Highlights | 4 |
| ESG Management | 7 |
| ESG Governance | 7 |
| ESG Framework | 8 |
| Stakeholder Engagement | 9 |
| Materiality Assessment | 10 |
| Responsible Governance | 11 |
| Board Governance | 11 |
| Risk Management | 11 |
| Business Ethics | 12 |
| Data and Privacy | 13 |
| 1 Delivering Delicacy | 15 |
| 1.1 Food Safety and Quality | 15 |
| 1.2 Resilient Supply Chain | 17 |
| 1.3 Food Innovation | 20 |
| 1.4 Customer Engagement | 21 |
| 1.5 Intellectual Property | 22 |
| 2 Empowering People | 23 |
| 2.1 Wellbeing and Benefits | 23 |
| 2.2 Diversity, Equity and Inclusion | 27 |
| 2.3 Development and Retention | 27 |
| 2.4 Health and Safety | 29 |
| 3 Protecting Planet | 31 |
| 3.1 Climate Management | 31 |
| 3.2 Resource Management | 33 |
| 3.3 Emission Management | 38 |
| 4 Engaging Community | 41 |
| 4.1 Charities and Donations | 41 |
| 4.2 Industry Collaboration | 43 |
| Appendix: ESG Reporting Guide Index | 44 |

ABOUT THE REPORT

This is the second Environmental, Social and Governance report (the “**ESG Report**”) published by DPC Dash Ltd (“**DPC Dash**”, the “**Company**”, “**we**” or “**us**”), providing a high-level overview of how we operate and manage ESG priorities and other issues important to our business and stakeholders.

REPORTING SCOPE

This report covers the fiscal year in the period from January 1, 2023 to December 31, 2023 (the “**Reporting Period**”), unless noted otherwise. To ensure the completeness and coherence of the narrative, some of the contents may be beyond the above timeframes.

This report applies to our direct operations in China. The environmental key performance indicators (the “**KPIs**”) in this report cover stores and central kitchens while social KPIs cover all of our business in China.

The data in this report are obtained from the Company’s internal relevant statistical reports or documents. The currency amounts involved in this report are measured in RMB.

REPORTING PRINCIPLES

This report has been prepared in accordance with the *Appendix C2 Environmental, Social and Governance Reporting Guide* of the Stock Exchange of Hong Kong Limited (the “**HKEx**”), and adheres to the following reporting principles:

- **Materiality:** We identified important ESG issues through internal stakeholder engagement and materiality assessment and made corresponding disclosures in the ESG Report.
- **Balance:** The ESG Report faithfully presents our ESG performance.
- **Quantitative:** The ESG Report has disclosed the standards, methods and sources of conversion factors used for reporting emissions and energy data.
- **Consistency:** Statistical methods of KPIs have been confirmed and are consistent with the 2022 ESG report.

REPORT ACCESS

This report is available on the websites of the Company at www.dpcdash.com and on the Hong Kong Stock Exchange at www.hkexnews.hk.

If there is any inconsistency between the English version and the Chinese version, the English version shall prevail.

COMPANY PROFILE

We are Domino's Pizza's exclusive master franchisee in China mainland, the Hong Kong Special Administrative Region of China and the Macau Special Administrative Region of China. Our global franchisor, Domino's Pizza Inc, is the world's largest pizza company in terms of global retail sales.

We have adapted and built upon the Domino's business model by localizing its key features for China and its consumers, and focused on serving handcrafted, quality pizza at a competitive price, with easy ordering access and efficient delivery, enhanced by technological innovations.

We directly operated 768 stores across 29 cities in China mainland as of December 31, 2023. On March 28, 2023, we were listed on the Main Board of the HKEx with a stock code: 1405.



Our Vision and Mission

BUSINESS MODEL

We are focused on being a pizza expert. By combining the globally recognized Domino's playbook with our knowledge of China, we have developed a unique business model that is purpose-built for serving Chinese consumers delicious, value-for-money pizza through online channels, with an emphasis on delivery, enhanced by technology. We believe that this model is one that sets us apart from our competitors in China, one that has its own Chinese flavors, and one that we believe will ultimately lead us to become China's leading pizza company.

ABOUT DPC DASH

2023 HIGHLIGHTS

In 2023, we are proud of the expansion of stores, marking a significant milestone as we continue to stretch our footprint in China.

No. Key Business Highlights

- 1 Operated 768 stores in 29 cities by the end of 2023
- 2 Entered 13 new cities and added 180 net new stores in 2023
- 3 Our loyalty program reached 14.6 million members by the end of 2023
- 4 Received the prestigious Domino's Pizza Gold Franny award for five consecutive years, spanning from 2018 to 2022

We are also proud of the recognitions for the quality and popularity of our products and services, ESG performance, and human resource management. The table below sets forth some of the significant awards and recognitions that we received in 2023:

| Award/Recognition | Awarding Institution/Authority |
|--|---|
|  |  |
| <ul style="list-style-type: none"> Golden Tripod Award The 8th China Food CSR Conference | <ul style="list-style-type: none"> The 12th China Food Health Seven Star Award China Business News & Ecolab Group |
|  |  |
| <ul style="list-style-type: none"> 2023 Top 10 Most Favorite Brands of "Generation Z" in the 3rd Food & Beverage Industry Innovation Power List National Business Daily | <ul style="list-style-type: none"> 2022 China Fast Food Top 100 China Cuisine Association |
|  |   |
| <ul style="list-style-type: none"> 2023 Outstanding Brand Image Award & 2023 Industry Influential Brands CFS 12th Financial Summit | <ul style="list-style-type: none"> 2023 Top Brand Awards TopDigital |
|  |  |
| <ul style="list-style-type: none"> Top 20 China Digital Enterprises China Digital Innovation Expo | <ul style="list-style-type: none"> Digital Marketing Innovation Excellence Award WRE Marketing Technology Summit 2023 |
|  |  |
| <ul style="list-style-type: none"> 2023 Outstanding Digital Intelligence Innovation Award International Intellectual Manufacturing Festival | <ul style="list-style-type: none"> 2023 Annual Listed Company Brand Influence Model Hexun |
|  |  |
| <ul style="list-style-type: none"> 2023 "Best Brands 100" Western fast food industry main list of brands Jiemian | <ul style="list-style-type: none"> 2023 Whale Tide Award for the Most Popular Brand Blue Whale Finance |

ABOUT DPC DASH

| Award/Recognition | Awarding Institution/Authority | | |
|---|---|---|---|
|  |  |  |  |
|  |  |  |  |
| <p>"Benchmark 2023" Emerging Productivity Brands</p> | <p>2023 Top 50 China Catering Category Brand</p> | <p>2023 ESG Pioneer Award</p> | <p>2023 CSR Industry Model Award</p> |
|  |  |  |  |
| <p>BJNews</p> | <p>China Restaurant Insider</p> | <p>Financial Associated Press</p> | <p>2023 ESG Influence Annual Conference</p> |
|  |  |  |  |
|  |  |  |  |
| <p>Golden Battleaxe Award 2023 Public Responsibility Company</p> | <p>Kincentric 2023 China Best Employer</p> | <p>Kincentric Best Employer China 2023 Honorable Mention for Talent Focus</p> | <p>2023 Moka Sirius Awards-HR Digitalization Best Practices</p> |
|  |  |  |  |
| <p>NetEase News Finance Channel</p> | <p>Kincentric</p> | <p>Kincentric</p> | <p>Moka</p> |
|  |  | | |
|  |  | | |
| <p>2023 Kenexa Star Leap Awards – Best Employer Brands</p> | <p>2023 Kenexa Star Leap Award – Digital Intelligence Performance Management Best Practices</p> | | |
|  |  | | |
| <p>Kenexa</p> | <p>Kenexa</p> | | |

While we strive to make progress on our own, we are committed to driving impact in ESG areas. It is our strong belief that building sustainable business is a key part of our business development. Therefore, we actively engage with stakeholders in many formats, allowing us to learn and improve.

ESG GOVERNANCE

To effectively manage environmental, social, governance and climate-related issues, we have established a top-down ESG governance framework, comprising our Board of Directors (the “**Board**”), the Senior Leadership Team (the “**SLT team**”), and the Wealth, Health, Safety & Environment (the “**WHSE**”) working group.

Our Board takes the overall responsibility for our ESG strategy and reporting. ESG-related issues are addressed by the Board which oversees the Company’s ESG performance as well as integrates ESG issues into the Company’s development strategy and daily operation. The Board continuously monitors ESG trends and peer performance, and will update ESG policies and approaches if necessary, providing safeguard to the long-term and stable development of the Company.

The SLT team, consisting of our Chief Executive Officer (the “**CEO**”), Chief Operating Officer, Chief Financial Officer, Chief Performance Officer, Chief Marketing Officer and our department heads, assumes the responsibility to identify and evaluate ESG risks and opportunities to which we are exposed, to set ESG goals and targets, and formulate and assess ESG strategic plans and mitigating measures, to monitor and manage matters relating to ESG issues, and to confirm with our Board with respect to the effectiveness of our ESG system.

