

**ANNUAL REPORTS AND RELATED DOCUMENTS::****Issuer & Securities****Issuer/ Manager**

FRASER AND NEAVE LIMITED.

**Securities**

FRASER AND NEAVE, LIMITED - SG1T58930911 - F99

**Stapled Security**

No

**Announcement Details****Announcement Title**

Annual Reports and Related Documents

**Date & Time of Broadcast**

27-Dec-2022 00:06:09

**Status**

New

**Report Type**

Sustainability Report

**Announcement Reference**

SG221227OTHRZFAD

**Submitted By (Co./ Ind. Name)**

Samuel Lee

**Designation**

Company Secretary

**Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)**

Please find attached the Sustainability Report 2022.

**Additional Details****Period Ended**

30/09/2022

**Attachments**[FN Sustainability Report 2022.pdf](#)

Total size =8839K MB



# Fuelled by *Purpose*

## SUSTAINABILITY REPORT 2022



# Fuelled by *Purpose*



## About Us

Established in 1883, F&N is a leading Southeast Asian consumer group with expertise and prominent standing in the Food & Beverage and Publishing & Printing industries. Leveraging its strengths in marketing and distribution, research and development, brands and financial management, F&N provides key resources and sets strategic directions and objectives for its subsidiaries.

Listed on the Singapore Stock Exchange, F&N ranks as one of the most established and successful companies in the region with an impressive array of renowned brands that enjoy strong market leadership. F&N is present in 11 countries spanning Asia and the Americas, and employs over 6,700 people worldwide.





## Vision

To be a stable and sustainable Food & Beverage leader in the ASEAN region.

## Mission

To be ASEAN's leading owner and provider of quality and innovative products that consumers choose and trust. To support our mission, we are guided firmly by our commitment to create value for our stakeholders by ensuring that our corporate actions positively impact the socio-economic and environmental factors.

## Values

Collaboration • Creating Value • Caring for Stakeholders

## Our Reporting Suite

Our annual reporting suite comprises two reports – the Annual Report 2022 and Sustainability Report 2022. Each includes content tailored to its specific audience and cross-references to the other reports where relevant.



F&N Annual Report 2022 is the primary report to our stakeholders, detailing our strategies and business activities, as well as initiatives toward sustainable value creation.



The Sustainability Report 2022 carries an assurance statement by LRQA on selected indicators. Prepared in accordance with the GRI Universal Standards 2021, it details F&N's efforts and commitment toward creating a sustainable business, and positioning F&N for long-term success.

F&N Sustainability Report 2022 can be downloaded at [www.fraserandneave.com/investor-relations/corporate-sustainability](http://www.fraserandneave.com/investor-relations/corporate-sustainability).

## #GOPAPERLESS

- In line with the Group's efforts towards greater environmental conservation, we have elected for electronic transmission of our Annual Report and Sustainability Report. The electronic version of our Annual Report 2022 is available on Fraser and Neave, Limited's website ([www.fraserandneave.com/investor-relations/annual-reports](http://www.fraserandneave.com/investor-relations/annual-reports)). Shareholders and other interested parties who wish to receive a printed copy may order it through the website ([www.fraserandneave.com/contact-us/request-annual-report](http://www.fraserandneave.com/contact-us/request-annual-report)), e-mail ([ir@fraserandneave.com](mailto:ir@fraserandneave.com)) or telephone ((65) 6318 9393). Our Sustainability Report 2022 is only available in electronic version, and can be downloaded at [www.fraserandneave.com/investor-relations/corporate-sustainability](http://www.fraserandneave.com/investor-relations/corporate-sustainability).
- These reports cover the period from 01 October 2021 to 30 September 2022, unless otherwise stated.
- Unless specifically stated otherwise, all figures in these reports are quoted in Singapore Dollars.
- Due to rounding, numbers and percentages in these documents may not always add up precisely to the totals or absolute figures stated.

# CONTENTS

## SUSTAINABILITY AT F&N

Board Statement	02
Message from Chairman of SDC	04
At a Glance: 2021-2022	
Sustainability Highlights	06
About This Report	08
About F&N	10
Our Sustainability Approach	16

## BETTER BUSINESS: RESPONSIBLE BUSINESS FUNDAMENTALS

<b>RESPONSIBLE BUSINESS PRACTICE</b>	38
• Governance and Ethics	38
• Policy and Regulation	40
• Economic Performance	42
<b>RESPONSIBLE PRODUCT STEWARDSHIP</b>	43
• Product Quality and Safety	43
• Product and Service Labelling	44
• Innovation	45
<b>RESPONSIBLE SUPPLY CHAIN</b>	49
• Supply Chain Stewardship	49

## BETTER SOCIETY: WELL-BEING OF OUR PEOPLE, COMMUNITIES AND SOCIETIES

<b>CREATING VALUE FOR SOCIETY</b>	53
• Nutrition	54
• Community Development and Inclusive Growth	56
• Human Rights	58
<b>EMPOWERING OUR PEOPLE</b>	63
• Human Capital Development	63
• Employee Safety, Health and Well-Being	68

## BETTER PLANET: CIRCULARITY AND ENVIRONMENTAL PROTECTION

<b>OPERATIONAL ECO-EFFICIENCY</b>	71
• Energy and Climate Change	73
• Water Stewardship	76
• Waste Management	78
<b>VALUE CHAIN IMPACTS</b>	81
• Packaging	81
• Biodiversity	82
<b>APPENDIX</b>	
Performance Summary	84
Independent Assurance Statement	96
GRI Standards 2021 Content Index	98
UN Global Compact Content Index	102
TCFD Content Index	103
SGX Metric Index	104





## Board Statement



# Growing Stronger

### OVERVIEW OF F&N SUSTAINABILITY REPORT 2022

The Board is pleased to present Fraser and Neave, Limited's ("F&N" or the "Group") Sustainability Report ("Report") for the Financial Year ("FY") covering the period from 1 October 2021 to 30 September 2022. The Report provides an overview of the key Environmental, Social and Governance ("ESG") topics performance of the Group.

This Report was prepared in accordance with the internationally recognized Global Reporting Initiative ("GRI") Universal Standards 2021, which is compliant with the Singapore Exchange's ("SGX") Listing Rules 711A and 711B. In addition, it complies with the SGX mandated climate reporting based on the Task Force on Climate-Related Financial Disclosures ("TCFD") recommendations and was mapped to the recommended SGX core ESG metrics. The report covers activities of the Group's operations, including 13 manufacturing sites in Singapore, Malaysia and Thailand.

Ahead of the SGX stipulated timeline, F&N had begun a phased implementation of climate-related disclosures this year. The Group conducted a gap analysis of F&N's current climate strategy and a qualitative climate-related risks and opportunities assessment.



### SUSTAINABILITY GOVERNANCE

The Board has overall responsibility for sustainability – from considering the key ESG topics in the formulation of F&N's strategy to the implementation and monitoring of sustainability performance – and has been closely involved in the development of this Report. While the Board takes the lead in the Group's sustainability direction, the Sustainability and Risk Management Committee ("SRMC") is responsible for steering the Group's sustainability efforts. The SRMC is supported by the Sustainability Development Committee ("SDC"), chaired by Mr. Hui Choon Kit, Chief Executive Officer, F&N. The SDC regularly monitors the Group's

sustainability priorities and initiatives and ensures their implementation to achieve the targets set for 2025. To ensure a holistic Group-wide management of sustainability across material ESG topics, the SRMC and the SDC are represented by management from various parts of F&N's business, including Finance, Operations, Human Capital, Research and Development, Marketing, Communications and Risk Management.

### REFRESHED SUSTAINABILITY STRATEGY

Advancing sustainability and making positive impacts on the material ESG topics remain a core focus for F&N. This year, the F&N 2021 materiality matrix and 2025



sustainability targets were reviewed, and where necessary, refined to reflect changes in the sustainability landscape. F&N continues to make progress through our sustainability roadmap to meet our 2025 sustainability goals. The 2025 sustainability targets, reviewed by the SDC, endorsed by the SRMC and approved by the Board, considered important sustainability topics that could potentially impact F&N's long-term financial and non-financial goals. Details on the 2025 sustainability targets can be found on pages 20 to 21 of this Report.

#### IMPLEMENTATION OF CLIMATE-RELATED DISCLOSURES

With the impact of climate change becoming more evident, there is an increasing global call for prioritisation of efforts to mitigate climate change, including a mandatory climate reporting requirement by the SGX by 2023 on a 'comply or explain' basis. Ahead of the SGX stipulated timeline, F&N had begun a phased implementation of climate-related disclosures this year. The Group conducted a gap analysis of F&N's current climate strategy and a qualitative climate-related risks and opportunities assessment. The minor gaps identified during the gap analysis, pertaining to the Board and Management's role on assessing and

managing climate-related risks and opportunities, have been addressed in the TCFD disclosure narrative. Details on the TCFD-related disclosure can be found on pages 26 to 34 of this Report.

The Group will continue to evolve our sustainability and climate-related strategy to create sustainable value for people, the planet and the future viability of our businesses.

#### EMERGING STRONGER FROM THE PANDEMIC

Businesses around the world have adapted to living with the COVID-19. The once stringent COVID-19 restrictions in many countries have eased, and as a result, more economies are progressively opening up and looking to recover. However, the Russia-Ukraine war has led to global supply chain disruptions, resulting in increases in raw material costs and product shortages. During these trying times, our Business Continuity Plan ("BCP") continues to help minimise business operational interruptions and protect the health and safety of our staff and customers, ensuring the continuity of our business operations.

#### RECOGNISING F&N's SUSTAINABILITY EFFORTS

F&N has been awarded the runner up in the Most Transparent Company Award (Consumer Staples category)

at the Securities Investors Association Singapore's Investors' Choice Awards 2021.

F&N is also pleased that its subsidiary, Fraser & Neave Holdings Bhd ("F&NHB"), continued to be recognised for excellence in sustainability and strong ESG practices. It won the Platinum Award (for Best Sustainability Reporting) at the National Annual Corporate Report Awards 2021 and maintained its position as a constituent member of the FTSE4Good Bursa Malaysia ("F4BGM") and FTSE4Good Bursa Malaysia Shariah ("F4GBMS") Index for the fourth and second year running, respectively.

These awards and inclusions serve as an acknowledgement of F&N's sustainability efforts and is a great encouragement as we continue to advance our sustainability journey.

#### CLOSING REMARKS

We are proud of our commitment to sustainability and of the work we have done across our businesses. While we have achieved some success in certain areas, we do recognise the urgency to continue to do more to transform F&N, sustainably. We will continue to anchor sustainability in the Group and advance toward a sustainable circular economy, as guided by our 2025 sustainability targets.

## Message from Chairman of SDC



# Pursuing *Sustainability*

**Mr Hui Choon Kit**  
Chairman of Sustainability  
Development Committee

### OVERVIEW OF F&N SUSTAINABILITY REPORT 2022

This Report has been prepared in accordance with the GRI Universal Standards 2021, which represent the global best practice in sustainability reporting. By adhering to the GRI Universal Standards, F&N aims to provide information on sustainability performance that is useful to our stakeholders and demonstrates our progress towards achieving our targets over time.

F&N has benchmarked its sustainability performance against industry leaders, such as Thai Beverage Public Company Limited

**F&N launched the first eco-solutions manufacturing plant, Green Lab, in Singapore. This is an initiative to provide sustainable packaging solutions, such as biodegradable and compostable kraft paper bags, F&B consumables, and plastic bag substitutes made from recycled industrial waste cassava roots, to businesses.**



("ThaiBev"), our strategic partner, to improve through best practice sharing and knowledge transfer and ensure a consistent information disclosure. F&N has chosen to align and integrate our data collection processes with ThaiBev's well developed and systematic reporting parameters as ThaiBev has demonstrated its sustainability excellence. It was awarded the S&P Global Gold Class, for being the top 1% of companies in the Beverages industry who participated in the S&P Global 2021 CSA, in the S&P Global Sustainability Yearbook 2022.

### THE YEAR IN REVIEW

This year, while we continue to make further progress upon past years' sustainability initiatives, new initiatives to demonstrate commitment to sustainability through cross-function collaborations had also been launched. The following are a few of the initiatives which we would like to highlight:

#### Reporting on Climate-related Disclosures

The effects of climate change have become more evident. As a result, it is becoming increasingly important to prioritise efforts



to mitigate climate change and reduce its impact. In view of this, SGX has updated its Sustainability Reporting requirements to include mandatory climate reporting, based on the recommendations of the Task Force on Climate-Related Financial Disclosures (“TCFD”), by 2023 on a ‘comply or explain’ basis. F&N has adopted a phased implementation approach to prepare for this enhanced climate-related disclosure, ahead of the SGX stipulated timeline. This year, we started by first conducting a gap analysis of F&N’s current climate strategy, followed by a qualitative climate-related risks and opportunities assessment. The minor gaps identified during the gap analysis have been addressed in the TCFD disclosure narrative. For more details, refer to the TCFD recommendations narrative on pages 26 to 34 of this Report.

#### Refreshed 2022 Materiality Matrix and 2025 Sustainability Targets

This year, the F&N 2021 materiality matrix and 2025 sustainability targets were reviewed, and where necessary, updated to incorporate changes in the sustainability environment. The refreshed F&N 2022 materiality matrix and 2025 sustainability targets were, at the recommendations of SDC, endorsed by the SRMC and approved by the Board. F&N continues to make progress in our sustainability efforts and toward achieving our 2025 targets, which were based on material sustainability topics that potentially have a significant long-term financial and non-financial impact on the Group’s performance.

#### Healthier Products for Consumers

Through internal and external stakeholders’ feedback, ‘Nutrition’ has been identified as one of F&N’s most material ESG topics. This is aligned with our philosophy of ‘Pure Enjoyment. Pure Goodness’ where our commitment is to provide tasty and good quality products, packed with nutritional goodness, to our consumers. We constantly review our portfolio and work to improve the nutrient profile of our products, and at the same time, innovate to bring new and nutritious offerings to our customers. This year, we launched a number of new healthy beverages

such as F&N SEASONS Ice Lemon Tea Zero Sugar, F&N NUTRISOY Fresh Soya Milk with Real Purple Rice and F&N MAGNOLIA Hazelnut Chocolate Milk. F&N SEASONS Ice Lemon Tea Zero Sugar, for instance, is currently the only zero-sugar-zero-calories ice lemon tea in Singapore and has been awarded the Healthier Choice symbol by the Singapore Health Promotion Board. To discourage high sugar intake, close to 70% of F&N’s Ready-to-drink (“RTD”) products sold today in Singapore and Malaysia contain less than 5g of sugar per 100ml.

#### Human Rights Assessment

F&N conducted a robust Human Rights assessment in 2021 to identify and mitigate Human Rights risks along the Group’s value chain for our material operations in Singapore, Malaysia, and Thailand. The F&N Human Rights Policy was rolled out across the F&N Group in 2022 and included in the F&N Group Executive Human Capital Handbook for all current and new employees. This year, F&NHB also conducted an additional assessment and review of their Human Rights issues to ensure continued relevance. We will continue to identify and seek to mitigate potential Human Rights risks along the F&N value chain.

#### Environmentally Friendly Packaging

Integral to our aspiration toward a circular economy, F&N seeks to reduce its packaging material usage and waste in order to reduce our environmental impact. In May, F&N launched the first eco-solutions manufacturing plant, Green Lab, in Singapore. This is an initiative to provide sustainable packaging solutions, such as biodegradable and compostable kraft paper bags, F&B consumables, and plastic bag substitutes made from recycled industrial waste cassava roots, to businesses. F&N is exploring a switch from our current product packaging to a more sustainable and eco-friendly alternative produced by Green Lab.

#### Renewable Energy in Operations

There are urgent needs for businesses and societies to ramp up efforts to limit the increase in global average temperature to 1.5°C to avoid the detrimental effects of climate change.

F&N acknowledges that it too has a role to play in supporting this effort. To reduce our GHG emissions, F&N has progressively increased the use of renewable energy – solar energy – throughout our business. Solar panels have been installed and planned for our plants in Singapore, Malaysia and Thailand, estimated to reduce our GHG emission by over 8,900 MT each year.

#### Safeguarding Our People

Our utmost concern is the health and safety of our employees. Despite COVID-19 being largely under control due to effective vaccination programs, F&N continues to support our employees’ adjustment to remote working environments through increased adoption of digital tools, such as videoconferencing software like Zoom and Microsoft Teams, in place of in-person meetings. Flexible working arrangements are also in place to safeguard employees’ health.

#### Supporting Communities

Through various outreach programs, F&N continues to support our communities during this period of uncertainty. In Thailand, F&N worked with Soonthorn Metal Industries to deliver submersible solar water pumps and a tiller fertilizer machine to the farmers of the Dan Khun Tod Dairy Cooperative. This was part of the Sustainability and Circular Economy project, Green Farmers Green Energy, where farmers were encouraged to switch to renewable energy and utilise waste generated within the farm for a more efficient farm management. More details can be found in the ‘Community Development and Inclusive Growth’ chapter on pages 56 and 57 of this Report.

#### TOWARDS F&N’S 2025 SUSTAINABILITY AMBITIONS

As F&N progresses on its sustainability journey, we continue to identify areas where positive impact can be made to further contribute to our sustainable development. The 2025 sustainability targets will guide F&N’s sustainability efforts throughout the business and support our commitment to create long-term value for F&N stakeholders. We look forward to sharing with you our progress and achievements next year.

# At a Glance: 2021 - 2022 Sustainability Highlights




## Operational Eco-Efficiency


 **Energy intensity ratio reduced by 2%**  
from a 2020 baseline


 **F&NHB is one of the ten founding members of MAREA**  
a voluntary, industry-led Extended Producer Responsibility group of companies focused on driving initiatives to promote circular economy

 **Reduced greenhouse gas emissions intensity ratio by 5%**  
from a 2020 baseline

 **Reduced total solid waste generated by 14%**  
however total solid waste sent to landfill increased by 21% from a 2020 baseline

 **Water intensity ratio**  
increased by 3% from a 2020 baseline

 **Ground-up initiatives from employees to improve water and energy efficiencies**  
These included enhancing energy or water consumption efficiency of equipment, increasing renewable energy sourcing and implementing zero-discharge initiatives

 **All manufacturing plants**  
implemented energy, water and/or waste reduction initiatives

## Value Chain Impacts


 **23% of beverage and dairy packaging**  
contains recycled materials

 **99% of total packaging**  
is recyclable

 **Committed to avoid deforestation**  
and protect high biodiversity value areas through stakeholder engagements




## Creating Value for Society

 **68% of beverage and dairy products<sup>1</sup>**  
in compliance with Nutritional Guidelines are healthier options with less sugar


 **61% reduction in sugar index**  
(grams of sugar content per 100 ml) since 2004 for beverage and dairy products across Singapore and Malaysia

 **At least one healthier option**  
in 14 out of 15 product categories

 **24**  
annual community programmes

 **100% of operations**  
involved local community engagement, impact assessments and development programmes

 **Human Rights Policy**  
was developed in accordance with related human rights principles under international standards. Human Rights Due Diligence and Risk Assessments were undertaken


 **Promoting human rights across our operations**  
100% of our key operations in Singapore, Malaysia and Thailand conducted Human Rights Risks Assessments

## Empowering Our People

 **Over 6,700 employees**

 **37% female**  
representation in total workforce

 **46% female**  
representation in managerial positions

 **21.11 training hours per employee**  
in the executive category and 13.40 training hours per employee for the non-executive category

 **43% reduction**  
in Lost Time Injury Frequency Rate from a 2020 baseline year

<sup>1</sup> % of beverage (excluding cordials) and dairy (excluding canned milk) products (based on formulation) are in compliance with Nutritional Guidelines

## Better Business

### Responsible Product Stewardship



#### 100% of plants are certified with the Halal Standard (or equivalent),

while 64% of plants have their production processes certified with the Food Safety System Certification ("FSSC") scheme 22000



#### 40+ new products introduced



#### Healthier products launched, including:

- ★ Reducing sugar content
- ★ Offering zero-sugar beverages
- ★ Offering plant-based nutrients
- ★ Boosting nutrients



#### Catering to customers

with dietary restrictions and preferences

### Responsible Supply Chain



#### 95% of active key suppliers

have accepted and are complying with F&N's Supplier Code of Practice



#### 11% product innovation

for commercialised F&N products



#### Engagement

with over 3,800 global and local suppliers



#### Purchased physical Roundtable on Sustainable Palm Oil ("RSPO") Certified Sustainable Palm Oil and RSPO Credits

to cover 100% of annual palm oil usage



#### Engages stakeholders to maintain high halal standards

- ★ F&NHB's partnership with the Halal Industry Development Corporation for the Halal Sourcing Partnership Programme enables us to provide technical advice and knowledge to SMEs
- ★ Successful engagements with upstream vendors redirected vendors to supply F&N with specific products that adhere to stringent halal standards

## Sustainability at F&N



### 6<sup>th</sup> consecutive standalone sustainability report

- ★ Refreshed materiality matrix and 2025 sustainability targets



### External recognition

- ★ F&NHB remains a constituent member of the F4GBM Index for the fourth year, with improved rating to 4.4 from 4.1 in 2021, for ESG practices. It is also a member of the F4GBMS Index for the second consecutive year
- ★ F&NHB has also been recognised for excellence in sustainability and strong ESG practices by being presented with the Platinum Award (for Best Sustainability Reporting) at the NACRA 2021
- ★ F&N has been awarded the runner up in the Most Transparent Company Award (Consumer Staples category) at the SIAS Investors' Choice Awards 2021



### Climate-related disclosures

based on the TCFD recommendations framework in 2022



### Qualitative climate-related risks and opportunities assessment

conducted to identify climate-related risks and opportunities in 2022





# About This Report

## THE MANAGEMENT FOCUS FOR SR2022

GRI Index: GRI 2-2, GRI 2-3, GRI 2-5

This report reviews our key ESG strategy, achievements, and provides an update on our progress toward our 2025 sustainability targets. It describes risks and opportunities and forward-looking action plans. The report is structured around three primary themes of sustainable value creation:

 <b>BETTER BUSINESS</b> <ul style="list-style-type: none"> <li>Responsible Business Practice</li> <li>Responsible Product Stewardship</li> <li>Responsible Supply Chain</li> </ul>	 <b>BETTER SOCIETY</b> <ul style="list-style-type: none"> <li>Creating Value for Society</li> <li>Empowering Our People</li> </ul>	 <b>BETTER PLANET</b> <ul style="list-style-type: none"> <li>Operational Eco-efficiency</li> <li>Value Chain Impacts</li> </ul>
---	---	--

The Report, best read together with the F&N 2022 Annual Report, provides a comprehensive picture of integrating F&N financial goals with social and environmental imperatives. F&N appreciates this opportunity to share our commitments and progress in value generation for our stakeholders.

## REPORTING PERIOD AND SCOPE

### Reporting Period and Basis of Scope

This is F&N's sixth annual stand-alone sustainability report. The reporting period of this Report, from 1 October 2021 to 30 September 2022, is aligned with our financial reporting period. The report is published on 02 December 2022.

- The Report covers the activities of the Group's operations in Singapore, Malaysia and Thailand. The environmental performance data covers 13 manufacturing sites in Singapore, Malaysia, and Thailand, excluding data from Yoke Food Industries Sdn. Bhd and Sri Nona in Malaysia, and Print Lab Pte. Ltd. in Singapore. More information of F&N's operations and footprint can be found in the 'About F&N' section of the Report. The entities within the reporting scope report on their sustainability performance across all our material topics. Sustainability data consolidated across all our operations are given equal weightage in the reporting.

		
Singapore	Malaysia	Thailand
<b>Fraser and Neave, Limited</b> <b>F&amp;N Foods Ptd Ltd ("FNFS")</b> <b>F&amp;N Interflavine Ptd Ltd</b> <b>F&amp;N Treasury Ptd Ltd</b> <b>F&amp;N Global Marketing Ptd Ltd</b> <b>F&amp;N Creameries (S) Pte. Ltd.</b> <b>Times Publishing Group</b> - Times Printers Pte Ltd ("TP")	<b>Fraser &amp; Neave Holdings Bhd ("F&amp;NHB")</b> - F&N Beverages Manufacturing Sdn Bhd ("F&NBM") - F&N Dairies Manufacturing Sdn Bhd ("F&NDM") - F&N Beverages Marketing Sdn Bhd - Fraser & Neave (Malaya) Sdn Bhd - Borneo Springs Sdn Bhd <b>F&amp;N Creameries (M) Sdn Bhd ("F&amp;NCM")</b> <b>Times Publishing Group</b> - Times Offset (Malaysia) Sdn Bhd ("TOM")	<b>Fraser &amp; Neave Holdings Bhd ("F&amp;NHB")</b> - F&N Dairies (Thailand) Limited ("F&NDT") <b>F&amp;N United Limited ("F&amp;NUL")</b>

### Reporting Framework and Indices

F&N is proud to continue our sustainability journey and reporting in accordance with the GRI Universal Standards 2021 and SGX Listing Rules 711A and 711B. This year, we have also included climate-related disclosures based on the TCFD recommendations. We look to address the gaps in our sustainability performance by referring to the DJSI criteria amongst other international frameworks and benchmarking against industry leaders, such as ThaiBev.



F&NHB, our subsidiary, continues to be included as a constituent member of the F4BGM and F4GBMS Indexes, for the fourth and second year running, respectively. This year, F&NHB, invited for the second year to submit a response to the S&P Global Corporate Sustainability Assessment for inclusion in the S&P ESG Index, had been ranked as one of the top 10 companies (out of 89 companies assessed) in the Beverages industry with a score of 71 (out of a possible 100).

## F&N MATERIAL SUSTAINABILITY MATTERS

In 2020, F&N had undertaken a robust materiality assessment to determine a set of material topics which we would focus our sustainability efforts and disclosures on. We had established a set of sustainability targets to be achieved by 2025 for key material topics.

This year, F&N had reviewed the material topics and refreshed the materiality matrix and 2025 sustainability targets, where necessary, to reflect changes in the sustainability landscape. More information on the refreshed materiality matrix and 2025 sustainability targets can be found in the 'Our Sustainability Approach' chapter of this Report.

The outlined material topics below guides the next phase of our sustainability journey – spanning from 2021 to 2025:

 <p><b>Economic</b></p> <ul style="list-style-type: none"> <li>• Governance and Ethics</li> <li>• Policy and Regulation</li> <li>• Economic Performance</li> <li>• Product Quality and Safety*</li> <li>• Product and Service Labelling</li> <li>• Innovation*</li> <li>• Supply Chain Stewardship*</li> </ul>	 <p><b>Environment</b></p> <ul style="list-style-type: none"> <li>• Packaging*</li> <li>• Water Stewardship*</li> <li>• Energy*</li> <li>• Climate Change*</li> <li>• Waste Management*</li> <li>• Biodiversity</li> </ul>	 <p><b>Social</b></p> <ul style="list-style-type: none"> <li>• Nutrition*</li> <li>• Community Development and Inclusive Growth*</li> <li>• Human Capital Development*</li> <li>• Employee Health and Safety*</li> <li>• Human Rights</li> </ul>
---	---	---

\*Material topics with 2025 targets

## ASSURANCE AND FORWARD-LOOKING STATEMENT

### Assurance Statement

F&N's policy is to align the reporting of non-financial information with the best and most up-to-date standards and protocols available at the beginning of our financial year. The Group believes in reporting reliable data and continuously strive to improve the quality of non-financial disclosures.

Approved by the F&N SRMC, this year will be the fourth consecutive year of obtaining external assurance on the sustainability data disclosed in this report from the independent assurance provider, Lloyd's Register Quality Assurance ("LRQA").

LRQA's independent status is assured by legislation and professional ethics, and guided by their internal guidelines, LRQA had conducted a limited external assurance on selected F&N Health, Safety and Environment disclosures, based on the materiality of the professional judgement of the verifier, using the International Standard on Assurance Engagements 3000. The scope and outcome of the external assurance is reported at the respective F&N SRMC and SDC meetings to keep them constantly updated on the status.

The external assurance serves to ensure the accuracy and credibility of the sustainability data disclosed in this Report.

 Read more about LRQA's assurance statement on pages 96 and 97 of this Report.

### Forward-looking Statement

Certain statements in the report are "forward-looking statements" that reflect F&N's current views of future events, considers our present and future sustainability strategies, and the environment which F&N will operate in. These views necessarily involve risks, uncertainties and assumptions which may cause the actual performance or achievements of F&N or industry, to be materially different from the future performance or achievements expressed or implied by such forward-looking statements and financial information.

F&N expressly disclaims the obligation to publicly release any updates or revisions to any forward-looking statement to reflect any change in F&N's expectations when conditions or circumstances on which any such statement or information has changed.

## CONTACT DETAILS

F&N values and appreciates all feedback to help make future Reports more relevant to our stakeholders. Please direct any questions pertaining to our sustainability initiatives or reporting, or comments and feedback, to:

**Department Name:** F&N Sustainability Reporting  
**Email:** sustainability@fngroup.com.sg  
**Phone Number:** +65 6318 9393  
**Mail:** Sustainability Reporting Department  
 438 Alexandra Road, #07-00  
 Alexandra Point,  
 Singapore 119958

## About F&N

Fraser and Neave, Limited ("F&N" or the "Group") originated more than a century ago from the spirited decisions of two enterprising young men, John Fraser and David Neave, who diversified from their printing business to pioneer the aerated water business in Southeast Asia ("SEA") in 1883.

The entrepreneurial spirit, embodied by our founders, remains in today's F&N. As a soft drink company, F&N seized the opportunity and ventured into the beer brewing business in 1931 in partnership with The Heineken Company and built a very successful beer empire in Asia Pacific – through its joint venture company, Asia Pacific Breweries Limited ("APB"). In 1959, it entered the Dairies business by forming a canned milk joint venture with Beatrice Foods of Chicago, and in 2007, it acquired Nestle's liquid canned milk business in Thailand, Malaysia, Singapore and Brunei, and accelerated its growth in the dairy business. Today, F&N is the largest canned milk producer in SEA. In 1985, the Group diversified into the Properties business. Starting with the redevelopment of its soft drinks and brewery sites in Singapore, F&N soon grew its property arm – Frasers Centrepoint Limited ("FCL", now known as Frasers Property Limited) to become one of the leading

property companies in Singapore with multi-national businesses in residential, hospitality, retail, commercial and industrial properties.

In 2012, F&N divested its equity stake in APB to realise a substantial value for shareholders. In 2014, the Group demerged FCL through a listing on the Singapore Stock Exchange, thereby transferring value to shareholders.

Today, F&N is a leading Southeast Asian consumer group with expertise and prominent standing in the Food & Beverage and Publishing & Printing industries. Leveraging its strengths in marketing and distribution, research and development, brands and financial management, as well as years of acquisition experience, the Group provides key resources and sets strategic directions for its subsidiary companies across both industries.

Listed on the Singapore Stock Exchange, F&N ranks as one of the most established and successful companies in the region with an impressive array of renowned brands that enjoy strong market leadership. F&N is present in 11 countries spanning Asia and the Americas, and employs over 6,700 people worldwide.