The WHSE working group comprises CEO and specially-assigned personnel of key departments, such as the supply chain management department, operations department, human resources department, marketing department, legal department, and others. The WHSE working group is dedicated to the implementation of our WHSE plans. The WHSE working group convenes meetings and communicates regularly to report and present the implementation progress and key results.

ESG FRAMEWORK

We are committed to building a sustainable business, one that creates long-term value and interest for our stakeholders.

Through peer benchmarking, expert input, and internal discussion, we have identified 18 material ESG topics to determine where our ESG focus should be.

Following the materiality assessment, we launched our ESG framework, centered on the four ESG pillars of Delivering Delicacy, Protecting Planet, Empowering People, and Engaging Community while maintaining high governance standards regarding Corporate Governance, Risk Management, and Business Ethics.



ESG Framework

STAKEHOLDER ENGAGEMENT

Stakeholder engagement helps us to prioritize ESG issues effectively and deliver long term value for stakeholders. We engage with stakeholders to better understand and incorporate their expectations on ESG issues. Diverse engagement channels are designed to ensure that we prioritize issues that are important to both our stakeholders and our long-term business success.

| Main Stakeholders | Concerned Topics | Communication Channels |
|---|---|---|
|  Government and regulators | <ul style="list-style-type: none"> • Food safety and quality • Environmental compliance • Responsible marketing • Industrial development | <ul style="list-style-type: none"> • Information reporting • Regular conferences • Seminars • Industry associations |
|  Shareholders and investors | <ul style="list-style-type: none"> • Return on investment • Information disclosure • Compliance management | <ul style="list-style-type: none"> • General meetings • Press releases • Investor roadshows • Investor surveys |
|  Customers | <ul style="list-style-type: none"> • Food safety and quality • Delicious and diversified food choices • Good food service • Customer privacy protection | <ul style="list-style-type: none"> • Social media and campaigns • Order feedback • Customer surveys |
|  Employees | <ul style="list-style-type: none"> • Professional development • Equal opportunities and diversity • Remuneration and benefits • Health and safety | <ul style="list-style-type: none"> • Training and workshops • Engagement surveys • Meetings and communications • Internal newsletter and other publications |
|  Suppliers | <ul style="list-style-type: none"> • Business development • Industrial development • Supply chain sustainability support | <ul style="list-style-type: none"> • Supplier visits • Performance reviews • Supplier conferences |
|  Community | <ul style="list-style-type: none"> • Community involvement | <ul style="list-style-type: none"> • Community contributions • Volunteer activities |

MATERIALITY ASSESSMENT

In 2023, we reviewed and updated the results of the materiality assessment, and a list of 18 material topics was identified.

| Dimension | ESG Topics |
|--|--|
| <p>Environmental Topics</p>  | <ul style="list-style-type: none">• Climate Change Adaptation and Carbon Reduction• Energy Management• Packaging Management• Waste Management |
| <p>Social Topics</p>  | <ul style="list-style-type: none">• Food Safety and Quality• More Food Options• Supply Chain Management• Consumer Services• Data and Privacy• Remuneration and Benefits• Training and Development• Diversity, Equity and Inclusion• Health and Safety• Community and Welfare• Industry Development and Empowerment |
| <p>Governance Topics</p>  | <ul style="list-style-type: none">• Corporate Governance• Risk Management• Business Ethics |

At DPC Dash, we are committed to the ethical operation of our day-to-day business, which is also a cornerstone of our ability to create shared value.

We are committed to a diverse and engaged Board, policies to help every employee and business partner working with integrity, processes to manage the risks, and a robust privacy and security system to protect our business and customers.

BOARD GOVERNANCE

Our innovative and collaborate culture is underpinned by a robust governance framework. The Board is responsible for overseeing our business and decision-making in an honest, fair and ethical manner. In this way, we aim to achieve our strategic ambitions and ensure long-term, sustainable success of the Company.

Our Board is supported by three committees: the Audit and Risk Committee, the Remuneration Committee, and the Nomination Committee. Each Committee's charter and our *Articles of Association* can be viewed on our website.

Our Board is comprised of diverse and highly qualified members with diversity in experience, gender, tenure, and background. Of our 9 directors, 2 are women, 8 are non-executive directors, 3 are independent directors, 3 are Asian, and 6 are of other ethnicities. We also perform regular reviews to ensure each director provides effective, experienced, and ethical leadership.

RISK MANAGEMENT

Our business faces a wide range of risks while we continue to expand and grow. We have formulated the *Risk Management Policy* and the *Internal Audit Policy* and other policies to maintain robust risk management and internal control systems.

The Board acknowledges that it is responsible for the Company's risk management and internal control systems and reviewing their effectiveness. The Audit and Risk Committee assists the Board in leading the management and monitoring and overseeing the risk management and internal control systems through the internal audit department, and reporting and making recommendations to the Board where appropriate. The internal audit department monitors the implementation of our risk management policies on an ongoing basis to ensure our policies and implementation are effective and sufficient. It identifies any material risks and makes recommendations on the improvement and rectification plans and measures and conducts follow-up audits with regard to the identified issues to ensure that the planned remedial measures have been duly implemented. The internal audit department directly reports the audit and risk findings and follow-up status to the Audit and Risk Committee on an annual basis and on needed basis of major audit and risk findings.

Risks related to strategy, operation, finance, and compliance are reviewed and assessed on a regular basis, and we identify the potential impacts of events, likelihoods and mitigating factors.

As regards internal audit, our internal audit team implements audit procedures in accordance with the annual audit plan. Improvements are proposed based on the results of the audit, and the results are reported to the management.

BUSINESS ETHICS

We are committed to fostering an environment for ethical leadership and conducting business with integrity. Complying with the *Company Law of the People's Republic of China* (the "PRC"), the *Criminal Law of the PRC*, the *Anti-Money Laundering Law of the PRC*, and other laws and regulations, we have formulated the *Compliance Management Policy*, the *Conflict of Interest Policy*, and the *Employee Appeal and Whistle-blowing Process* to help guide our employees perform in the right way. The Human Resources Department, Internal Audit Department and Legal Department are responsible for implementing and monitoring the policies, and the Board reviews them on a regular basis. To communicate the details of the policies to all staff members, the relevant policies are provided to new staff members and current staff members will receive updates via email, the OA system and the training learning development platform.

We are committed to integrity, fairness, and acting in ways that positively impact everyone our business touches. Our requirements are clearly outlined in the *Employee Handbook* to help guide our employees in making good decisions rooted in our cultural beliefs and good ethics, which sets out several codes of business conduct to promote honest and ethical behavior, encourage openness and transparency in all business dealings, and eliminate corruption and bribery. We also distribute anti-corruption related publicity materials to directors from time to time, emphasizing the importance of business compliance. Any employee who takes a bribe from any business partner for the purpose of getting business will be subject to penalties or termination of labor contracts.

We have zero tolerance for any kind of misconduct or unethical behavior. We maintain a robust whistleblower policy and employees can make anonymous reports using the whistleblowing email and hotline. Whistleblowing may be made to the internal audit department and all reports about actual or suspected wrongdoing received will be reviewed and handled promptly by the corresponding investigation personnel. The identities of the whistleblowers are kept strictly confidential in the whistleblowing process.

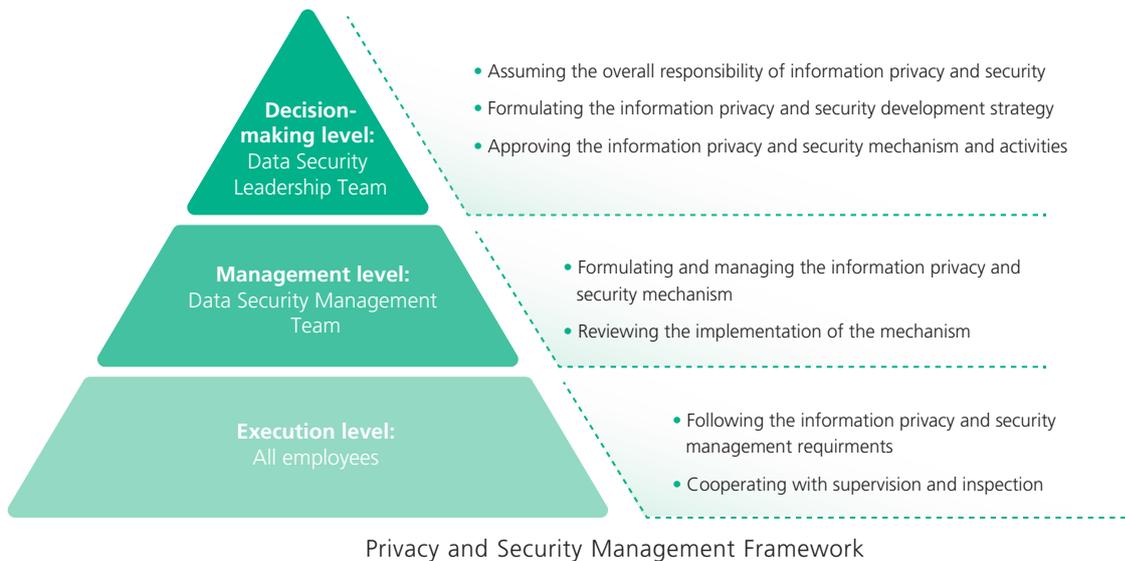
We also help our partners do the right thing the right way. We provide all business partners and their respective suppliers with our *Supplier Code of Conduct*, a framework to help them make ethical decisions at work. The *Supplier Code of Conduct* explicates that suppliers should adhere to business integrity, and any form of corruption, bribery, extortion, or corruption is prohibited.