### Food & Beverage ("F&B")

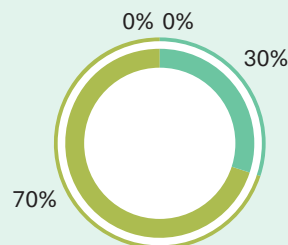
- Non-Alcoholic Beverage
- Beer
- Packaged Food

### Publishing & Printing ("P&P")

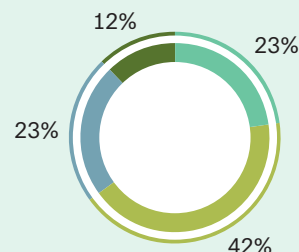
- Publishing
- Print
- Retail
- Distribution

### Employee Breakdown

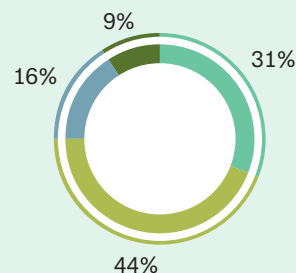
#### Contract



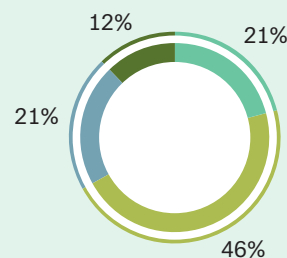
#### Full-Time



#### Executive



#### Non-Executive



#### Legend:

- Singapore
- Malaysia
- Thailand
- Others





**Employees**  
**6,700+**

Female 37%  
Male 63%

**By Geography**

Singapore	24%
Malaysia	46%
Thailand	20%
Others	10%

**50+**  
**F&B and P&P brands**

**of which**

- F&B owns 76% brands
- P&P owns 24% brands

**80+**  
**offices, manufacturing and warehousing facilities in 11 countries**

**of which**

- 26 offices in 11 countries
- 17 manufacturing facilities in 4 countries
- 44 warehousing facilities in 5 countries

**140+**  
**export markets**

**Key Export Markets**

- Africa
- Hong Kong
- Indonesia
- Mexico
- Philippines

**FY2022**  
**Revenue**  
**\$2,003m**

**FY2022**  
**Profit After Taxation**  
**\$177m**

**Singapore**

Revenue	<b>\$433m</b>
PBIT	<b>(\$5m)</b>
APBFE	<b>(\$29m)</b>
Total Assets	<b>\$502m</b>



**F&N HQ**

**Malaysia**

Revenue	<b>\$755m</b>
PBIT	<b>\$62m</b>
APBFE	<b>\$28m</b>
Total Assets	<b>\$993m</b>



**Thailand**

Revenue	<b>\$671m</b>
PBIT	<b>\$86m</b>
APBFE	<b>\$40m</b>
Total Assets	<b>\$572m</b>



**Vietnam<sup>1</sup>**

Revenue	<b>\$0m</b>
PBIT	<b>\$97m</b>
APBFE	<b>\$97m</b>
Total Assets	<b>\$2,699m</b>



**Other Countries**

Revenue	<b>\$144m</b>
PBIT	<b>(\$7m)</b>
APBFE	<b>(\$7m)</b>
Total Assets	<b>\$215m</b>

<b>Brunei</b>	
<b>Chile</b>	
<b>China</b>	
<b>Hong Kong</b>	

<b>Dubai</b>	
<b>Indonesia</b>	
<b>Myanmar</b>	
<b>USA</b>	

**Legend:**

	Manufacturing Plants	Offices
Dairies		
Soft Drinks		
Beer		
Packaged Food		
Publishing & Printing		



**Our Global Values serve as a compass for our actions and describe how we behave in our organisation**

**Collaboration**

We leverage our inherent strengths and diversity to create synergies and commit to team goals

**Creating Value**

We are passionate about applying new ideas and grasping opportunities to make a positive impact on our organisation and the world

**Caring for Stakeholders**

We embrace our stakeholders' perspectives with good intentions and right mindsets to create long-term, sustainable partnerships

1 Largely from F&N's 20.4% investment in Vinamilk

## About F&N

### OUR SUPPLY CHAIN

The preparation, production, and packaging of F&N's F&B products and consumables for printing require a range of raw materials, equipment, and other goods and services. In FY2022, the Group engaged with over 3,800 global and local suppliers across its supply chain including manufacturers, wholesalers, retailers, importers/merchants, contractors, and professional services providers and spent about SGD 1.5 billion on products and services.



#### Sourcing

F&N works with quality suppliers that maintain high social, environmental, and ethical standards, to meet the expectations of our consumers and stakeholders.



#### Production

The production process throughout our operations is standardised in accordance with international standards. The Group strives for eco-efficient processes to create socio-economic value, while minimising negative environmental and social impacts.



#### Distribution

F&N has a fully integrated system to distribute products efficiently to customers and consumers. The system is continuously improved through digital innovations to improve the energy management in transportation to minimise the environmental and social impacts and safeguard the safety of F&N's personnel and local communities.



#### Marketing and Sales

F&N upholds responsible marketing and sales practices. The Group engages regulators and customers to improve marketing practices. F&N demonstrates societal responsibility by innovating for healthier products and communicating nutritional information appropriately.



#### Post-Consumption Packaging Management

F&N strives for innovative sustainable packaging that addresses consumers' needs and minimise post-consumer waste. The Group's community development efforts include raising awareness on circular economy principles and lifestyles.

Further details on how we demonstrate supply chain stewardship can be found in the 'Supply Chain Stewardship' section of this Report.

## OUR CORE VALUES



### VISION

To be a stable and sustainable F&B leader in the ASEAN region.



### MISSION

To be ASEAN's leading provider of quality and innovative products that consumers choose and trust. To support our mission, we are guided firmly by our commitment to create value for our stakeholders by ensuring that our corporate actions positively impact the socio-economic and environmental factors.



### GLOBAL VALUES

Our Global Values serve as a compass for our actions and describe how we behave in our organisation, they include:

#### Collaboration:

We leverage the power of inherent strengths and diversity to create inclusive synergies and commit to team goals.

#### Creating Values:

We are passionate about applying new ideas and seizing opportunities to make a positive impact on our organisation and around the world.

#### Caring for Stakeholders:

We embrace our stakeholders' perspectives with good intentions and right mind-sets to create long-term, sustainable partnerships.





# About F&N

## Key Risk Categories ▶

Reputational

Strategic

Currency

Operational

Country

Financial

## WHAT WE DEPEND ON

### RELATIONSHIPS



#### Human

Over 6,700 talented people across the Group

#### By Geography

Singapore	24%	Thailand	20%
Malaysia	46%	Others	10%



#### Social & Relationship

Our relationships with governments and other organisations helped drive change in our communities

We collaborated with over 3,800 suppliers to produce products

### RESOURCES



#### Intellectual

Brands, R&D capabilities, and intellectual property set us apart

- 40+ brands in 17 beverage categories
- Internally developed systems, customised customer solutions and manufacturing processes



#### Manufactured

We operate 13 F&B manufacturing plants and 4 printing plants in Singapore, Malaysia, Myanmar, Thailand and China



#### Financial

Appropriate cash, equity and debt to invest for the long-term

- Share Capital \$861m
- Equity \$3,502m
- Debt Capital \$889m



#### Natural

Our operations are dependent on renewable and non-renewable resources particularly land, water, forests and soils

## VISION, STRATEGY, VALUES, SUSTAINABILITY TARGETS

#### Our Vision

To be a stable and sustainable Food & Beverage leader in the ASEAN region

#### Our Strategy

To deliver long-term growth and sustainable value creation:

Winning with **INNOVATIONS**

Winning in **MARKETPLACE**

Winning with **BRANDS**

Winning with **PEOPLE**

#### Our Global Values

Collaboration

Creating Value

Caring for Stakeholders



#### 2025 Sustainability Targets<sup>1</sup>

##### Environment

1. Reduce solid waste to landfill by 30%
2. Reduce energy intensity ratio by 8%
3. Reduce GHG emissions intensity ratio by 8%
4. Reduce water intensity ratio by 8%
5. 25% of packaging uses recycled materials

##### Social

6. Provide an average of at least 18 hours of training to Executives and 11 hours of training to Non-Executives
7. Zero Lost Time Injury Frequency Rate
8. 67% of F&B products to comply with Nutritional Guidelines
9. Increase community engagement programs by 10%

##### Economic

10. All key active suppliers to accept and comply with F&N's Supply Code of Practice
11. Rollout 10% new products
12. All plants to be FSSC 22000 and/or halal certified



#### Primary



#### Secondary



## THE VALUE WE CREATE

### RELATIONSHIPS



#### Human

- Paid \$255m in remuneration in FY2022
- Female representation:
  - 25% of Board
  - 37% of total employee
  - 46% of total managerial positions
- Supported employees growth by providing >68,000 training hours



#### Social & Relationship

- Upheld strong human rights practices in our operations and supply chain
- 92% of our suppliers were local
- \$1.5b paid to suppliers; close to 66% local purchase value
- 95% active suppliers who accepted F&N's Supplier Code of Practice
- About 3,100 suppliers were evaluated using social criteria

### RESOURCES



#### Intellectual/Consumers

- Continued to fulfill consumers' demand for safe and quality products
- Adopted many channels to make our products available to consumers in over 140 countries
- Introduced over 40 new products in FY2022 to meet the needs of consumers
- Excited consumers with the rollout of various limited edition beverages



#### Manufactured

- Over 80% of manufacturing plants are FSSC 22000 and/or halal certified
- 99% of total packaging is recyclable
- Reduction in greenhouse gas emissions, energy emissions and solid waste



#### Natural

- Adhered to sustainable practices to protect stakeholders
- Received several environmental excellence recognition
- Total production volume of 1.2m MT



#### FINANCIAL OUTCOMES

Revenue  
**\$2,003m**

Dividends  
**\$73m**

APBFE  
**\$129m**

Economic Value Retained  
**\$221m**

## VALUE CHAIN

### ACTIVITIES & FOCUS AREAS

UPSTREAM

#### Innovation

Our Marketing and R&D teams, combining consumer insights, technical excellence and in collaboration with suppliers, develop products that consumers want and need

#### Sourcing

We work closely with our suppliers to ensure their goods and services meet quality, environmental and social standards, in addition to our stringent internal standards

#### Production

We implement a standardised safe production process, in accordance with international standards, throughout most of our operations. We also strive for eco-efficient processes, to provide good value and maximum benefit without polluting the environment

DOWNSTREAM

#### Distribution

Our extensive distribution system and network ensure that our products are efficiently distributed to our consumers. Across our operations, we strive to minimise environmental and social impacts from transportation by managing our energy use, while safeguarding the safety of our personnel and local communities

#### Marketing & Sales

We demonstrate consumer and societal responsibility by providing healthier product options and informative product labels. We also seek feedback from our customers on our products to create sustainable value for consumers and for our business

#### Post-Consumption Packaging Management

We minimise the impact of post-consumer waste through research and development to deliver innovative and environmental-friendly packaging. We also promote environmental awareness to the communities where we operate

## STAKEHOLDERS

#### Our People

We aim to reward people fairly for the work they do, and help them reach their potential

#### Consumers & Customers

We aim to provide superior and quality products that promote good health

#### Suppliers & Business Partners

We partner with thousands of suppliers to deliver quality products, and support mutual growth

#### Regulators & Communities

We aim to develop business and social partnerships while managing environmental and other social impacts

#### Shareholders

We aim to maximise financial returns, responsibly, through operating savings, revenue enhancements and high asset utilisation

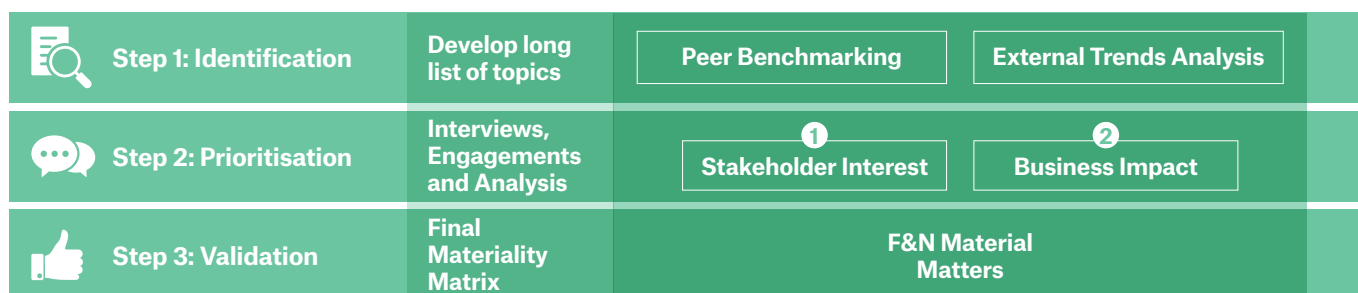
# Our Sustainability Approach

## F&N SUSTAINABILITY PRIORITIES

GRI Index: GRI 3-1, GRI 3-2, GRI 3-3

### Materiality Assessment Methodology

Understanding the priorities and evolving concerns of our stakeholders are important to us. In 2020, F&N overhauled our materiality matrix with an extensive materiality assessment with the support of an external consultant and incorporated input from internal and external stakeholders in the process.



**Step 1 – Identification:** F&N first conducted an external trends analysis to identify an initial list of 50 possible sustainability topics. After a further survey of peer best practices and a review of global initiatives and frameworks, the list was narrowed to 18 material sustainability topics. Materiality is considered based on the interactions between F&N's value chain and the physical environment and social community and its governance.

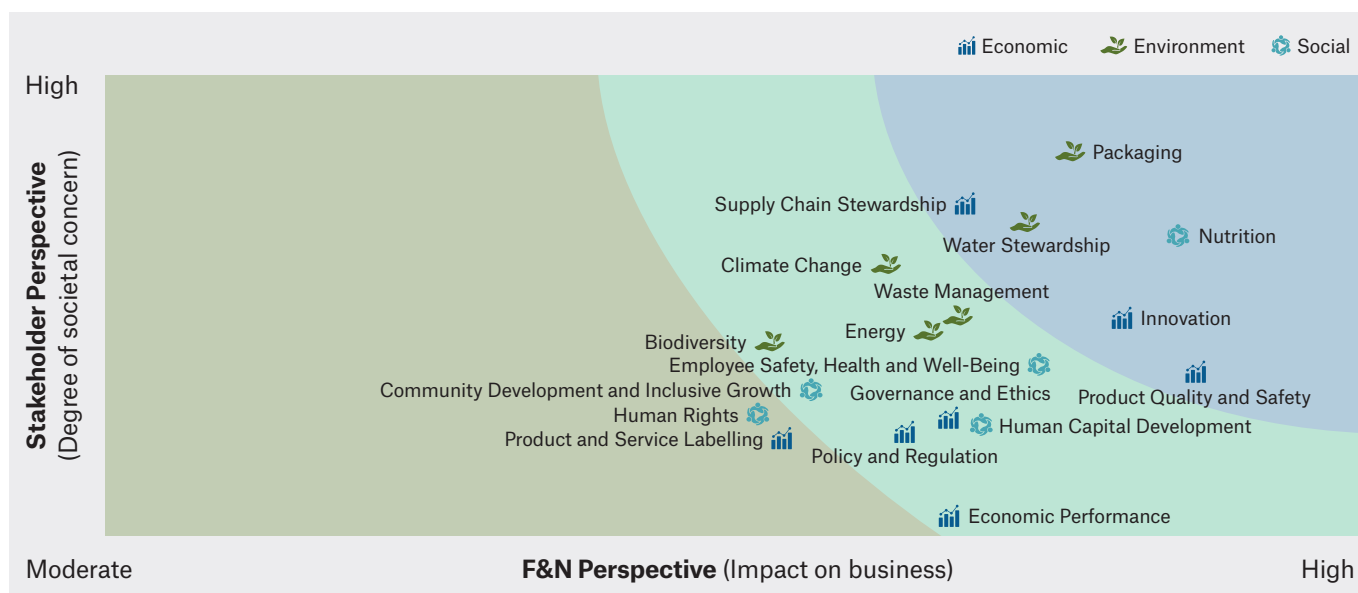
**Step 2 – Prioritisation:** Internal and external stakeholders were engaged to prioritise the 18 material sustainability topics. This ensures that our ESG materiality assessment takes into consideration relevance to the business, strategy, business model and key stakeholders across the value chain.

- Over 950 employees from across the Group were surveyed.
- Interviews with 17 key external stakeholders, including suppliers, customers, thought-leaders and regulators.
- Workshops with over 50 participants from F&N senior leaders, department heads and subject matter experts in Singapore and Malaysia.

Based on stakeholder inputs received, the list of 18 material sustainability topics were plotted in a matrix based on their priority to stakeholders (external) and to F&N's business (internal).

**Step 3 – Validation:** The materiality matrix was reviewed and endorsed by the F&N SDC at their meeting on Aug 2020 and approved by the F&N SRMC at their meeting in Sep 2020.

The materiality matrix was reviewed and refreshed this year to reflect changes in the sustainability landscape. Our most significant material topics 'Packaging' and 'Nutrition' continue to be priority topics for customers and consumers – reflecting two areas where our business can make significant impact. "Human Rights", "Product & Service Labelling", "Governance & Ethics", "Human Capital Development", and "Employee Safety, Health & Wellbeing" were shifted upward to reflect their increased importance to external stakeholders. We will continue to monitor sustainability trends and review our material issues annually.