During the Reporting Period, there were no legal cases related to business ethics brought against DPC Dash or its employees.

DATA AND PRIVACY

DPC Dash has a responsibility to maintain a robust privacy and security system and ensure all data collected from our customers or partners are managed securely. We strictly comply with the *Data Security Law of the PRC*, the *Cybersecurity Law of the PRC*, the *Personal Information Protection Law of the PRC* and other applicable laws and regulations. We establish the *Data Security Management Policy*, the *Guidelines for the Management of Data Classification and Categorization*, the *Employee Personal Information Protection Policy* and the *Information Security Incident Management Regulation* to safeguard the information and data of different stakeholders.

To further strengthen information and data governance, we have established a privacy and security management framework.



In terms of information security certification, we have obtained the Information System Security Protection Level 3 certification.



Information System Security Protection Level 3 Certificate

RESPONSIBLE GOVERNANCE

We adopt robust privacy and data protection processes to keep our systems safe and information confidential. We focus on monitoring and responding to security issues that arise in our daily operations with security measures at every level of our organization. For instance, at the individual level, we install antivirus software and data leakage prevention software on all our employees' computers. At the enterprise level, our e-commerce platform is built and tested to withstand hacker attacks. As part of our effort to continually strengthen our cybersecurity, in 2023 we:

- 1 Implemented a rigorous data leakage prevention and control program based on the classification of data confidentiality levels
- 2 Restricted network access by installing software on computers
- 3 Enhanced wireless network security
- 4 Regulated admission to VPN remote access
- 5 Conducted audits, internal penetration tests and vulnerability scans to identify opportunities for improvement

Meanwhile, we expect every employee at DPC Dash to participate in privacy and data security training when they join us. In 2023, we conducted data compliance training for employees, focusing on industry cases and explaining the legal and regulatory requirements commonly encountered in our business. We also carried out phishing tests to improve employee's awareness of phishing scams.

We also impose strict security requirements for suppliers and business partners. In detail, suppliers are supposed to sign the *Supplier Information Security Commitment*. The document clarifies requirements that we expect suppliers to obey regarding product safety, service safety, system security and data security, and measures regarding safety protection, among others.

At the customer end, we have a responsibility to ensure all personal data collected from customers are managed securely. We maintain a privacy policy that describes how we collect, use, and share information through the website and applications. Generally, the data we collect are anonymized, other than certain personal information such as telephone numbers that customers provide with their consent through our channels or third-party channels.

As of the end of the Reporting Period, we did not experience any major data security issues.

DPC Dash fosters a culture of food safety and quality from farm to fork. This means we work with farmers and suppliers to source more quality ingredients in responsible ways. When it comes to innovation and customer engagement, we maintain an active dialogue with customers to evolve our menu while providing unforgettable experiences for them.

1.1 FOOD SAFETY AND QUALITY

At DPC Dash, food safety and quality is always the top priority. We strictly comply with relevant laws and regulations including the *Food Safety Law of the PRC*, the *Implementation Rules of the Food Safety Law of the PRC*, the *Administrative Measures for Food Operation Licensing*, the *Administrative Measures for Food Recall* and other relevant regulations. We have formulated the *Food Safety Management Policy*, the *Food Safety Manual*, the *Recall Control Procedure* and other policies to control and minimize risks and meet or exceed standards of safety and quality.

Regarding governance, we have established a WHSE working group, comprising our CEO and other management members, that meets on a monthly basis to oversee our food safety practices and programs.

In terms of the food management system, we have implemented a rigorous quality and safety system to maintain quality at every step of our food value chain. We adhere to Hazard Analysis and Critical Control Points (the “**HACCP**”) principles, which addresses food safety through the identification, evaluation and control of biological, chemical and physical hazards throughout all phases of food preparation and associated corrective, preventive and verification activities.

1 DELIVERING DELICACY

1.1.1 Food Safety Culture

We integrate food safety and quality into every aspect of our operations, from food sourcing, logistic, production, preparation, delivery to consumption of finished food. We have set the bar high for ourselves and adopted various measures to manage and mitigate risks relating to food safety and quality:



Food Safety and Quality Management Measures

Additionally, our rigorous audit requirements are key components of our commitment to food safety and quality. Regular external audits are conducted by third-party evaluators in our stores and central kitchens. During the Reporting Period, external Food Safety Evaluation (the “FSE”) audits were conducted in our stores, and all central kitchens were audited by accredited agencies to confirm they meet industry benchmarks such as HACCP.

Meanwhile, our quality assurance team carries out internal checks based on even more stringent auditing standards than those on the FSE checklist and performs regular quality audits and annual verification procedures, and the operation evaluation team conducts comprehensive assessments of every store bi-annually. During the Reporting Period, all of the central kitchens were audited by the internal audit team.

We understand the importance of food safety to customers. That is why we devote time and effort to providing good training to employees. Employees are monitored compliance with the *Good Manufacture Practice* (the “**GMP**”) and are required to participate in mandatory training and tests relating to food safety, with a focus on relevant regulations and standards, HACCP policies, prevention of food-borne illnesses, sanitation and other topics. Additionally, we make food safety performance one of the key performance metrics in the bonus program for store managers and impose penalties on store managers or regional managers for failure to observe our food safety policies. During the Reporting Period, we developed a safety training program, covering topics including laws and regulations, food safety culture, GMP, HACCP, product processing technology, etc. The training pass rate is 100%.

1.1.2 Recall Procedure

We continually monitor the food we serve for compliance with our requirements. We have well-established and effective recall control procedures specified in the *Recall Control Procedure* and the *Stock Recovery Procedure* to deal with food safety incidents identified through self-inspection, public complaints, and notification by the supervisory and management authorities. Depending on the severity level of food incidents, corresponding recall procedures will be undertaken. In detail, food recalls are classified into Level I, II and III, and recall procedures shall be initiated within 24 hours, 48 hours and 72 hours respectively when the Company is aware of the food safety risk. Further, a recall plan shall be reported to the local food and drug administration authorities at or above the county level. During the Reporting Period, we had no incidents in which the products sold or shipped were subject to recalls for safety and health reasons.

1.2 RESILIENT SUPPLY CHAIN

We are proactively engaging and building partnerships with suppliers to provide highest quality and safest food as possible. By engaging our suppliers, we aim for keeping ethical and responsible sourcing and building a more sustainable supply chain.

1.2.1 Responsible Sourcing

We are passionate about working with suppliers to ensure that we are sourcing and providing safe and responsible food. Over the next five years, we will focus on three priority ingredients: chicken, dairy products, and palm oil, confirming they are traceable back to the source.

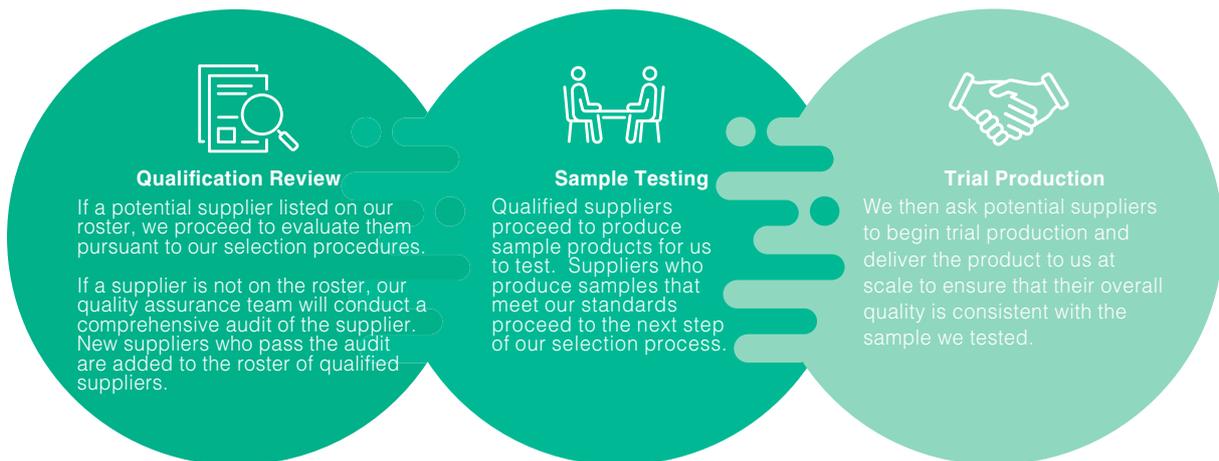
Under equal conditions, we generally look for suppliers who are located close to our central kitchens to reduce cost and minimize environmental impact.

1 DELIVERING DELICACY

1.2.2 Supply Chain Management

We have rigorous systems in place for assessing risk and monitoring both new and existing suppliers. We have formulated the *Suppliers Management System*, the *Supplier Classification Management Process*, the *New Supplier Development Process*, the *Supplier Exit Mechanism* and other policies that set out supplier management guidelines.

When engaging new suppliers, we have stringent supplier selection processes in place, including background and qualification checks, sample testing and trial production. A supplier approval process is established, through which suppliers must provide relevant qualifications or certifications, such as business licenses or food production and operation licenses to demonstrate legal compliance with environmental and social policies before approval.



Supplier Approval Process

Once a supplier passes the above procedures, they will be added to our list of qualified suppliers. Before signing the contract, we would conduct a competitive bidding process among our qualified suppliers, where cost, product quality and other factors are evaluated.

Suppliers are classified into core suppliers, critical suppliers, contract management suppliers, and procurement relationship suppliers based on the importance of the ingredient to our brand. As of December 31, 2023, we had a total of 111 qualified suppliers, all of which located in China.

1 DELIVERING DELICACY

Our suppliers are vetted and frequently audited by our procurement team to confirm they meet our requirements for safe and high-quality production. To the extent we identify problems with a supplier through our audits, monthly reports, or product issues reported at our warehouses, we liaise with the supplier to see if they are able to rectify the issue. Otherwise, we will terminate our relationship with suppliers who cannot meet our standards. If the suppliers breach applicable laws and regulations regarding food safety and quality or commit misconduct, we will terminate the partnership. During the Reporting Period, we conducted a total of 195 announced, unannounced and on-site supplier audits. We terminated the collaboration with 4 suppliers.

In daily operation, our central kitchens and stores also closely inspect goods delivered by suppliers to ensure quality. Goods that do not conform to our requirements, food safety laws or other regulations would be returned to suppliers.

In addition to the management requirements, all suppliers are required to comply with all applicable laws and regulations and to meet environmental, social, integrity and food safety expectations, and are encouraged to make continuous improvement in ESG. In 2023, we communicated with some of our core suppliers about leading ESG practices. We also provide training to help suppliers on the importance of food safety and quality. During the Reporting Period, we conducted supplier capacity enhancement training, sustaining food safety culture.

We strive to develop a stable supply chain while maintaining operations. To minimize supply fluctuation, we use data analysis to monitor price fluctuations, take a flexible approach to negotiate the length of our contracts, leverage our scale and adopt a multi-supplier approach to remain nimble.

During the Reporting Period, we did not experience any material shortage, delay or interruption with respect to the supply of food ingredients or non-food supplies from our suppliers, any material breach or early termination of our contractual arrangements with suppliers which materially affected our business operations, or any material fluctuations in the price of food ingredients or non-food supplies.

1 DELIVERING DELICACY

1.3 FOOD INNOVATION

We are always looking for ways to improve our menus, reflecting our originality, research and commitment to menu development and localization. We are committed to meeting the tastes and dietary preferences of our customers through our menu development process, including local market research, leveraging global insights, carrying out product testing, viability analysis, standardization and execution, marketing and promotion, and post-launch evaluation.

Local market research

- ◆ Gauge customer trends, including recent internet trends as well as the performance of other products in the market

Leveraging global insights

- ◆ Seek inspiration for new products from global market

Product testing

- ◆ Conduct taste tests and use a voting system to select the most promising products
- ◆ Test food safety and quality, such as by testing for allergens

Viability analysis

- ◆ Conduct a comprehensive cost analysis based on the ingredients and preparation process used

Standardization and execution

- ◆ Create standardized procedures for procuring and cooking the ingredients needed for the new product

Marketing and promotion

- ◆ Carry out advertising activities including in-store, online and outdoor, with a focus on online engagement

Post-launch evaluation

- ◆ Evaluate how consumers react to the new product
- ◆ Add highly successful products into our permanent menu

Menu Development Process

We recognize the importance of providing a variety of choices to meet customers' needs. From choosing the right crust to the combination of toppings added, there are endless ways to make the ultimate combination. Whether customers prefer a meaty or veggie pizza, they can easily create a preferred one.

1.4 CUSTOMER ENGAGEMENT

We play an important role in helping people follow a healthy and balanced diet so that we make informed choices. We also value the opinions of our customers and always listen to them to identify ways to evolve our food and service while maintaining the good taste.

1.4.1 Responsible Marketing

We abided by the *Advertising Law of the PRC* and other ethical marketing laws and regulations. We present the public with accurate advertising and sales information about our business and products. Before the official launch, we review the legality and truthfulness of our promotional campaigns, ensuring marketing is truthful and accurate. Additionally, we provide a transparent topping list for the products we sell online, enabling customers to make better choices about what they buy.

1.4.2 Customer Satisfaction

At DPC Dash, we are committed to serving every customer with care and diligence. We follow the *Law of the PRC on the Protection of Consumer Rights and Interests*, and accordingly formulated the *Compliant Handling Process*, the *Crisis Management and Store Special Condition Management Manual* and the *Store Quality Compliant Procedure* to address customer feedback in a timely and efficient way and improve customer satisfaction.

We strive to achieve 100% customer satisfaction. Customers can provide instant feedback, and we hear each feedback about our food and service to help our operations get better. In daily operation, we gather feedback and customers' needs from a variety of channels, including stores, call centers, delivery apps (Ele.me and Meituan), and social media (Weibo, Weixin, Xiaohongshu and Douyin) to meet customer expectations and improve satisfaction.

We will develop corresponding countermeasures once complaints or feedback are identified, once complaints or feedback are identified. For example, our call center collates and integrates customer complaints and shares them with operational management at the relevant stores and departments, and then these complaints are tracked and marked with follow-up actions to make sure that complaints are addressed. During the Reporting Period, we did not receive any material customer complaints concerning any of our stores or products.

On a more holistic level, key members of our management team, including our chief operating officer, chief marketing officer and general managers, review the analyses and summaries of customer feedback every month to formulate strategies for improving our customer satisfaction. If there is a food safety complaint, our quality assurance and supply chain teams are also engaged to investigate and ensure that any issues are rectified.

1 DELIVERING DELICACY

1.5 INTELLECTUAL PROPERTY

We highly respect the intellectual property, strictly adhering to the *Patent Law of the PRC*, the *Trademark Law of the PRC* and other related laws and regulations to protect intellectual property assets and brands. We clearly state in the *Employee Handbook* that employees are responsible for protecting the intellectual properties of the Company.

The intellectual property we own includes trademarks, trademark applications, patents, and patent applications related to our brands and services, software copyrights, trade secrets and other intellectual property rights and licenses. As of the end of the Reporting Period, we held 1 registered trademark, 18 computer software copyrights and 1 patent in the PRC, and we had 9 registered domain names.

We believe that our people are helping fuel the Company's success, positioning us as a diverse and equal workplace as well as a celebrated brand. We strive to offer supportive remuneration and benefits package, and care about their personal growth and professional development. By creating a work environment that stimulates employees' creativity, unleashes their potential and protects their safety, we join hands with our employees to achieve self-worth and the Company's development goals.

2.1 WELLBEING AND BENEFITS

DPC Dash strives to attract diverse and outstanding talents to achieve long-term success. We promote equality and respect from the recruitment process and on to all aspects of our work. We provide our people with competitive remuneration and benefits, attentive care and support and foster an open and inclusive environment.

2.1.1 Compliance Employment

To foster an environment that supports the growth of the Company and our people, we are constantly enhancing the management of our organization and employees. We comply with the *Labor Law of the PRC*, the *Labor Contract Law of the PRC*, the *Implementing Regulations of the Labor Contract Law of the PRC* and applicable laws and other applicable local labor laws and regulations to protect the rights and interests of our employees. We also formulated the *Employee Handbook*, which is constantly being improved and revised, and which explicitly introduces policies relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, as well as other benefits and welfare of the Company.

We have established multiple recruitment channels, including the Internet, on-site job fairs, campus job fairs and internal referrals, to attract talent and improve efficiency in matching suitable candidates to vacancies. During our recruitment process, we adhere to the principles of equality and fairness. We promise to provide all candidates with fair access to information and resources and promote a transparent and friendly recruitment process. Further, experience, qualifications, as well as the ability to be a team player and be customer-oriented are also important indicators.

We established provisions in essential aspects, including recruitment and employment, to explicitly forbid the use of child labor and forced labor. To ensure we do not engage in the accidental use of child labor, we verify the identity cards of candidates in the recruitment process. Once detected, we will terminate the labor contract and transfer the case to the corresponding judiciary. To prevent forced labor, we encourage employees to complete work during regular working hours. If overtime work is necessary due to business needs, employees shall apply in advance and obtain written approval from the department head and will be compensated with overtime pay, traffic allowance and meal allowance. During the Reporting Period, there were no cases related to child labor or forced labor at DPC Dash.