## Material Issues and Associated ESG Risks and Opportunities

Material Issues of F&N	Opportunities for F&N If issue is addressed	Potential Risks for F&N If issue is not addressed
<b>Better Business</b>		
<b>Governance and Ethics</b> <i>Business policies and practices to ensure ethical, transparent and responsible governance.</i>	<ul style="list-style-type: none"> <li>Upholding F&amp;N reputation as a responsible business maintains trust amongst all stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Failing to put in place transparent and sound governance practices pose reputational risk</li> </ul>
<b>Policy and Regulation</b> <i>Regulatory compliance across our operations and engaging with policymakers in a responsible and transparent manner.</i>	<ul style="list-style-type: none"> <li>Engaging with regulators allows F&amp;N to prepare for emerging legislation and ensure compliance</li> <li>Operational cost savings</li> </ul>	<ul style="list-style-type: none"> <li>A risk of being unprepared when needed to comply with emerging regulations</li> <li>Failing to put in place transparent and sound governance practices pose reputational risk</li> </ul>
<b>Economic Performance</b> <i>Financial performance to deliver shareholder value and secure long-term viability of the company.</i>	<ul style="list-style-type: none"> <li>Sustainable financial performance creates long-term value for all stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Hinder F&amp;N's business continuity</li> </ul>
<b>Product Quality and Safety</b> <i>Delivering products to consumers which meet the highest quality and safety standards.</i>	<ul style="list-style-type: none"> <li>Deliver F&amp;N brand promise to consumers through product excellence</li> <li>Retain and increase market share through product range expansion and portfolio diversity</li> </ul>	<ul style="list-style-type: none"> <li>Reputational risk from supply chain disruption or compromised products</li> <li>Specific regulatory changes that may affect F&amp;N product recipe and/or packaging</li> </ul>
<b>Product and Service Labelling</b> <i>Labelling our products and services in a responsible and transparent way for consumers.</i>	<ul style="list-style-type: none"> <li>Meet regulatory requirements</li> <li>Meet consumer expectations relating to product and ingredient communication</li> </ul>	<ul style="list-style-type: none"> <li>Failure to meet stakeholders' expectations for product transparency</li> </ul>
<b>Innovation</b> <i>Building competitive advantage through innovative products and solutions to meet consumer and societal needs.</i>	<ul style="list-style-type: none"> <li>Meet customer and consumer demands and stay relevant</li> <li>Adoption of emerging and disruptive technologies increases competitive edge</li> </ul>	<ul style="list-style-type: none"> <li>Future high R&amp;D and equipment cost with uncertain commercial returns</li> <li>Risk losing market share by changing consumer preferences and/or being outcompeted</li> </ul>
<b>Supply Chain Stewardship</b> <i>Procurement policies, contractor management and supplier relationships which address material issues across the value chain.</i>	<ul style="list-style-type: none"> <li>Elevate vendors' productivity and performance in sustainability practices and compliance with food safety standards</li> <li>Cost savings with stronger collaboration</li> <li>Establish robust policies and systems to ensure competitive pricing and safeguard vendors from corruption and malpractice</li> </ul>	<ul style="list-style-type: none"> <li>Many ESG risks are present in F&amp;N supply chain (e.g. human rights, product quality); unethical practice leads to regulatory violations, monetary fines and reputational risk</li> <li>Disruption to operations</li> <li>Price fluctuation as a result of global economic performance and foreign exchange exposure</li> </ul>
<b>Better Society</b>		
<b>Nutrition</b> <i>Helping consumers' lead healthy lives by developing nutritious and accessible products.</i>	<ul style="list-style-type: none"> <li>Innovation opportunity to meet customer and consumer demands</li> <li>Offer healthier options that contribute to consumers' well-being</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory risks (e.g. sugar tax) in markets F&amp;N operates in</li> </ul>
<b>Community Development and Inclusive Growth</b> <i>Supporting economic development and creating positive social impact for communities connected to our business activities.</i>	<ul style="list-style-type: none"> <li>Investing in communities supports social and economic development and ensures F&amp;N grows alongside the society we operate in</li> <li>Working with communities strengthens our relationships, credibility and presence</li> </ul>	<ul style="list-style-type: none"> <li>Impacts F&amp;N reputation as a corporate citizen and may affect employees' morale</li> <li>Potential financial implications when there are imbalance social, economic and environmental needs</li> </ul>



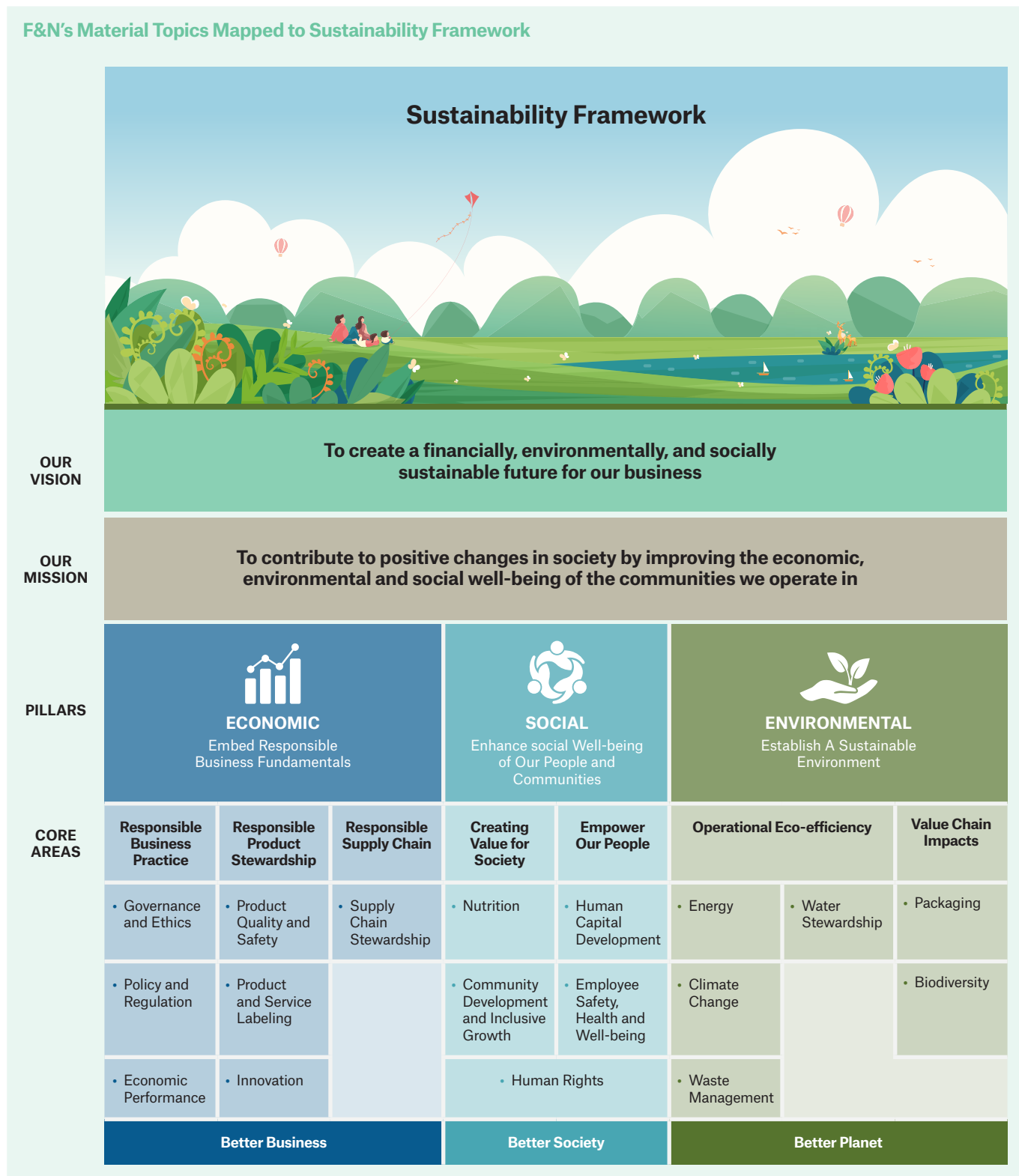
## Our Sustainability Approach

Material Issues of F&N	Opportunities for F&N If issue is addressed	Potential Risks for F&N If issue is not addressed
<b>Human Rights</b> <i>Upholding strong human rights practices in our operations and supply chain.</i>	<ul style="list-style-type: none"> <li>Proactively identify and address human rights risks to create a safe workforce in F&amp;N operations and supply chain</li> <li>Reduce inequalities (e.g. gender inequality)</li> <li>Improve productivity and resource efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Human rights violations in operations and supply chain leads to monetary penalties and reputational risks</li> <li>Disruption to operations</li> <li>Unmotivated and unproductive workforce</li> </ul>
<b>Human Capital Development</b> <i>Attracting, developing, and retaining high-performing employees, creating an inclusive and diverse culture.</i>	<ul style="list-style-type: none"> <li>Remain competitive with skilled and diverse employees</li> <li>A high-performance culture through effective training and upskilling programmes</li> <li>Provide job opportunities for the local communities where we operate</li> </ul>	<ul style="list-style-type: none"> <li>Challenge to attract and retain talent</li> <li>Financial implications when F&amp;N workforce is not developed to meet the evolving market demands</li> </ul>
<b>Employee Health and Safety</b> <i>Improving and maintaining the health, safety and wellbeing of our employees.</i>	<ul style="list-style-type: none"> <li>Increased productivity in F&amp;N operations</li> <li>Improvements in talent acquisition and retention</li> <li>Positive employer branding</li> </ul>	<ul style="list-style-type: none"> <li>Injuries, occupational hazards, lost days and fatalities will result in productivity loss and reputational risk that affects the company's license to operate</li> </ul>
<b>Better Planet</b>		
<b>Packaging</b> <i>Developing sustainable packaging solutions to reduce the impact of packaging on the environment.</i>	<ul style="list-style-type: none"> <li>Meeting customer and consumer demands for sustainable packaging</li> <li>Improve packaging resource efficiency and saves cost</li> <li>Reduce reliance on virgin materials</li> </ul>	<ul style="list-style-type: none"> <li>Failure to meet stakeholders' expectations in managing packaging pose reputational risks</li> <li>Losing market share and relevance if F&amp;N is outcompeted</li> </ul>
<b>Energy</b> <i>Minimising GHG emissions and energy use in our operations in line with global climate goals.</i>	<ul style="list-style-type: none"> <li>Reduce energy usage and emissions which saves costs</li> <li>Pre-empt future regulation (e.g. carbon tax)</li> <li>Align with targets of governments and customers</li> </ul>	<ul style="list-style-type: none"> <li>Public pressure resulting in reputation risks</li> <li>Rise in operational costs with stricter regulations and energy sourcing changes</li> </ul>
<b>Climate Change</b> <i>Adapting our business model to ensure resiliency to climate-related risks.</i>	<ul style="list-style-type: none"> <li>Meet growing expectations of investors and regulators to assess climate-related risks and opportunities, e.g. supply chain disruption, market shifts or extreme weather events</li> </ul>	<ul style="list-style-type: none"> <li>Costly damages on F&amp;N physical assets from extreme weather events due to climate change</li> <li>Failure to meet stakeholders' expectations in managing climate change</li> </ul>
<b>Water Stewardship</b> <i>Protecting and preserving shared water resources.</i>	<ul style="list-style-type: none"> <li>Cost saving opportunities with efficient water management</li> <li>Enhance water security for suppliers, increasing supply chain resilience</li> </ul>	<ul style="list-style-type: none"> <li>A direct impact on F&amp;N as water is a key resource for our operations</li> <li>Regulatory risks around water as an important national resource</li> </ul>
<b>Waste Management</b> <i>Minimising waste and safely disposing of hazardous materials.</i>	<ul style="list-style-type: none"> <li>Reducing and reusing waste supports operational efficiency, which is cost saving</li> <li>Inculcate sustainable practices and values in employees and communities</li> </ul>	<ul style="list-style-type: none"> <li>Reputational risk from the failure to meet stakeholders' expectations in managing our waste</li> </ul>
<b>Biodiversity</b> <i>Sourcing raw materials responsibly, protecting biodiversity and eliminating deforestation from our supply chain.</i>	<ul style="list-style-type: none"> <li>Mitigate reputational risks of negative environmental practices, particularly in our supply chain</li> <li>Create a sustainable business operation without exploitative processes</li> </ul>	<ul style="list-style-type: none"> <li>Reputational risk from the failure to meet stakeholders' expectations</li> </ul>

## F&N'S SUSTAINABILITY FOCUS AREAS AND 2025 TARGETS

The 18 material topics have been mapped onto the seven core areas of the F&N Sustainability Framework. The framework aligns our business and sustainability goals with a focus on the value creation process for each material topic.

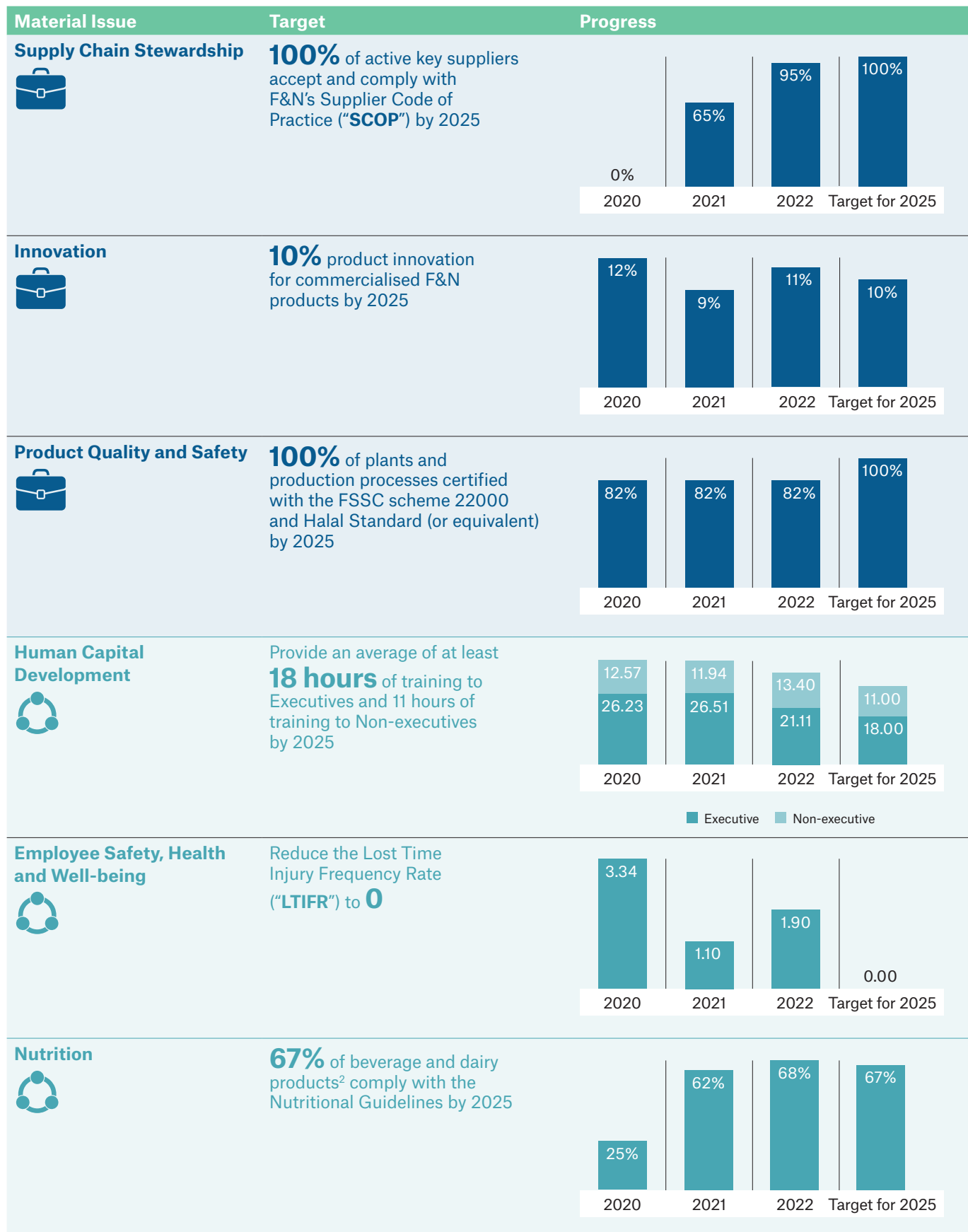
### F&N's Material Topics Mapped to Sustainability Framework









In 2020, F&N had set sustainability performance targets, on the 12 highest priority material topics, to be achieved by 2025. The 2025 sustainability targets enable the Group to monitor our actual sustainability performance across our economic performance, impact on the environment and people. These 2025 sustainability goals strengthen our commitment to creating long-term value for our stakeholders.

# Our Sustainability Approach

## F&N's Material Topics



Material Issue	Target	Progress			
<b>Community Development and Inclusive Growth</b> 	<b>10%</b> increase in the number of community programmes offered (from a 2020 baseline) by 2025	100%	100%	100%	110%
		2020	2021	2022	Target for 2025
<b>Waste Management</b> 	Reduce the solid waste sent to landfill (from a 2020 baseline) by <b>30%</b> by 2025	100%	103%	121%	70%
		2020	2021	2022	Target for 2025
<b>Energy</b> 	Reduce the Group's energy intensity ratio at our plants (from a 2020 baseline) by <b>8%</b> by 2025	100%	101%	98%	92%
		2020	2021	2022	Target for 2025
* Excludes trial and commissioning data from F&NHB Shah Alam plant					
<b>Climate Change</b> 	Reduce the Group's GHG emissions intensity ratio at our plants (from a 2020 baseline) by <b>8%</b> by 2025	100%	99%	95%	92%
		2020	2021	2022	Target for 2025
* Excludes trial and commissioning data from F&NHB Shah Alam plant					
<b>Packaging</b> 	<b>25%</b> of beverage and dairy packaging to contain recycled materials by 2025	22%	22%	23%	25%
		2020	2021	2022	Target for 2025
<b>Water Stewardship</b> 	Reduce the Group's water intensity ratio at our plants (from a 2020 baseline) by <b>8%</b> by 2025	100%	101%	103%	92%
		2020	2021	2022	Target for 2025
* Excludes trial and commissioning data from F&NHB Shah Alam plant					



# Our Sustainability Approach

## Our Contribution to the UN SDG Targets

Through our sustainability framework and targets, our business contributes to the UN Sustainable Development Goals ("SDGs"), particularly towards SDG 2, 8, 9 and 12. Our business also contributes to SDG 1, 3, 4, 5, 6, 7, 10, 15, 16 and 17.

Below we summarise our business contribution to the specific SDG targets across our material topics:

## F&N Alignment with SDG Targets

Pillars		Economic (Better Business)					
Material Topics		Governance and Ethics	Policy and Regulation	Product Quality and Safety	Product and Service Labelling	Innovation	Supply Chain Stewardship
Primary SDGs							
<b>SDG 2</b>							
2.1	Improve access to safe and nutritious food						
2.2	Improve nutrition for society						
2.3	Improve productivity and incomes of small-scale food producers						
2.4	Promote sustainable food production and resilient agricultural practices						
<b>SDG 8</b>							
8.1	Sustain Economic Growth						
8.2	Diversify, innovate and upgrade for economic productivity						
8.4	Improve resource efficiency in consumption and production						
8.6	Promote youth employment, education and training						
8.7	End modern slavery, trafficking, and child labour						
8.8	Protect labour rights and promote safe working environments						
<b>SDG 9</b>							
9.2	Promote inclusive and sustainable industrialisation						
9.4	Promote the use of sustainable industrial processes						
<b>SDG 12</b>							
12.2	Sustainable management and use of natural resources						
12.3	Reduce food waste and loss						
12.8	Promote and provide information about sustainable lifestyles						
Secondary SDGs							
<b>SDG 1</b>							
1.4	Promote equal rights to ownership, basic services, technology and economic resources						
<b>SDG 3</b>							
3.4	Promote health outcomes through nutrition						

[illegible]

# Our Sustainability Approach

Pillars		Economic (Better Business)					
Material Topics		Governance and Ethics	Policy and Regulation	Product Quality and Safety	Product and Service Labelling	Innovation	Supply Chain Stewardship
Secondary SDGs							
<b>SDG 4</b>							
4.4	Promote relevant skills development						
4.7	Promote sustainable development education and global citizenship						
4.B	Expand higher education scholarships for developing countries						
<b>SDG 5</b>							
5.5	Ensure women's full participation in leadership and decision-making						
<b>SDG 6</b>							
6.3	Improve water quality, reduce pollution, enhance wastewater treatment and improve water circularity						
6.4	Increase water-use efficiency and ensure sustainable use of freshwater						
6.A	Expand water and sanitation support to developing countries						
<b>SDG 7</b>							
7.2	Increase use of renewable energy						
7.3	Improve energy efficiency						
<b>SDG 10</b>							
10.2	Promote universal social, economic and political inclusion						
<b>SDG 15</b>							
15.2	Promote sustainable forest management						
15.5	Protect biodiversity and natural habitats						
<b>SDG 16</b>							
16.5	Substantially reduce corruption and bribery						
16.6	Develop effective, accountable and transparent institutions						
<b>SDG 17</b>							
17.6	Knowledge sharing and cooperation for access to science, technology and innovation						

[illegible]



## Our Sustainability Approach

### Task Force on Climate-Related Financial Disclosure and Climate Risk Management

F&N is committed to exploring effective sustainable pathways to be aligned with the Paris Agreement, and have our emissions reduced to meet the goal of limiting global temperature increase between 1.5°C - 2 °C above pre-industrial levels.

To understand and manage these climate-related impacts on our business and stay accountable to our stakeholders, F&N embarked on a journey to align climate-related disclosures with the TCFD recommendations. TCFD is a widely and globally supported climate disclosure framework aiming to help companies disclose to their investors and other stakeholders the financial impacts from climate change and the company's resilience strategy to these impacts. The TCFD disclosure framework centers around four pillars: Governance, Strategy, Risk Management, and Metrics and Targets.

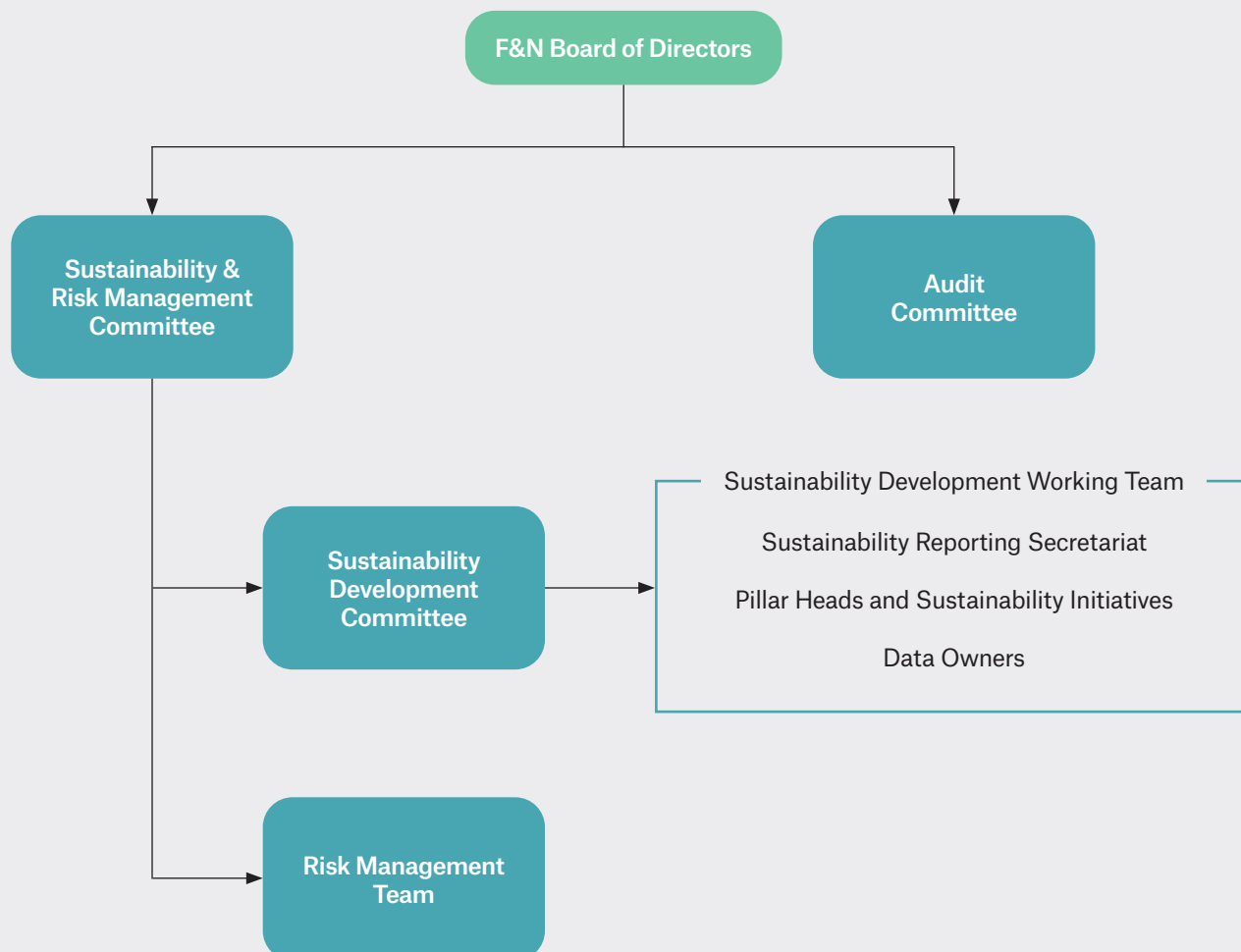
In our inaugural climate-related impact assessment this year, F&N has identified material transition drivers and physical climate-related risks on our operations and supply chain through conducting scenario analyses of transition and physical risks. In subsequent years, F&N hopes to deepen our understanding of climate-related risks by quantifying risks and opportunities to direct the development of our climate strategy.

The results of the climate-related assessment will be integrated into F&N's Enterprise Risk Management ("**ERM**") process, which are then consolidated into a corporate risk score card to be used as reference for other departments in the Group to communicate F&N's stance and actions against the identified risks and opportunities.

### TCFD Pillar – Governance

In recognising the responsibility and role that F&N has in driving climate action and in transition towards a low carbon economy and society, climate change issues have been incorporated into F&N's governance structure from the board level through to the managerial level. Dedicated roles and responsibilities of the Board, Board-level committees, and managerial functions are described below.

#### F&N Group Sustainability Development and Risk Management Governance Structure



## F&N's Climate Governance Roles and Responsibilities

F&N Functions	Climate Risks & Climate Strategy Roles and Responsibilities	Meeting Frequency
<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>Responsible for incorporating sustainability and climate issues into the formulation of F&amp;N Group's strategy.</li> <li>Annual approval of risk appetite and risk tolerance statements, including climate related risks.</li> </ul>	Five times a year
<b>Board Committee: Sustainability and Risk Management Committee</b>	<ul style="list-style-type: none"> <li>Ensures sustainability and climate risks and opportunities are considered at the highest level of F&amp;N Group. Responsible for approving all strategic initiatives and policies relating to the sustainability and climate agenda of the company.</li> <li>Receives updates on the Group's sustainability and climate agenda from the SDC three times a year.</li> <li>Guides the development of risk and sustainability frameworks, policies, guidelines and initiatives to ensure that sustainability issues, including climate related issues, are effectively managed and integrated into business operations and corporate objectives.</li> <li>Assists the board in overseeing the Group's risk management framework and policies. Review risk appetite and risk tolerance statements, including climate related risks.</li> <li>Provides strategic direction in managing sustainability-related risks and opportunities, taking into account the Group's risk appetite and risk tolerance.</li> </ul>	Three times a year
<b>Board Committee: Audit Committee</b>	<ul style="list-style-type: none"> <li>Assists the Board in reviewing and monitoring the integrity towards the Group's reporting process, the system of internal controls, audit process and compliance with legal and regulatory matters.</li> <li>Reviews key risks and recommendations from the SRMC, including sustainability and climate, and advises the board annually.</li> </ul>	Five times a year
<b>Sustainability Development Committee</b>	<ul style="list-style-type: none"> <li>Headed by the Chief Executive Officer (CEO), Fraser and Neave, Limited. Members include CEOs of F&amp;N Group businesses and senior executives across various functions.</li> <li>Monitor and gather data for reporting on the progress of sustainability and climate-related strategy, projects and goals.</li> <li>Identify and evaluate risks and material ESG factors including climate, as well as the status and effectiveness of risk mitigation measures.</li> <li>Provide updates to the SRMC on progress related to sustainability and climate-related strategies three times a year.</li> </ul>	Three times a year
<b>Sustainability Development Working Team</b>	<ul style="list-style-type: none"> <li>Consists of cross-functional representatives who take on the various roles of the Sustainability Reporting Secretariat, Pillar Heads and Sustainability Initiative Champions, and Data Owners</li> <li>Support the SDC &amp; SMC in planning and monitoring sustainability and climate goals, driving initiatives at an operational level, identifying challenges in performance and gathering data for reporting.</li> <li>Collate data and inputs from data owners for respective operational units.</li> </ul>	Ad-Hoc
<b>Risk Management Team</b>	<ul style="list-style-type: none"> <li>Risk discussion, including climate-related risks, with Business Units and corporate office as part of the Risk Management system.</li> <li>Organise climate-related risks and opportunities workshops</li> </ul>	<p>Three times a year</p> <p>Two times in FY21/22</p>

# Our Sustainability Approach

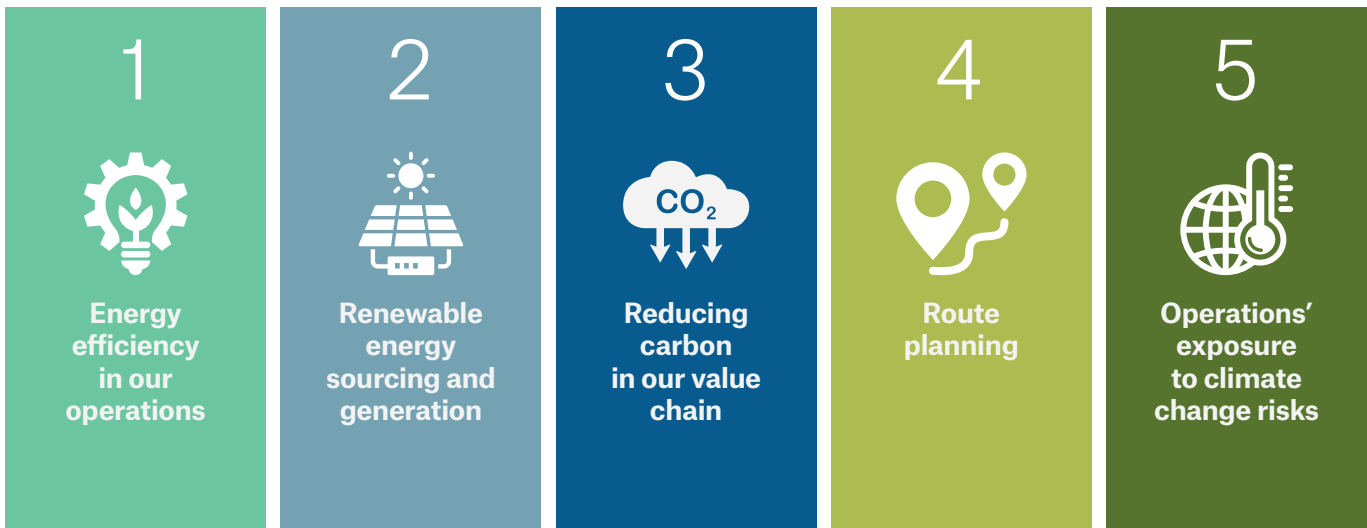
## TCFD Pillar – Strategy

Climate change will present challenges for F&N business, as physical and transition risks intensify in the future. Yet these emerging drivers present opportunities for cost savings and alignment with customer expectations. Understanding the gravity of our climate risk assessment, F&N intends to incorporate the results into our existing sustainability strategy through the “Better Planet” theme. We aim to meet the expectations of our stakeholders by transforming our strategy into action plans and manage climate-related risks and opportunities.