2 EMPOWERING PEOPLE

As of the end of the Reporting Period, we had a total of 6,536 full-time and 15,635 part-time employees. Substantially all our employees are based in China, primarily in Shanghai, Beijing, Shenzhen, Guangzhou and other cities in which we have operations. The distributions of the workforce are as follows:

| Category | | Full-time | Part-time |
|--------------|--------------|-----------|-----------|
| By gender | Male | 3,094 | 8,267 |
| | Female | 3,442 | 7,368 |
| By age group | Below 30 | 2,526 | 4,849 |
| | 30-50 | 3,926 | 9,590 |
| | Above 50 | 84 | 1,196 |
| By region | Shanghai | 1,440 | 3,423 |
| | Beijing | 1,138 | 3,036 |
| | Shenzhen | 527 | 1,210 |
| | Guangzhou | 461 | 975 |
| | Other cities | 2,970 | 6,991 |

As of the end of the Reporting Period, the turnover rate of full-time and part-time employees was 33.45% and 86.35% respectively. The distributions of turnover rate are as follows:

| Category ¹ | | Full-time | Part-time |
|-----------------------|--------------|-----------|-----------|
| By gender | Male | 38.43% | 78.94% |
| | Female | 28.97% | 94.67% |
| By age group | Below 30 | 43.47% | 156.14% |
| | 30-50 | 27.41% | 57.38% |
| | Above 50 | 14.29% | 35.70% |
| By region | Shanghai | 25.97% | 60.18% |
| | Beijing | 34.09% | 70.62% |
| | Shenzhen | 35.86% | 119.26% |
| | Guangzhou | 39.91% | 118.15% |
| | Other cities | 35.39% | 95.87% |

Note:

1. Turnover rate (per category) = employees in the specified category leaving employment/number of employees in the specified category*100

2.1.2 Compensation and Benefits

We recognize the dedication and contribution of our employees and seek to offer supportive remuneration and benefits packages. The remuneration and benefits packages for full-time employees mainly include basic salary, discretionary bonus, social insurance, housing provident fund, supplemental commercial insurance, etc., and they are entitled to national statutory holidays, annual leave, personal leave, sick leave, marriage leave, maternity leave, and bereavement leave, among others.

In terms of bonus, our office employees are entitled to year-end bonuses and additional project bonuses, as well as housing subsidies, transport subsidies and telephone subsidies according to the grade. For store management teams, their discretionary bonus is tied to the performance of the store. For riders, we provide incentive bonuses that are payable for, among others, the number of orders delivered and working during peak hours or in poor weather. For part-time employees, we pay special holiday benefits such as red packets and staff meals on special holidays such as the Spring Festival.

In terms of health coverage, we provide medical check-up packages, accident insurance, supplementary medical insurance for employees and insurance for office employees and their children. Our riders are covered by group commercial insurance, which insures our riders against personal injuries and additional medical care to help protect against the risk of personal injuries.

2.1.3 Care for Employees

At DPC Dash, we go above and beyond to take care of our employees' entire wellbeing, not just at work. We organize various employee activities ranging from skill contests, festival celebrations, and Voice of Domino's to encourage them to have a good work-life balance and maintain strong relationships with their families and friends.

2 EMPOWERING PEOPLE

Mid-Autumn Festival Celebration

In September 2023, we celebrated the traditional festival, the Mid-Autumn Festival, with our employees at the office, conveying good wishes to them, playing games and distributing gifts.



Mid-Autumn Festival Celebration

In addition to activities, we provide our store employees and riders with cool drinks in summer and ginger soup in winter, creating a sense of belonging on the team.

We value the ideas and needs of our employees. At all levels, we have sought to build a culture of barrier-free interactions, with online and offline activities and technological tools to encourage employees to communicate more frequently, not just in their departments but across the Company. We have opened the Employee Self-help Question Platform to collect employee concerns, and SLT members will answer them at the quarterly town hall. In 2023, we rolled out an "upward communication" process to our employees, posting the contact information for each level of management in the employee lounge and encouraging employees to submit ideas and suggestions.

In September 2023, we conducted an employee satisfaction survey of 6,819 employees, showing a 90% satisfaction rate.

2.2 DIVERSITY, EQUITY AND INCLUSION

We are committed to creating a diverse, equitable, and inclusive work environment to attract and retain diverse talent. We strive to make each employee feel valued, respected, and included regardless of their employment type, race, ethnicity, gender, religion, age, disability or any other characteristic. For example, 52.7% of our full-time employees are female. Among our SLT team, 61.5% members are female.

We are proud of our progress to an inclusive workplace. For instance, we are piloting recruiting disabled employees in some of our stores. During the Reporting Period, we recruited 4 full-time disabled employees and 2 part-time disabled employees.

2.3 DEVELOPMENT AND RETENTION

To support career and personal advancement, we offer development programs and career pathways that help employees grow and meet career goals. We have established the *Employee Handbook*, the *Promotion Pathways for Operational Staff*, and the *Training Management Procedure*, among others, providing training and development guidance for employees.

We strive to retain the best people in the business. Through a variety of online, in-person and on-the-job learning activities, we want every employee to start their journey on the right track. Our new employees undergo an 8-week training program that covers food safety, service and culinary skills at their respective workstations. Trainers use a 5-step training process to ensure that every employee receives the same training for each position. Trainers are qualified and vetted shop managers with excellent performance, high work standards, strong commitment and experience to help new employees familiarize themselves with standards and operational procedures. Our riders, in addition to regular training about food safety, also receive training concerning navigating urban traffic to maximize delivery safety and delivery service.

We are committed to leveraging our scale to provide training and education programs to build a path forward for people that supports their goals. In 2023, the Company's internal training was arranged for all levels from employees to the SLT team.

- **Employee Program:** In 2023, we conducted training courses on the "Structured Presentation of Logical Thinking" and "Seven Good Habits of Efficient Workplace Personnel", covering 46 employees in total and helping enhance their daily reporting and logical ability.
- **Management Program:** In 2023, we carried out two training courses on "Situational Leadership" and "Empowering the New Generation", covering 87 employees in total, to meet the great demand of the enhancement of team management skills. In addition to on-site training, the training was also available online, covering 38 employees.

2 EMPOWERING PEOPLE

- CEIBS AD/D Program:** Through 4 real-life business projects, participants were trained to improve their problem-solving and logical thinking skills, as well as their collaboration and interpersonal skills.
- SLT Team Coaching Program:** Through classroom-based instruction, experiential learning, and peer-to-peer networking with positive feedback, SLT members develop their skills in professional and business communications, collaboration, and leadership.

We prefer promoting leaders from within to provide personal development and rewarding career opportunities. Promoting from within where possible also helps retain employees because they see that we want to give them a promising future. At DPC Dash, we have been running a Fast-track Development Program for university students to move into management in 12 months, so that we can develop future leaders to meet fast growth.

Employee Spotlight

We have one employee who began his career in 2008 as a part-time employee at DPC Dash when he was a university student and then he joined after he graduated. He worked his way up through the store into our employee roles, where he has held various management positions in several regions. Today, he has grown to become the General Manager of one of the key regions of DPC Dash’s footprint in China.



2 EMPOWERING PEOPLE

As of the end of the Reporting Period, the average training hours per employee were 37.07 hours. The training-related KPIs are shown as follows:

| Category | | Percentage | Average training hours per employee (hours) |
|----------------------|-------------------|------------|---|
| By gender | Male | 51.24% | 35.50 |
| | Female | 48.76% | 38.73 |
| By employee category | Senior management | 0.07% | 60.75 |
| | Middle management | 16.46% | 87.89 |
| | Other employees | 83.47% | 27.03 |

2.4 HEALTH AND SAFETY

We're committed to the safety of our employees. We comply with health and safety laws and regulations in the PRC, including the *Work Safety Law of the PRC*, and the *Fire Prevention Law of the PRC*, among others, and have formulated the *Emergency Response Plan*, the *Work Safety and Hygiene Manual*, the *Employee Safety Handbook* and other policies pursuant to applicable regulations and rules.

We establish and hone a comprehensive safety and security system that is designed to effectively respond to serious accidents, dangers to health, and threats to public safety, ensuring the health of our employees and the safe operation of our stores. Our designated Environment, Health and Safety (the "EHS") working group holds regular meetings to formulate, review, revise and rectify safety policies, among others. We conduct external occupational disease assessments, establish a robust reporting structure for work-related incidents and undertake annual EHS audits on each central kitchen and store.

We implement safety programs, provide safety training and equipment to support safe working conditions, and access to resources to maintain and improve employee health and well-being. In addition to accident insurance programs and/or commercial health insurance programs, we offer all our employees annual physical checks. In 2023, we introduced a differentiated medical check-up service for employees, where employees can choose their medical check-up items free of charge to meet their differentiated medical check-up needs.