F&N has formalised a climate vision to support the company-wide vision *to be a stable and sustainable food and beverage leader in the ASEAN region*. Our climate vision is - **To achieve net-zero GHG emissions (for Scope 1 and 2 emissions) by 2040.**

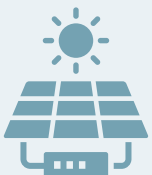
Our risk appetite and risk tolerance statements are reviewed by the SRMC and approved by the Board annually. It is intended that at the end of the financial year, the Board receives assurance from the CEOs, the chief financial officer or financial controller, other key management, who are responsible for each of the Group’s business divisions, and the Company’s Director, Group Finance, that the risk management and internal control systems are adequate and effective to address material risks, including key climate-related risks and opportunities, as identified by the Group.

F&N has developed the Energy and Climate Change Strategy since 2020 with a strategic focus on the achievement of the GHG goals and implementation of key elements to pursue climate change management. The strategy focuses on five key strategic pillars:



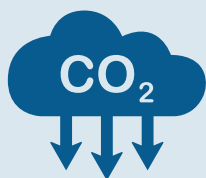
### Energy efficiency in our operations

- Reducing our energy intensity is key to reducing carbon emissions from our operations. To achieve this goal, our plants are equipped with varying energy efficient systems with the purpose of reducing energy intensity and carbon emissions.
- Some of these systems include - centralised air systems that reduces the amount of electricity needed for operations, to automatic control chiller that supplies ice and chilled water based on consumption demands.



### Renewable energy sourcing and generation

- F&N has installed solar panel rooftops and set up solar PV systems at several Non-alcoholic Beverage plants in Malaysia and Thailand.
- Beer and Printing and Publishing divisions with operations in Singapore, Malaysia, and Myanmar are planning for solar panel installations at their plants.



### Reducing carbon in our value chain

- **Low-carbon products:**

F&N is launching low-carbon products in response to customer demands. This includes plant-based products and products certified with carbon footprint labels such as the Thailand Greenhouse Gas Management Organization (TGO).

- **Responsible sourcing:**

We aim to protect biodiversity and eliminate deforestation from our supply chain. F&N sources raw materials such as sugar, palm oil and paper from sustainably certified sources (including RSPO, VIVE, BONSUCRO and FSC) wherever possible.

- **Sustainable packaging:**

To reduce the environmental footprint of our products, F&N seeks to provide sustainable packaging solutions to encourage recyclability and increase the circularity of materials to reduce the resource intensity in our packaging.

F&N has recently launched Green Lab – one of the region's largest sustainable packaging plants – offering highly-customisable biodegradable paper bags, fully compostable plant-based alternative for plastic carrier bags, an extensive range of fully-compostable F&B packaging and cutlery supplies, eco-packaging boxes and eco-pouches.

- **Sustainable inks:**

Times Publishing Limited already utilises sustainable inks – inks with lower global warming potential when dried, even though little attention is currently paid to sustainable inks within the print industry. The use of these inks would indirectly reduce the carbon emissions associated with the F&N's printing business.

- **Electric vehicles :**

F&N is currently evaluating the use of electric vehicles, such as vans, trucks and forklift trucks, in its operations. As the initial outcome seems to be promising, we will consider progressively replacing our fleet of conventional vehicles with electric vehicles, where applicable.



### Route planning

- Logistics and transportation are major sources of carbon emissions. F&N works to decentralise our distribution networks by locating our manufacturing and warehouse operations in closer proximity.
- Route planning is essentially utilising resources effectively by traveling a shorter route between the locations. A shorter route would result in savings on fuel consumption, which in turn reduces the emission of GHG.



### Operations exposure to climate change risks

- Physical climate change risks are monitored and managed as part of F&N ERM. Identified climate change related risks include flooding and mineral water sourcing and contamination. To manage these risks, we work closely with state authorities and local councils. We maintain a robust incident escalation procedures and response plans as part of our Business Continuity Management.



## Our Sustainability Approach

### Climate-Related Risks and Opportunities

A key driver in conducting a climate-related risks and opportunities assessment is to be prepared ahead of the potential risks and opportunities that may unfold along the future time horizons. In our climate-related impact assessment, F&N has identified material transition drivers and physical climate-related risks in our operations and supply chain through conducting scenario analyses of transition and physical risks.

The outcome of the climate-related risks and opportunities assessment would be disclosed, upon in-depth understanding of their impact on our business along with mitigating measures and actions plans.

### Scenario Analysis

As part of F&N ERM framework, scenario analysis within climate risks is adopted to enhance strategic thinking through the exploration of alternative pathways the world could take, factoring uncertainty.

In 2022, F&N conducted a formal qualitative assessment of climate-related risks and opportunities to identify, evaluate, and manage the potential impacts. The assessment of the risks and opportunities are considered under selected climate scenarios to assess the climate impact of key transition and physical risks under the respective climate scenarios.

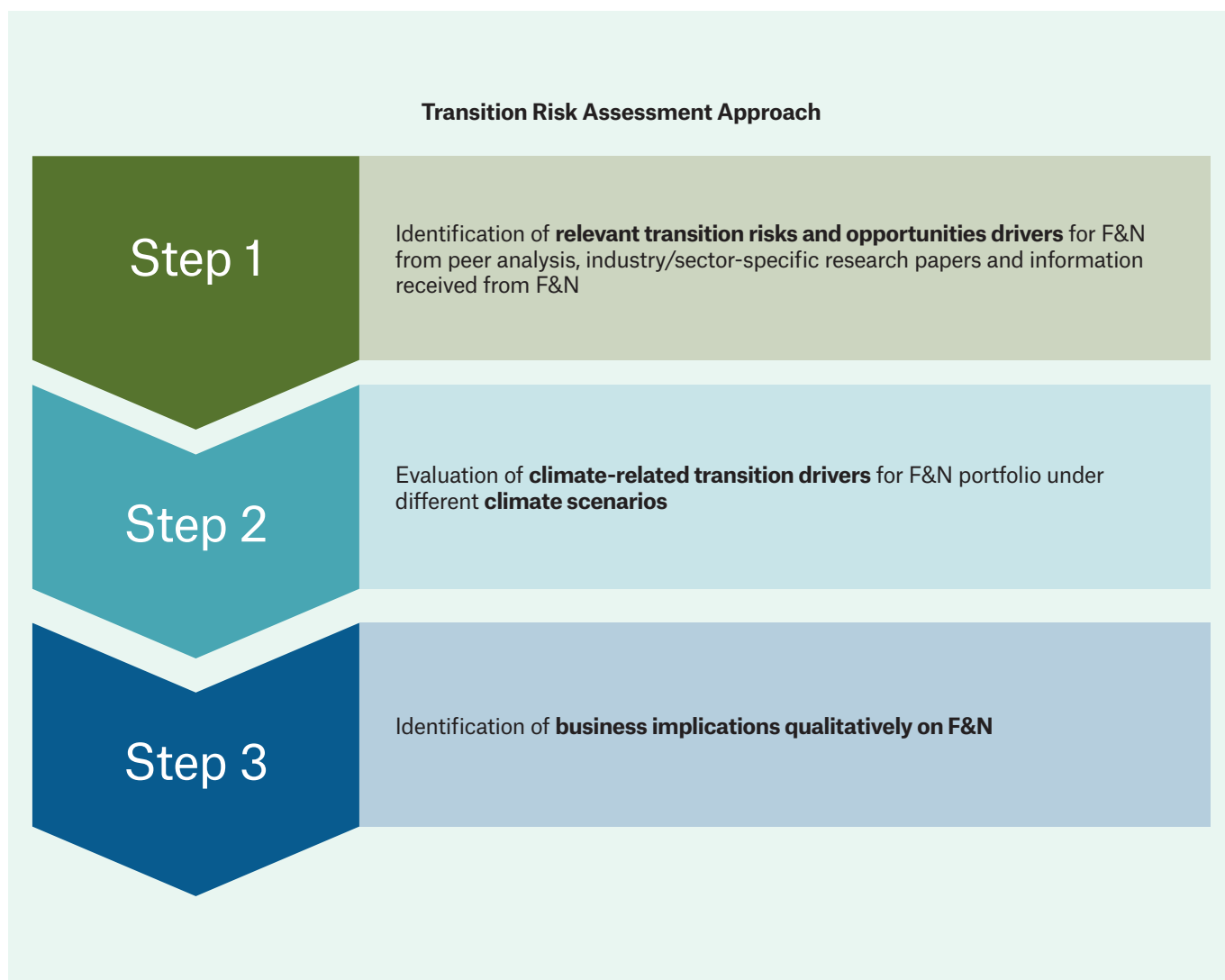
Transition and Physical Climate Change Risk Assessment Scope			
<b>Assessment Scope</b>	<p><b>Physical scenario analysis:</b> Considered impacts of climate change on 18 F&amp;N assets: 17 manufacturing facilities across four countries (Singapore, Malaysia, Thailand, and Myanmar) and 1 office in Singapore.</p> <p><b>Transition scenario analysis:</b> Assessment of impacts for Non-alcoholic Beverages, Beer, and Printing and Publishing business divisions.</p>		
<b>Time Horizons</b>	<p><b>Mid-term:</b> 5-10 years and represented by '2030'</p> <p><b>Long-term:</b> over 10 years and represented by '2050'</p>		
<b>Transition Scenarios and key assumptions</b>	<p><b>Low Carbon Scenario</b> Long-term (2100) Temperature &lt;2.0°C</p>		<p><b>Base Case Scenario</b> Long-term (2100) Temperature between 2.7-3.3°C</p>
	<p><b>International Energy Agency ("IEA") Sustainable Development Scenario ("SDS")</b> Maps the necessary technology, policies, and behavioral change for the world to achieve net zero energy related and industrial process CO<sub>2</sub>e emissions by 2070.  Actions today to limit temperature to "well below 2°C". The SDS is a gateway to the outcomes targeted by the Paris Agreement.</p>		<p><b>IEA Stated Policies ("STEPS")</b> A high emission, business-as-usual warming scenario considers current state policies, without additional policy implementation.  Existing policies and announced proposed policies, from a sector-by-sector assessment.</p>
<b>Physical Scenarios and key assumptions</b>	<p><b>Baseline</b> based on historical data of F&amp;N assets locations</p>	<p><b>Low Carbon Scenario</b> Long-term (2100) Temperature 2.7 °C</p>	<p><b>High Carbon</b> Long-term (2100) Temperature 4.4 °C</p>
<b>Assumptions</b>	<p>The present-day exposure of the asset to the chosen hazards.</p>	<p><b>IPCC SSP2-4.5</b> A more realistic view of a low emission future based on current policies.  Action today to limit temperature rise to 2.7°C by 2100 with no net-zero emissions possibility by 2100.</p>	<p><b>IPCC SSP5-8.5</b> A high emission, business-as-usual warming scenario (&gt;3°C) to review the stress which such an outcome might pose to the resilience of the business is required by TCFD.  Limited coordinated action leading to temperature rise of 2.4°C by mid-century and reach 4.4°C by 2100.</p>

The transition scenario analysis focused on drivers – Carbon Pricing, Low Carbon Land Transport, Reduction of Virgin Packaging, Consumer Demand for Sustainably Produced Products, Sustainable Inks and Reputation – across the four TCFD categories, in two IEA climate scenarios, for two time horizons. These drivers consider F&N's business operations and value chain for a holistic understanding.

Similarly, for physical scenario analysis, 18 assets across Asia Pacific were assessed under two scenarios for two time horizons.

### Transition Risks and Opportunities

The scenario analysis on transition risks and opportunities is intended to comprehensively analyse F&N's exposure to potential impacts arising from a global transition to a low carbon economy. The transition risk and opportunity assessment was a three-step qualitative process:



Transition drivers (risks and opportunities) were identified based on its relevancy to the organisation through peer benchmarking and industry/sector-specific information, and information received from F&N via surveys. F&N sought to ensure that both upstream risks, such as carbon tax, and downstream opportunities, such as decarbonisation of the land transportation sector, were included in this analysis to ensure a holistic understanding of the transition risks and opportunities that could impact F&N.

An internal stakeholder consultation was conducted to support the semi-quantitative assessment. The transition drivers were evaluated by stakeholders based on the "Likelihood" and "Impact" of the driver to F&N's business and value chain. Drivers were prioritised under the selected transition climate scenarios, and consequently, F&N explored high-level response measures to mitigate expected risks and capture potential opportunities. In subsequent years, F&N aims to conduct a deep dive assessment of the risks to understand the financial implications of climate change to the business.

## Our Sustainability Approach

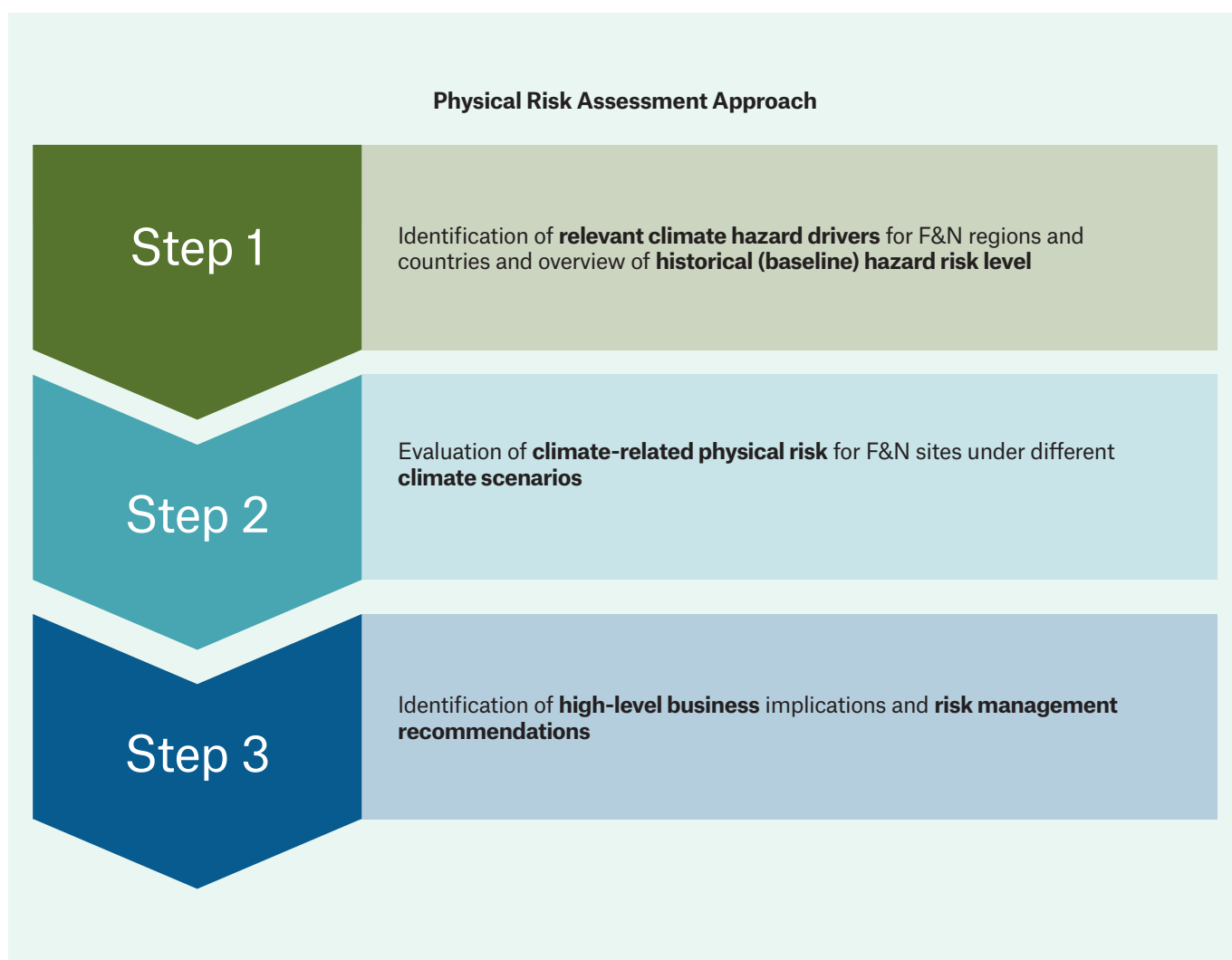
### Qualitative Assessment of Transition Risks and Opportunities

TCFD recommends organisations to disclose the resiliency of their business strategies to climate-related risk and opportunities, taking into consideration a transition to a lower-carbon economy. Where the low-carbon economy pathway is consistent with a 2°C or lower increase in temperature by the end of the century. This could lead to transition risk associated with increased operating costs due to laws and regulations on greenhouse gas (“GHG”) reduction, and higher demand for low-carbon technology investment.

We have analysed the potential impacts to our business using globally recognised climate scenarios from IEA - SDS as low-carbon scenario and IEA - STEPS as base case. IEA - STEPS is based on business-as-usual assumptions leading to global warming of 2.7 - 3.3°C. IEA - SDS is based on low carbon economy transition leading to global warming of <2.0°C.

### Physical Climate Change Risks

Acknowledging that physical climate change risks can have implications on our business continuity and operations, F&N prioritised 18 assets in Asia-Pacific to conduct a climate-related risk assessment using a three-step qualitative physical risk assessment approach as indicated in Figure 3.



### Identification of Relevant Climate Hazard Drivers

Through literature review, F&N identified natural hazards type – Water Scarcity, Inland Floods, Coastal Floods, and Extreme Heat – that could impact our assets through both acute (event driven) and/or chronic (long-term shifts in climate patterns) climate change. These natural hazards pose varying severity to our businesses.

### Physical Risks Assessment

F&N identified sites most exposed to physical risks under the **Baseline, Low Carbon Scenario, and High Carbon Scenario** within the countries of operations. Exposure refers to having a high-risk baseline and/or a significant increase in projected risk rating in 2030 or 2050.

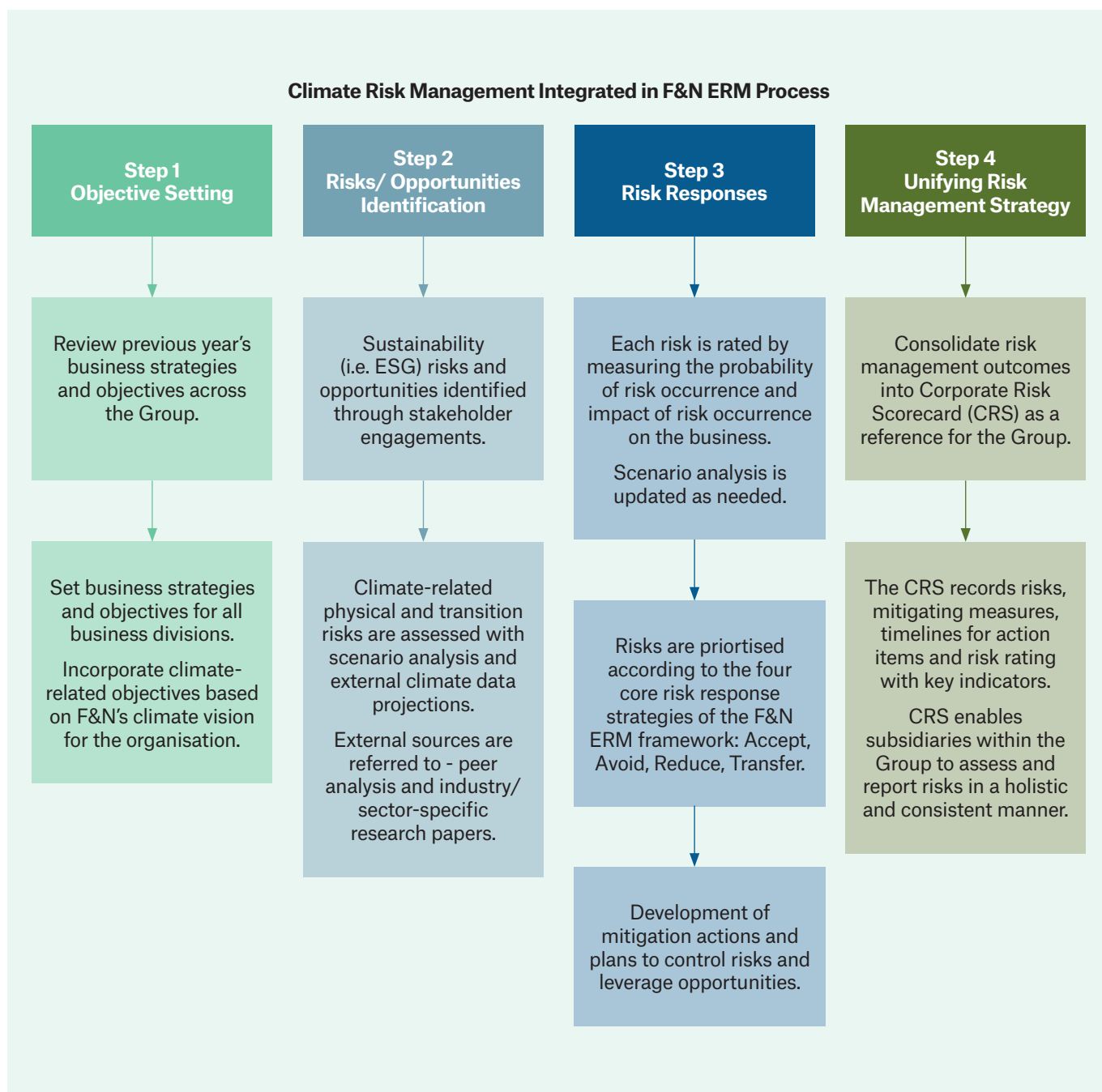
### TCFD Pillar – Risk Management

F&N integrated climate-related risks into our overall F&N ERM framework to ensure comprehensive oversight and group-wide monitoring.

Climate change oversight – the identification, assessment, monitoring and prioritising, are key responsibilities of the SDC (or SMC in F&NHB). They in turn report to the SRMC three times (four times for SRMC in F&NHB) in a financial year. The Committee is responsible for ensuring sound climate and sustainability risk management by monitoring potential impacts of climate change on the company operations, plan for mitigation actions against the identified risks.

The action plans for identified risks are consolidated in a Corporate Risk Scorecard (“**CRS**”) as reference for the rest of the group. The CRS is a common Group-wide platform which enables business divisions to consistently report located risks and the respective risk status. An overview of F&N ERM is detailed in Figure 4.

F&NHB has also established sustainability performance metrics based on the Group targets relating to environment, energy, and water stewardship to assess the management with 10% linkage to their performance.



## Our Sustainability Approach

### TCFD Pillar – Metrics and Targets

F&N commits to accounting for climate-related risks and leveraging on opportunities. We seek to build trust with our stakeholders by reporting climate-related metrics and targets fairly. Data on GHG Emissions Scope 1 and Scope 2 is elaborated within the 'Energy & Climate Change' chapter of this Report.

F&N has established climate goals and metrics to achieve by 2025, which are mapped to relevant climate risks and opportunities that have been identified during transition and physical risk assessments, which are further elaborated in the 'Performance Summary' chapter of this Report.

### STAKEHOLDER ENGAGEMENT

GRI Index: GRI 2-29

F&N's stakeholders include any individual or group who is impacted by or interested in our activities. We strive to build and maintain strong relationships based on trust and respect, with all stakeholders. It enables us to flag out potential negative impacts our business might unintentionally cause and implement mitigating measures to minimise the impact to a reasonable level, as determined through engagements with our stakeholders.

We identify stakeholder groups to engage by the level of interest the individual or group may have in our business, and/ or have influence over the functioning of our business. Our engagement approach is tailored accordingly to the stakeholder groups' level of interest and influence. A summary of our engagement approach for different stakeholder groups is below.

### F&N Engagements with Stakeholders

	Engagement Channels	Key Concerns	How F&N Creates Value for this Stakeholder
<b>Investment Community</b>	<ul style="list-style-type: none"> <li>General meetings of Shareholders (AGM &amp; EGM)</li> <li>Regular face-to-face meetings &amp; conference calls</li> <li>Office/plant visits, as and when required</li> <li>Investor days/briefing</li> <li>Website and SGXNET announcements, presentations, press releases</li> <li>Annual reports</li> </ul>	<ul style="list-style-type: none"> <li>Transparent &amp; accurate disclosure</li> <li>Return on investment</li> <li>Disclosure on relevant information to shareholders</li> </ul>	<ul style="list-style-type: none"> <li>Managing resources effectively to maximise profits</li> <li>Maintaining a strong balance sheet</li> </ul> <p>Relevant sections: Governance &amp; Ethics Economic Performance</p>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Biennial employee engagement survey</li> <li>Robust compensation and benefits framework</li> <li>Annual CEO town hall/roadshow</li> <li>Annual gatherings</li> <li>Sports tournaments</li> <li>Communique, iConnect (intranet), F&amp;N BITES (news update), monthly email news highlights, digital TV, Fraserians Connect (mobile app), F&amp;N Voice WhatsApp channel</li> </ul>	<ul style="list-style-type: none"> <li>Engagement with employees</li> <li>Learning &amp; development opportunities</li> <li>Equitable rewards &amp; recognition</li> <li>Safe and healthy work environment</li> </ul>	<ul style="list-style-type: none"> <li>Career advancement and ability to reach individual potential</li> <li>Boosting earning potential of employees with training and development</li> <li>Strict hygiene practices and sanitary environment in the workplace</li> </ul> <p>Relevant sections: Human Capital Development, Employee Safety, Health and Well-being, Human Rights</p>



	Engagement Channels	Key Concerns	How F&N Creates Value for this Stakeholder
<b>Distributors &amp; Trade Customers</b>	<ul style="list-style-type: none"> <li>Annual customer meetings</li> <li>Annual factory visits</li> <li>Annual business planning</li> <li>Regular business development activities</li> <li>Joint supply chain meetings</li> <li>Quarterly business reviews</li> <li>Customer appreciation events</li> </ul>	<ul style="list-style-type: none"> <li>Supply chains disruptions</li> <li>Latest consumer &amp; shopper trends</li> <li>Product innovation</li> <li>Customer relationship management</li> <li>Shopper loyalty programmes</li> <li>Improving customer service level</li> <li>Business practices &amp; ethics</li> <li>Efficient delivery systems</li> <li>COVID-19 related payment challenges</li> </ul>	<ul style="list-style-type: none"> <li>Partnering with retailers on shared opportunities</li> <li>Source of income and job creation at our distributors</li> <li>Case-to-case flexible payment method, if necessary</li> </ul> <p>Relevant sections: Innovation, Nutrition, Product Quality &amp; Safety, Product Labelling</p>
<b>Consumers</b>	<ul style="list-style-type: none"> <li>Marketing &amp; sales promotions</li> <li>Brand communication through advertising</li> <li>On-going social media interactions</li> <li>On-ground events &amp; activities</li> <li>Dedicated consumer hotline</li> </ul>	<ul style="list-style-type: none"> <li>Product quality &amp; safety</li> <li>Consumer health &amp; safety</li> <li>Fair &amp; reasonable product pricing</li> <li>Social &amp; community engagement</li> <li>Environmentally friendly packaging</li> </ul>	<ul style="list-style-type: none"> <li>Launching innovative products</li> <li>Fulfilling consumers' demand for safe and quality products</li> <li>Providing accessible products through an extensive distribution network coverage</li> </ul> <p>Relevant sections: Innovation, Nutrition, Product Quality &amp; Safety, Product Labelling</p>
<b>Communities</b>	<ul style="list-style-type: none"> <li>Collaborations &amp; partnerships</li> <li>Outreach programmes</li> <li>Meetings/dialogues with community representatives</li> <li>Leadership programmes</li> <li>Sponsorship of sporting events</li> <li>Sponsorship of sporting events</li> <li>Donation of food and beverages to the less privileged and elderly</li> </ul>	<ul style="list-style-type: none"> <li>Social &amp; environmental responsibility</li> <li>Job opportunities for locals</li> <li>Promotion of good health &amp; quality of life</li> <li>Skill development in sports &amp; leadership</li> <li>Stimulating local economies</li> </ul>	<ul style="list-style-type: none"> <li>Social investment in community projects</li> <li>Advocating active lifestyles via sports events and activities</li> <li>Supporting beneficiaries from vulnerable communities</li> </ul> <p>Relevant sections: Community Development and Inclusive Growth, Human Rights</p>
<b>Regulators</b>	<ul style="list-style-type: none"> <li>Active collaborations e.g. Singapore's Health Promotion Board; Federation of Malaysian Manufacturers</li> <li>Meetings with government agencies and statutory bodies</li> <li>Collaboration &amp; partnerships with local councils</li> </ul>	<ul style="list-style-type: none"> <li>Good governance</li> <li>Fair labour practices</li> <li>Safety at work</li> <li>Compliance with laws &amp; regulations</li> <li>Water &amp; waste management</li> <li>Environmentally friendly labelling &amp; packaging</li> <li>GHG emissions</li> <li>Recycling awareness</li> <li>COVID-19 standard operating procedures</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with regulation to mitigate against systemic risks</li> <li>Adhering to sustainable practices to protect stakeholders</li> <li>Active industry collaboration and knowledge exchange</li> <li>Adhering to COVID-19 guidelines and social distancing measures</li> </ul> <p>Relevant sections: Policy &amp; Regulation</p>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Supplier meetings</li> <li>Annual audits</li> <li>Tender Management System</li> </ul>	<ul style="list-style-type: none"> <li>Fair &amp; robust procurement system</li> <li>Support of local businesses</li> <li>Social &amp; environmental responsibility</li> <li>Ethics - anti-bribery &amp; corruption</li> </ul>	<ul style="list-style-type: none"> <li>Working with local suppliers</li> <li>Partnering with suppliers on shared opportunities</li> </ul> <p>Relevant sections: Supply Chain Stewardship, Biodiversity</p>

# Our Sustainability Approach

## OUR KEY PARTNERSHIPS AND COLLABORATIONS

GRI Index: GRI 2-28

We believe our sustainability journey is one where we proactively manage and understand the impacts of our footprint on the larger environment and society. As such, we partner with and take guidance from international organisations and sustainability thought leaders. F&N is a proud member of the RSPO, Singapore Alliance for Sustainable Palm Oil and the Buyer Supporting VIVE Sustainable Supply Chain Programme.

In Malaysia, F&NHB teamed up with key industry leaders to establish a voluntary, industry-led Extended Producer Responsibility – MAREA. The alliance is the first of its kind in Malaysia that focuses on improving collection and recycling of post-consumer packaging.

F&NHB is also part of the CEO Action Network capacity building work stream that aims to uplift the sustainability capacity in supply chains and business ecosystems. F&NHB representatives were speakers in a series of supplier and SME training sessions for two sustainability topics – Energy Management and Labour Practices.

F&N is aligned with sustainability charters, principles and standards, including the United Nations (“UN”) SDGs, GRI and the International Integrated Reporting Council.

The achievements of our subsidiary, F&NHB, toward environmental excellence was acknowledged through different prestigious awards received in Malaysia and Thailand. The awards included:



### Prime Minister’s Industry Award for F&NDT

F&NDT won the Prime Minister’s Industry Award 2021 in the category of Quality Management from the Ministry of Industry Thailand.



### National Annual Corporate Report Awards (NACRA) 2021

Acknowledged for our excellence in corporate reporting, F&NHB received the Platinum Award for Best Sustainability Reporting at the NACRA 2021 for our 2020 SR.



### The Edge Malaysia ESG Awards 2022

F&NHB bagged two awards – Best Performing Company in Consumer Products & Services and Top Three Performers in ASEAN – for their outstanding performance in ESG practices.

F&N participated in external sustainability ratings to communicate our commitment to our stakeholders, and to identify strengths and opportunities to improve our sustainability performance.