2 EMPOWERING PEOPLE

Fire Safety

We are committed to keeping everyone safe, which means we must implement measures to provide a safe environment. For fire safety, in particular, we pass the relevant fire safety inspections and obtain fire safety permissions from the fire service department before and during the operations of our stores. Our measures include:

- **Fire safety policies:** We have established our in-store fire safety management policies, which unify the fire safety practice at every store throughout our network. Our heightened in-store fire safety management policies provide detailed guidance on the use and maintenance of fire safety facilities. According to the heightened in-store fire safety management policies, every store shall make plans for fire safety work and conduct fire safety inspections on a regular basis.
- **Fire safety inspections:** Responsible personnel are appointed to carry out regular fire safety checks to make sure that all fire alarm systems and emergency lighting are working properly, and that escape routes and fire exit signs are in good condition. As of the end of the Reporting Period, all our stores have cooperated with the applicable fire departments for fire-safety spot checks and irregular onsite inspections and passed such examinations.
- **Fire safety facilities:** We make sure that firefighting equipment is installed in an accessible location on-site and properly maintained.
- **Fire safety training:** We provide mandatory training on fire safety to our in-store staff and other employees, which covers detailed guidance on fire safety signs, usage of firefighting equipment, evacuation plans, first-aid knowledge and fire safety policies, among others.
- **Fire drills:** We organize fire drills on a regular basis to increase our employees' fire safety awareness. Fire drills are held at least twice a year in our central kitchens and annually in our stores and offices.

Rider Safety

We highly value the contribution of our delivery riders to our business and have led the way in developing a robust approach to keeping riders safe. We distribute to our delivery riders a *Delivery Safety Work Manual* before taking their first delivery trips. Each rider is required to undergo a personal identity verification and screening process before becoming our rider and abide by our service standards. Under extreme weather conditions, we temporarily suspend all delivery requests to minimize the likelihood of our riders getting injured. We also leverage our strong technology capabilities to prevent delivery riders from unnecessary travel or speeding. For example, our smart delivery system enables optimal task assigning and reduced mileage, and our community GPS guides delivery riders to follow the right route. In addition, we generally provide our delivery riders with safe and high-quality e-bikes that are certified with China Compulsory Certification. These e-bikes are maintained or repaired by our contracted e-bike vendors regularly, and the batteries are checked regularly and replaced at efficient charge stations when needed.

In the past three years, there were no work-related fatalities occurred at DPC Dash. The number of lost working days for full-time employees due to work injury was 13 days during the Reporting Period.

We deeply care about making a positive impact on the environment. From resource efficiency improvement, waste reduction to sustainable packaging, we strive to cut our carbon, water and waste footprints in order to reach a more sustainable, resilient future. We believe the efforts and investments we make today are for a low-carbon tomorrow.

We set a guiding principle for environmental protection, which adheres to the environmental concept of pollution prevention and continuous improvement, implement clean production and energy conservation as well as emission reduction, actively explore the green development pathway, and be an environment-friendly enterprise. Our EHS working group is responsible for external EHS audits and assists in the implementation of environmental plans and remedies, preparation of policies, updates of laws and regulations, etc., and holds regular meetings for review and follow-up, to support the achievement of our guiding principle.

3.1 CLIMATE MANAGEMENT

Climate change poses risks to our business, our stakeholders, and our community. Like many companies, we are implementing approaches to identify the climate impact of every area of our operations, reduce greenhouse gas emissions and build resilience in our business and value chain. In collaboration with suppliers, we aim to adapt to and tackle climate change.

Policy and legal risk

Compliance with PRC's regulations is a requirement for us. Against the backdrop of the PRC's carbon peak and neutrality goals, we may incur additional costs to purchase renewable energy, replace undegradable packaging, promote sustainable sourcing and engage in low-carbon product development.

Recognizing the importance of low-carbon transition, we actively explore opportunities in renewable energy, degradable packaging and sustainable sourcing of raw materials in response to related national policies and work collaboratively with all parties to tackle climate change challenges together.

Technology risk

Climate change may pose requirements on our technology, leading the substitution of existing products and services with lower emissions options, including but not limited to renewable energy, packaging or equipment.

We are introducing low-carbon equipment and technology to our central kitchens and stores. In addition, we are testing and deploying digital systems to reduce the carbon footprint of distribution and delivery.

3 PROTECTING PLANET

Market risk

Our business relies on a number of third-party suppliers, which can be influenced by climate change. Risks due to adverse changes in the supply price, quality, and supply and demand of raw materials or equipment, or even interruption of supply may impact our operation.

To minimize supply fluctuation, we regularly assess fluctuations to monitor raw material availability. Besides, we already dual source the majority of key ingredients and collaborate with suppliers across different geographics to mitigate risks.

Reputation risk

Climate change can affect our reputation among consumers and other stakeholders through our actions in reducing greenhouse gas emissions, supporting climate actions, etc. If we ignore or fail to contribute to climate change, we may face reputational damage and loss of market share.

We conduct consumer surveys that allow us to understand expectations and improve reputation within the context of the food industry. For example, we are aware of consumers' opinions on packaging and food option, then we are working on these topics to improve reputation.

Acute and chronic risk

Our business is dependent on the prompt delivery and transportation of our raw materials and food ingredients. We are aware that events that disrupt our operations, such as fires, floods, or other natural disasters, may materially and adversely affect our business operations.

To ensure the supply of goods and the normal operation of the stores, we have established a crisis management team and formulated the *Emergency Response Plan* to minimize our risk exposure in the event of rainstorms, floods, earthquakes or other extreme weather conditions or natural disasters.

3.2 RESOURCE MANAGEMENT

We aspire to reduce our environmental footprint by focusing on more efficient energy use and water use, and more sustainable packaging. In collaboration with suppliers, we are switching to a more sustainable future.

3.2.1 Energy Management

We are taking action to conserve energy and reduce our carbon emissions. We have formulated the *Energy Management Policy* to promote efficient, rational, and scientific use of energy, achieving energy saving and consumption reduction.

We are working across our stores and central kitchens to be more efficient, with investments in areas such as resource cost control, equipment improvement, and employee training.

| | |
|---|---|
|  <p>Resource Cost Control</p> | <ul style="list-style-type: none"> • Adopting stringent energy indicators that are subject to monthly review and on-going maintenance • Piloting recording the energy consumption of high-energy equipment such as kitchen equipment, lighting equipment, and refrigeration equipment |
|  <p>System Application</p> | <ul style="list-style-type: none"> • Piloting using the transportation management system to calculate and intelligently optimize the logistic routes between central kitchens and stores while transitioning to paperless |
|  <p>Equipment Improvement</p> | <ul style="list-style-type: none"> • Adopting LED lighting, high-efficiency equipment, compressor heat recovery system, heat insulation facilities (extruded sheet, glass and partitions) • Cold room features including automatic door closures and thermal curtains to reduce cold air loss |
|  <p>Employee Training</p> | <ul style="list-style-type: none"> • Requiring our employees to attend mandatory energy saving trainings with the focus on continuous improvement of energy • Encouraging employees to turn off the lights and set the proper air conditioning temperature |

Energy Management Measures

Using sustainable design and equipment is one of the most important things we did to improve efficiency. Our stores adopt LED lighting and energy-efficient air conditioning, and we perform regular maintenance to reduce energy consumption. During the Reporting Period, we are also piloting the retrofit of the fresh air system to inverter control the fresh air volume and modifying the oven insulation to test the effectiveness of reducing heat loss.

3 PROTECTING PLANET

Besides, our freight mileage has also been reduced in part due to our intelligent dispatch system that enables riders to take optimal delivery routes, reducing mileage and optimizing delivery and energy efficiency, thus reducing greenhouse gas emissions. As of December 31, 2023, all deliveries are made by a fleet of e-bikes.

As of the end of the Reporting Period, the energy-related KPIs and GHG emissions are shown as follows:

| Indicators ^{1,2} | Unit | 2022 | 2023 |
|---|--|-----------|------------------|
| Total energy consumption ³ | MWh | 72,103.17 | 98,436.78 |
| Direct energy consumption | MWh | 4,231.01 | 5,811.10 |
| Indirect energy consumption | MWh | 67,872.16 | 92,625.68 |
| Energy consumption intensity | MWh/million RMB revenue | 35.68 | 32.27 |
| Total GHG emissions (Scopes 1 and 2) ⁴ | tCO ₂ e | 39,553.44 | 53,986.30 |
| Direct GHG emissions (Scope 1) | tCO ₂ e | 845.95 | 1,161.87 |
| Indirect GHG emissions (Scope 2) | tCO ₂ e | 38,707.49 | 52,824.43 |
| GHG emission intensity | tCO ₂ e/million RMB revenue | 19.57 | 17.70 |

Notes:

- As the number of stores has increased from 588 in 2022 to 768 in 2023, some of the resource-related KPIs and GHG emissions have also increased while the energy consumption and GHG emission intensity have decreased.
- Apart from the matters disclosed above, we do not cause other significant environmental impacts or make heavy use of other environmental and natural resources during operation. Therefore, Aspect A3 (The environment and natural resources) and KPI A3.1 (Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them) do not apply to the Company and are not disclosed in the Report.
- Total energy consumption is calculated based on the consumptions of electricity and natural gas, and the default parameter values related to common fossil fuel characteristics refer to the *GHG Emission Accounting Method and Reporting Guide for Food, Tobacco, Alcohol, Beverage and Refined Tea Enterprises (Trial)* issued by the NDRC.
- Based on the nature of the Company's business operation, our GHG emissions mainly consist of direct GHG emissions (Scope 1) from natural gas consumption and energy indirect GHG emissions (Scope 2) from purchased electricity. GHG emissions are presented as CO₂ equivalents and the greenhouse gas emissions of purchased electricity were calculated according to the *GHG Emission Accounting Method and Reporting Guide for Food, Tobacco, Alcohol, Beverage and Refined Tea Enterprises (Trial)* issued by the National Development and Reform Commission (NDRC) and the latest national grid factor issued by Ministry of Ecology and Environment.

3.2.2 Water Stewardship

Water is one of the most precious resources that we rely on. We aspire to find ways to use water more efficiently. For example, we adopt water cost control indicators that are subject to monthly review and ongoing maintenance. We require employees to attend mandatory water-saving training, and we encourage employees to conserve water and turn off taps as they go. Through the actions we are taking across the Company, we are seeking to reduce our overall water footprint. We encountered no issues in sourcing water that is fit for purpose during the Reporting Period.

As of the end of the Reporting Period, the water-related KPIs are shown as follows:

| Indicators ¹ | Unit | 2022 | 2023 |
|-----------------------------|-------------------------|------------|-------------------|
| Total water consumption | ton | 288,354.22 | 394,058.57 |
| Water consumption intensity | ton/million RMB revenue | 142.69 | 129.17 |

Notes:

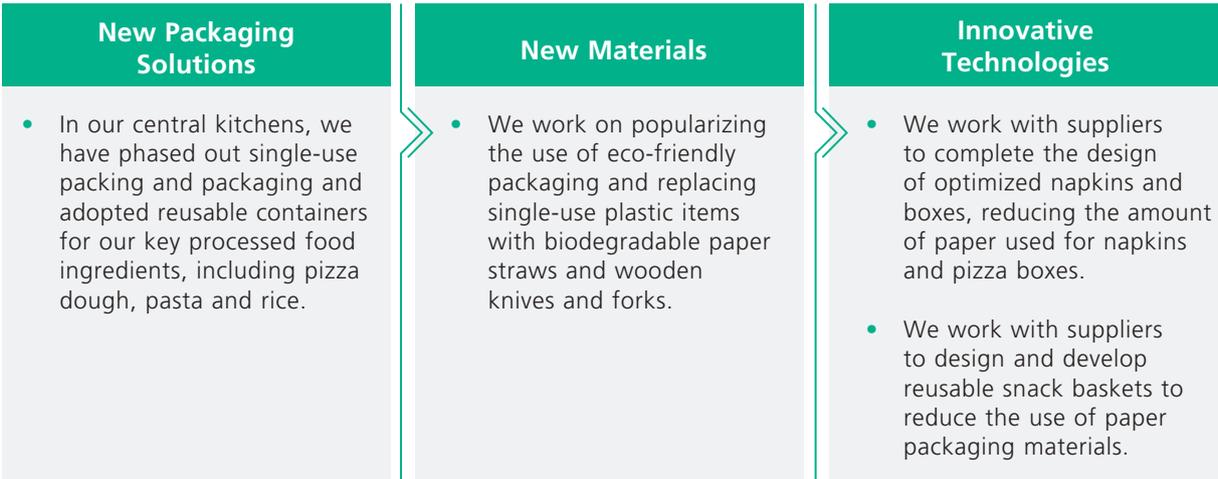
- As the number of stores has increased from 588 in 2022 to 768 in 2023, the total water consumption has also increased while the water consumption intensity has decreased.

3 PROTECTING PLANET

3.2.3 Sustainable Packaging

We recognize that packaging is a contributor to reducing plastic pollution and promoting circular economy. We have established the *Packaging Management Policy* and are committed to promoting the reduction of packaging use and increasing the recyclability and biodegradable share of packaging materials through the application of new packaging solutions, new materials, or innovative technologies.

We look for opportunities to be more sustainable by working with suppliers to reduce our use of packaging and switch to more sustainable materials. Besides, we are dedicated to finding solutions with the lowest environmental impact without compromising the quality of our product.



Sustainable Packaging Strategies

3 PROTECTING PLANET

As we phase in sustainable packaging to replace non-degradable plastic packaging from 2021, the proportion of non-biodegradable plastic packaging as a percentage of total packaging materials purchased was reduced from 16% in 2020 to 4% in 2023. During the Reporting Period:

- 100% of our takeout tableware is made of biodegradable and environmentally friendly plastic.

- 100% recyclable tableware is used for store dine-in.

- We introduced reusable bags in some new stores.

Making small changes can make a big difference. We have introduced lighter pizza boxes since 2021 and lighter napkins since 2022 while ensuring the safety and quality of our food. In the logistics from the central kitchens to the stores, we are piloting the transportation of bulk goods in recyclable crates to reduce the use of packaging. In addition, we connect with partners via seminars, workshops and other methods to stay on top of the latest industry trends and look for technologies that address eco-friendly materials.

As of the end of the Reporting Period, the packaging-related KPIs are shown as follows:

| Indicators ¹ | Unit | 2022 | 2023 |
|-------------------------------|-------------------------|----------|----------|
| Total packaging material used | ton | 3,553.50 | 5,704.56 |
| Packaging material intensity | ton/million RMB revenue | 1.76 | 1.87 |

Notes:

1. As the number of stores has increased from 588 in 2022 to 768 in 2023, the packaging-related KPIs have also increased.

3 PROTECTING PLANET

3.3 EMISSION MANAGEMENT

We maintain compliance with laws and regulations governing environmental protection, such as the *Environmental Protection Law of the PRC*, the *Environmental Impact Assessment Law of the PRC* and the *Law of the PRC on the Prevention and Control of Environmental Pollution of Solid Waste*, and operate our business with an aim to reduce our environmental impacts. We have established the *Poisonous and Harmful Goods Control Procedure*, the *Waste Reduction Management Policy* and other related internal control procedures for regulating waste classification and disposal processes as well as management systems, with the aim of reducing the generation of emissions and related pollution incidents during the manufacturing process.

3.3.1 Food Waste

We are committed to minimizing food waste by implementing efficient preparation and production practices. The main food waste generated in our central kitchen is dough, so we have set a waste reduction target. We are also establishing the enterprise resource management software to make our central kitchens work closely with our stores, producing the amount of dough needed for our store operations, so as to minimize the excess pizza dough generated.

Annual waste reduction target

No more than **0.1**% of loss rate of waste material in central kitchens comparing with the purchase amounts.

In our stores, we always encourage consumers do not waste food and provide smaller portion of choices. Further, we improve product forecasting to reduce food waste. This enables us to understand how much food we should prepare in each store on each day. We are also exploring different approaches to reduce surplus food including compost by cooperating with external agencies.

3.3.2 Other Waste

Our main sources of waste are solid waste, wastewater and a limited amount of smoke. We obtained the *Environmental Impact Assessment* for all completed construction projects, discharged sewage and waste meeting relevant standards, and caused no noise or soil pollution to the surrounding communities.

We adopt various measures to reduce solid waste:

Hazardous waste 

Entering into disposal agreements with third parties with relevant qualifications regarding the limited amount of hazardous waste generated from our central kitchen in Shanghai, which includes used filter screens, waste activated carbon and laboratory waste

Non-hazardous waste 

Entering into disposal agreements with local authorities in the PRC to handle our non-hazardous waste

Besides, we hire third-party evaluators to conduct water quality testing on an annual basis and discharge up to standard sewage into urban sewage systems to cause little pollution to the environment.

We also install fume extractors, smoke vents and smoke purifiers in the store as stipulated by regulations and conduct regular cleaning and renewal following the requirements of local authorities.

Meanwhile, we focus on developing the environmental protection awareness of our employees, providing employees with information about the environment and motivating them to be environmentally responsible at work, at home and in their communities. To reduce wastage, we arrange mandatory training and tests on waste reduction which must be completed by our employees.

3 PROTECTING PLANET

As of the end of the Reporting Period, the emission-related KPIs are shown as follows:

| Indicators ^{1,2} | Unit | 2022 | 2023 |
|----------------------------------|-------------------------|------------|-------------------|
| Non-hazardous waste ³ | ton | 3,954.61 | 4,282.95 |
| Non-hazardous waste intensity | ton/million RMB revenue | 1.96 | 1.40 |
| Total wastewater ⁴ | ton | 149,391.79 | 203,596.73 |
| Wastewater intensity | ton/million RMB revenue | 73.93 | 66.74 |

Notes:

1. As the number of stores has increased from 588 in 2022 to 768 in 2023, the non-hazardous waste and total wastewater have also increased while the non-hazardous waste intensity and wastewater intensity have decreased.
2. Hazardous waste generated from the Company mainly includes used filter screens, waste activated carbon and laboratory waste, of which the amount is negligible, so it is not disclosed in this report.
3. Non-hazardous waste generated by the Company mainly includes food waste, discarded packaging materials and dough samples.
4. We discharge wastewater mainly from central kitchens and stores during our daily operations.

DPC Dash believes that we can be a force for good in communities through our charities and donations, delivering better for the communities where we live, work and play. That is why we dedicate time and resources and leverage our professional strengths to serve our community. We are also proud that our employees participate in social welfare activities. By thinking and acting together, we are creating a better and harmonious society.

4.1 CHARITIES AND DONATIONS

We believe everyone can help make the world a better place, and we work to engage our employees in good causes. Based on sustainable development and social needs, we focus on the areas of community welfare and environmental protection and give back to the community.

"1 Cent" Charity Meal

In 2023, we joined the "WeChat Pay Love Meal" public welfare program to provide sanitation workers with exclusive caring benefits. In detail, all certified sanitation workers can use the e-coupon to receive a meal priced at RMB34 yuan at our designated stores. As of the end of the Reporting Period, the program has delivered over 1.3 million meals to 200,000 sanitation workers.



"1 Cent" Charity Meal

4 ENGAGING COMMUNITY

“Silkworm” Welfare Program

“Silkworm” Welfare Program was initially established in 2019 to provide time, fund or services to visually impaired people, enabling them to adapt to the society. The program has set up a number of hobby classes such as English, poetry recitation, dance, and opera, which enriched the lives of the visually impaired in the community.

In March 2023, we participated in the “Silkworm” Welfare Program to support visually impaired people by offering food and volunteering while creating a positive brand image.



“Silkworm” Welfare Program

Community Clean-up Initiative

With the theme of “Protecting the Earth, Caring for the Environment”, we carried out two volunteer activities in Shenzhen in May and September 2023, with a total of more than 60 participants, helping our employees to establish and strengthen their awareness of environmental protection while cleaning up the city.



Community Clean-up Initiative

4.2 INDUSTRY COLLABORATION

With an open attitude, we actively participate in industry communications, cooperate closely with industry associations, and are committed to promoting the development of the food industry.

We have joined local associations such as the Shanghai Restaurants Cuisine Association, the Shanghai Food Safety Federation, the Beijing Cuisine Association, etc. In 2023, we expanded national industry organization relationships by joining the China Cuisine Association, the China Chain Store & Franchise Association, and the China Advertising Association of Commerce Digital Marketing Committee.

In addition to industry associations, we also engage closely with regulatory authorities to promote industry governance regarding food safety.

- In July, we participated in the legislative research and discussion meeting of Jiangsu Province's food safety regulations.
- In September, we participated in the 2023 Beijing Catering Brand Conference with the theme of "Gathering Momentum and Innovation, Sharing the Future". We were awarded as the "Top 50 Beijing Catering Enterprises", and two stores were awarded as the "Top 100 Beijing Catering Stores".

We will continue our efforts in industry communication and development to share our proven management experience and technological innovation knowledge and seek to collaborate with industry peers and community members to provide a better service to all.

APPENDIX: ESG REPORTING GUIDE INDEX

| Aspect | Description | Title of sections |
|---------------------------|---|---|
| A1 | Emissions | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. | Protecting Planet> Emission Management |
| A1.1 | The types of emissions and respective emissions data. | Protecting Planet> Resource Management> Energy Management Emission Management |
| A1.2 | Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Protecting Planet> Resource Management> Energy Management |
| A1.3 | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Protecting Planet> Emission Management> Other Waste |
| A1.4 | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Protecting Planet> Emission Management> Other Waste |
| A1.5 | Description of emission target(s) set and steps taken to achieve them. | Protecting Planet> Emission Management |
| A1.6 | Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them. | Protecting Planet> Emission Management |
| A2 | Use of Resources | |
| General Disclosure | Policies on the efficient use of resources, including energy, water and other raw materials. | Protecting Planet> Resource Management |
| A2.1 | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). | Protecting Planet> Resource Management> Energy Management |
| A2.2 | Water consumption in total and intensity (e.g. per unit of production volume, per facility). | Protecting Planet> Resource Management> Water Stewardship |

APPENDIX: ESG REPORTING GUIDE INDEX

| Aspect | Description | Title of sections |
|---------------------------|---|---|
| A2.3 | Description of energy use efficiency target(s) set and steps taken to achieve them. | Protecting Planet> Resource Management |
| A2.4 | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them. | Protecting Planet> Resource Management> Water Stewardship |
| A2.5 | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. | Protecting Planet> Resource Management> Sustainable Packaging |
| A3 | The Environment and Natural Resources | |
| General Disclosure | Policies on minimising the issuer's significant impacts on the environment and natural resources. | Protecting Planet> Resource Management> Energy Management |
| A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | Protecting Planet> Resource Management> Energy Management |
| A4 | Climate Change | |
| General Disclosure | Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. | Protecting Planet> Climate Management |
| A4.1 | Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them. | Protecting Planet> Climate Management |
| B1 | Employment | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. | Empowering People> Wellbeing and Benefits |
| B1.1 | Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region. | Empowering People> Wellbeing and Benefits> Compliance Employment |

APPENDIX: ESG REPORTING GUIDE INDEX

| Aspect | Description | Title of sections |
|---------------------------|---|---|
| B1.2 | Employee turnover rate by gender, age group and geographical region. | Empowering People> Wellbeing and Benefits> Compliance Employment |
| B2 | Health and Safety | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. | Empowering People> Health and Safety |
| B2.1 | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. | Empowering People> Health and Safety |
| B2.2 | Lost days due to work injury. | Empowering People> Health and Safety |
| B2.3 | Description of occupational health and safety measures adopted and how they are implemented and monitored. | Empowering People> Health and Safety |
| B3 | Development and Training | |
| General Disclosure | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. | Empowering People> Development and Retention |
| B3.1 | The percentage of employees trained by gender and employee category (e.g. senior management, middle management). | Empowering People> Development and Retention |
| B3.2 | The average training hours completed per employee by gender and employee category. | Empowering People> Development and Retention |
| B4 | Labour Standards | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. | Empowering People> Wellbeing and Benefits> Compliance Employment |
| B4.1 | Description of measures to review employment practices to avoid child and forced labour. | Empowering People> Wellbeing and Benefits> Compliance Employment |

APPENDIX: ESG REPORTING GUIDE INDEX

| Aspect | Description | Title of sections |
|---------------------------|---|---|
| B4.2 | Description of steps taken to eliminate such practices when discovered. | Empowering People> Wellbeing and Benefits> Compliance Employment |
| B5 | Supply Chain Management | |
| General Disclosure | Policies on managing environmental and social risks of the supply chain. | Delivering Delicacy> Resilient Supply Chain> Supply Chain Management |
| B5.1 | Number of suppliers by geographical regions. | Delivering Delicacy> Resilient Supply Chain> Supply Chain Management |
| B5.2 | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored. | Delivering Delicacy> Resilient Supply Chain> Supply Chain Management |
| B5.3 | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. | Delivering Delicacy> Resilient Supply Chain> Supply Chain Management |
| B5.4 | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. | Delivering Delicacy> Resilient Supply Chain> Supply Chain Management |
| B6 | Product Responsibility | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. | Delivering Delicacy> Food Safety and Quality |
| B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons. | Delivering Delicacy> Food Safety and Quality |
| B6.2 | Number of products and service-related complaints received and how they are dealt with. | Delivering Delicacy> Customer Engagement |

APPENDIX: ESG REPORTING GUIDE INDEX

| Aspect | Description | Title of sections |
|---------------------------|--|--|
| B6.3 | Description of practices relating to observing and protecting intellectual property rights. | Delivering Delicacy> Intellectual Property |
| B6.4 | Description of quality assurance process and recall procedures. | Delivering Delicacy> Food Safety and Quality |
| B6.5 | Description of consumer data protection and privacy policies, and how they are implemented and monitored. | Responsible Governance> Data and Privacy |
| B7 | Anti-corruption | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. | Responsible Governance> Business Ethics |
| B7.1 | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. | Responsible Governance> Business Ethics |
| B7.2 | Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. | Responsible Governance> Business Ethics |
| B7.3 | Description of anti-corruption training provided to directors and staff. | Responsible Governance> Business Ethics |
| B8 | Community Investment | |
| General Disclosure | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. | Engaging Community> Charities and Donations |
| B8.1 | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). | Engaging Community> Charities and Donations |
| B8.2 | Resources contributed (e.g. money or time) to the focus area. | Engaging Community> Charities and Donations |



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