F&NHB was invited to participate in the **S&P Global CSA** for the second time in 2022 and was ranked as one of the top 10 companies (out of 89 companies assessed) in the Beverages industry with a score of 71 (out of a possible 100).



F&NHB received the FTSE4Good rating for **another consecutive year**, with an **improved scoring of 4.4 from 4.1** in September 2022.



F&NHB was included in the **FTSE4Good Bursa Malaysia index** and newly introduced **FTSE4Good Bursa Malaysia Shariah index**.



# Better Business: Responsible Business Fundamentals

F&N recognises the scale of the impact our business has on the societies and environments in which we operate. It is our responsibility as a prominent food and beverage organisation in Southeast Asia, to make informed decisions by weighing social, environmental, and financial value creation impacts.

**We strive to be a regional leader in Better Business by embedding Responsible Business Fundamentals in the way we do business, including:**

## Responsible Business Practice

- Governance and Ethics
- Policy and Regulation
- Economic Performance

## Responsible Product Stewardship

- Product Quality and Safety
- Product and Service Labelling
- Innovation

## Responsible Supply Chain

- Supply Chain Stewardship

## Material Topic and Targets for Better Business

### Product Quality and Safety

100% of plants and production processes certified with the FSSC scheme 22000 and Halal Standard (or equivalent) by 2025

### Innovation

10% product innovation for commercialised F&N products by 2025

### Supply Chain Stewardship

100% of active key suppliers accept and comply with F&N's Supplier Code of Practice by 2025

## Contributing to SDGs

### Primary



### Secondary



# Responsible Business Practice

Our business is built on the foundation of upholding responsible business practices. We communicate our robust governance policies and standards of ethical behaviour transparently, to maintain trust with our stakeholders. These practices flow into every part of F&N, including our financial performance, risk management, and our interactions with suppliers and customers.

In this chapter, we elaborate on how we support responsible business practices in the organisation:

- Governance and Ethics
- Policy and Regulation
- Economic Performance

## GOVERNANCE AND ETHICS

GRI Index: GRI 2-9, GRI 2-12, GRI 2-13, GRI 2-14, GRI 2-15, GRI 2-16, GRI 205-3

### SDG



ESG issues are incorporated in the formulation of F&N's business strategy. As part of the Board's Conduct of Affairs, the Board "considers sustainability issues such as environmental and social factors as part of its strategic formulation". Hence, F&N's long-term business direction is ensured by the Board to be guided by sustainability principles. They have an ultimate oversight of all sustainability issues.

As a Board level committee, the F&N SRMC is responsible for steering the Group's on-going sustainability efforts. This committee ensures sustainability risks and opportunities are considered at the highest level of F&N by providing strong support to the management team. The SRMC has the responsibility to approve all strategic initiatives and policies related to sustainability in F&N.

The F&N SDC supports the overall direction of the SRMC by monitoring and reporting the progress of F&N's sustainability projects. The SDC is supported by the Sustainability Development Working Team which consists of cross-functional representatives who take on various roles. They monitor the performance of designated goals, drive initiatives at an operational level, and gather data for reporting. In FY2022, the SRMC and SDC convened on sustainability matters three times.

As part of the Board's Conduct of Affairs, the Board "considers sustainability issues such as environmental and social factors as part of its strategic formulation".



### Sustainability Development Committee

#### Hui Choon Kit (Chairman)

Chief Executive Officer, F&N

#### Lim Yew Hoe

Chief Executive Officer, F&NHB

#### Siew Peng Yim

Chief Executive Officer, Times Publishing Group

#### Christopher Leong

Director, Group Finance, F&N

#### Josephine Woo\*

Senior Director, Group Human Capital, F&N

#### Lai Kah Shen

Director, Non-Alcoholic Beverages Finance, F&N

#### Dr Yap Peng Kang\*

Senior Director, Manufacturing and Corporate R&D, F&N

#### Jennifer See

Managing Director, Singapore and YFI Malaysia, FNFS

#### Waradej Patpitak\*

Director, Manufacturing & Supply Chain, F&NDT

#### Celine Tan\*

Director, Marketing (Beverages), F&N

\* Pillar Heads in the Sustainability Development Working Team

## APPROACH

### Risk Management

Risk appetite and risk tolerance statements are reviewed by the SRMC and approved by the Board annually. Meanwhile, each business division has a dedicated risk coordinator to conduct risk analyses with management. The risk coordinators will be responsible to compile and submit the report to the division heads as well as to conduct briefings on risk policies and practices.

Risks are identified as part of Enterprise Risk Management ("ERM") process by management who assesses the likelihood of risk occurrence and potential impact on business. The outcomes of identified risks are consolidated in a Corporate Risk Scorecard as a reference for the rest of the Group. At the end of the financial year, the Board receives assurance from the CEOs, the chief financial officer, other key management, who are responsible for each of the Group's business divisions, and the Company's Director, Group Finance that the risk management and internal control systems are adequate and effective to address the risks from key material topics identified by the Group.

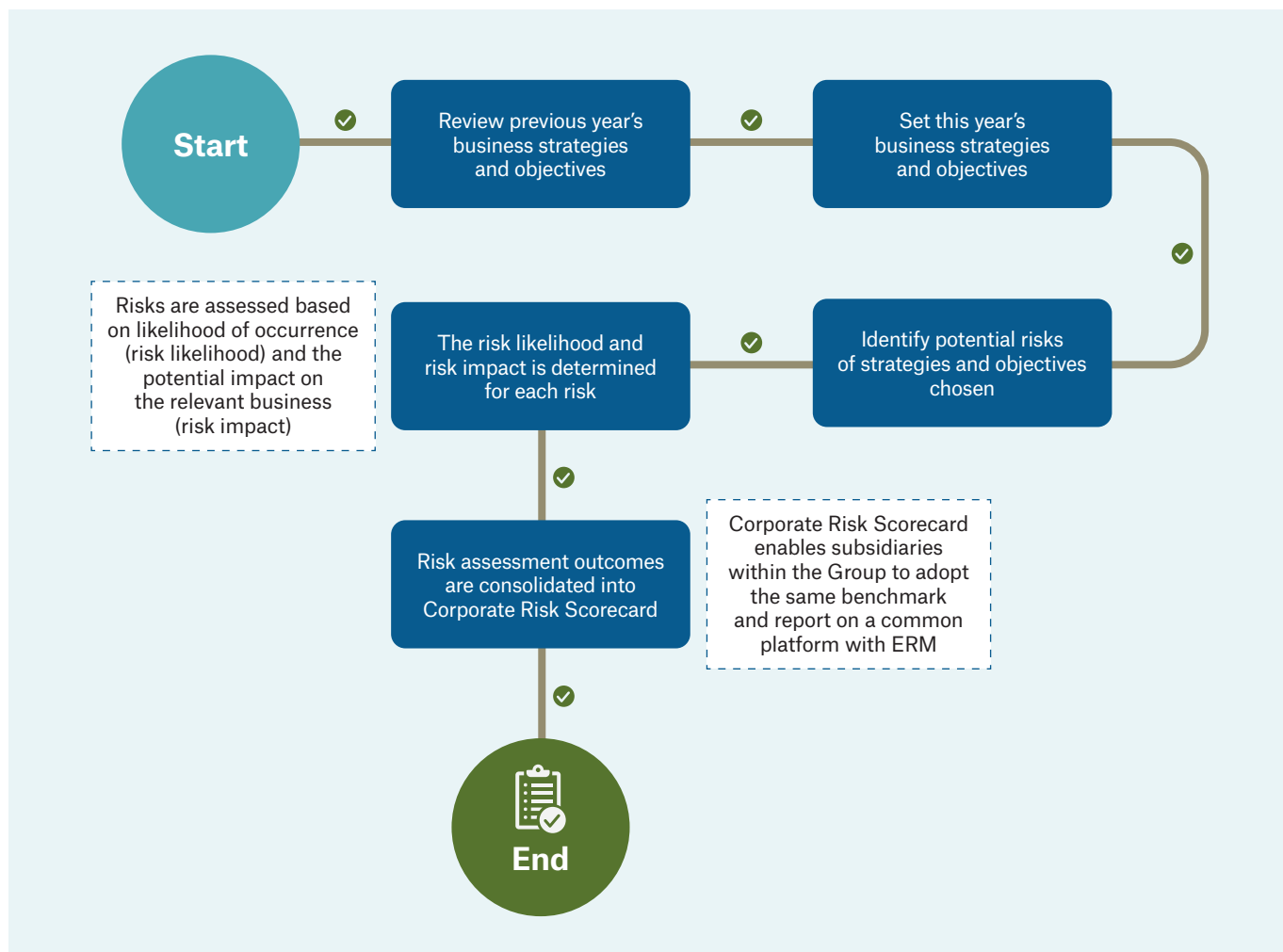
To drive our strategic decisions for the financial year, we have identified the key priorities for sustainability issues, including the related risks and opportunities, and integrated it into our overall risk management framework.

Three perspectives were considered in assessing the sustainability risks:

- Review of risks from external sources. For example, environmental trends, consumer trends, stakeholders' expectations, and legal and regulatory developments;
- Review of potential impact of F&N products have on the environment; and
- Review of new and emerging risks from external sources as well as within the organisation.

Some of the examples of key sustainability-related risks F&N has identified:

- Increasing awareness of sugar consumption among consumers
- Plastic usage and its impact on health and the environment
- Supply chain management
- Talent management
- Product quality and safety
- Human rights
- Climate Change





# Responsible Business Practice

## CORPORATE GOVERNANCE

F&N's governance system is supported by policies and frameworks to ensure relevant controls and processes are in place. The Group supports the UN Guiding Principles on Business and Human Rights, International Labour Organisation ("ILO") guidelines, Thailand's Labour Protection Act and Malaysia Employment Act 1955, and has covered these guidelines and legal requirements in our internal policies.

### List of policies

- Anti-Bribery Policy
- Human Rights Policy
- Supplier Code of Practice
- Code of Business Conduct
- Personal Data Protection Policy
- Whistle-Blowing Policy
- Workplace Safety, Health & Security Policy

### Violations of any codes can be reported through any of these mechanisms:

1. Email to [fnlwhistleblowing@fngroup.com.sg](mailto:fnlwhistleblowing@fngroup.com.sg)
2. Contact us at +65 6273 6789
3. Any reporting mechanism provided in existing F&N policies

The F&N Code of Business Conduct states the principles upheld by F&N, which are related to integrity, respect, and excellence. This Code is communicated to our employees and is made available on our intranet. To disclose possible conflicts of interest with F&N, an annual acknowledgement and declaration by employees is required.

F&N executives went through training on risk management, ESG, anti-bribery, whistleblowing, and business ethics. The Board sets good principles of ethics and values for the Group, ensures proper accountability within the Group, and seeks to ensure that obligations to shareholders and other stakeholders are understood and met. In FY2022, there were no substantiated bribery and corruption cases.



## POLICY AND REGULATION

GRI Index: GRI 2-23, GRI 2-24, GRI 2-26, GRI 2-27

### SDG



F&N places a high importance on regulatory compliance across our operations and engages with policymakers in a responsible and transparent manner.

Ensuring halal compliance and maintaining halal integrity is of utmost importance in Malaysia, a pre-dominantly Muslim country. It is F&N's imperative to ensure strict adherence and implementation of halal standards throughout our operations, and even the supply chain, to provide confidence to our Muslim consumers.

### APPROACH

#### Halal Policy

Halal integrity is maintained throughout F&N's supply chain, including our distributors and retailers, to meet the needs and provide confidence to our local and global Muslim consumers. F&N scrutinises the handling process of our ingredients in our operations and supply chain to prevent mixing non-halal ingredients with the halal ingredients.

F&NHB has adopted a 2-tier halal management structure to drive halal development at the Group level:

- F&NHB established a Group Halal Council in 2016 to determine policies and strategies, with the support of the Halal Affairs Department in implementation.
- Each of its manufacturing facilities has an internal Halal Committee that is responsible for all matters pertaining to Halal compliance in the supply chain; from the procurement of ingredients and raw materials, management of manufacturing facilities and personnel involved in production processes, to the storage, warehousing, and transportation of our products.

F&N is awarded with product halal certifications by complying to halal audit requirements by regulatory authorities such as the Department of Islamic Development Malaysia (JAKIM) and other relevant Islamic certification authorities, such as MUI, CICOT, MUIS and adherence to Good Halal Manufacturing Practices.

The F&N Code of Business Conduct states the principles upheld by F&N, which are related to integrity, respect, and excellence.



## Halal Standards

- F&NHB's products are halal certified by JAKIM and other relevant authorised Islamic certification bodies, in accordance with the Halalan Toyyiban standards and the Islamic Shariah Law requirements.
- F&NHB contributes to developing halal-related standards with the Federation of Malaysian Manufacturers ("FMM") and JAKIM through trade associations, such as the Sertu standards and Malaysian Standard 1514 Good Manufacturing Practice (GMP for food).
- F&N commits to adhering with the halal standards and requirements by strengthening our employees' awareness and understanding through the following initiatives:
  - Regular halal awareness training programme.
  - Auditing our distributors and training transporters to actively ensure the downstream of our supply chain is halal compliant.
  - Perform Sertu (ritual cleansing) on our second-hand machines brought into our factories.
  - Strictly prohibit non-halal food/drinks within factory premises, including the office and canteen.

## PERFORMANCE

F&N is an apolitical company and does not contribute in any way to any political party or activity.

We are an active member of various trade associations such as FMM, Thai Chamber of Commerce, Federation of Thai Industry and Thai Dairy Industry Association.

## Policy and Regulatory Body Engagements

- Business Continuity during COVID-19**  
To adapt our business operations to the COVID-19 restrictions, F&N worked closely with relevant regulatory bodies – like the Ministry of Health and Ministry of International Trade and Industry in Malaysia, to ensure business continuity. F&NHB obtained relevant approvals for maintaining operations during the lockdown in Malaysia and secured maximum output while subjected to reduced production hours and workforce, as stipulated by the authorities.
- Product and Service Labelling**  
We ensure that our marketing and advertising activities do not violate any ethical standards. F&NHB adheres to the Malaysian Code of Advertising Practice in Malaysia and the Consumer Protection Act of B.E. 2522 (1979) in Thailand. In Malaysia, F&NHB is a signatory to the 'Responsible Advertising to Children' initiative and have pledged to restrict marketing to children under 12 years of age.

F&N places a high importance on regulatory compliance across our operations and engages with policymakers in a responsible and transparent manner.



## Quality Management

We adhere to all health and safety regulations applicable to the F&B industry for the markets in which we operate. All F&N products are manufactured under stringent international quality and food safety standards; our production processes at every stage are subjected to rigorous quality control procedures.

## Nutrition

F&N has collaborated with authorities like Singapore's Health Promotion Board, Singapore Food Agency, Ministry of Health, and FMM to adhere to food safety regulations.

## Employee Safety, Health and Well-being

Safety is integrated across our operations through the implementation of Environmental, Safety and Health ("ESH") systems and monitoring processes. Our adhesion to international standards – ISO 14001 and ISO 45001 for our major sites, demonstrates our commitment to extend our safety practices beyond compliance with national regulations. All employees, workers and activities are covered by our ESH systems, and all workers receive adequate training and safety equipment as appropriate.

## Environmental Compliance and Management

The F&B manufacturing process involves the generation of liquid (effluent) and solid wastes. We strive to improve our solid waste management by identifying key waste streams that we can recycle and reduce waste from.

Our ESH Policy and adherence to the circular economy principles provides waste management guidance to F&N – e.g. the quality of our effluent discharges.

We apply strict standards to our waste management and continuously explore alternative uses for 'waste' from our operations.

## New SGX Sustainability Reporting Guidelines

SGX had updated the Sustainability Reporting guidelines to also mandate listed companies to subject

- Sustainability reporting process to internal review by the internal audit function; and
- All Board directors to undergo sustainability training.

To comply with the new requirements, F&N would commence the internal review of sustainability reporting by including it in the FY2023 Group Internal Audit Plan and also schedule sustainability trainings for the Board of Directors.



# Responsible Business Practice

## ECONOMIC PERFORMANCE

GRI Index: GRI 201-1

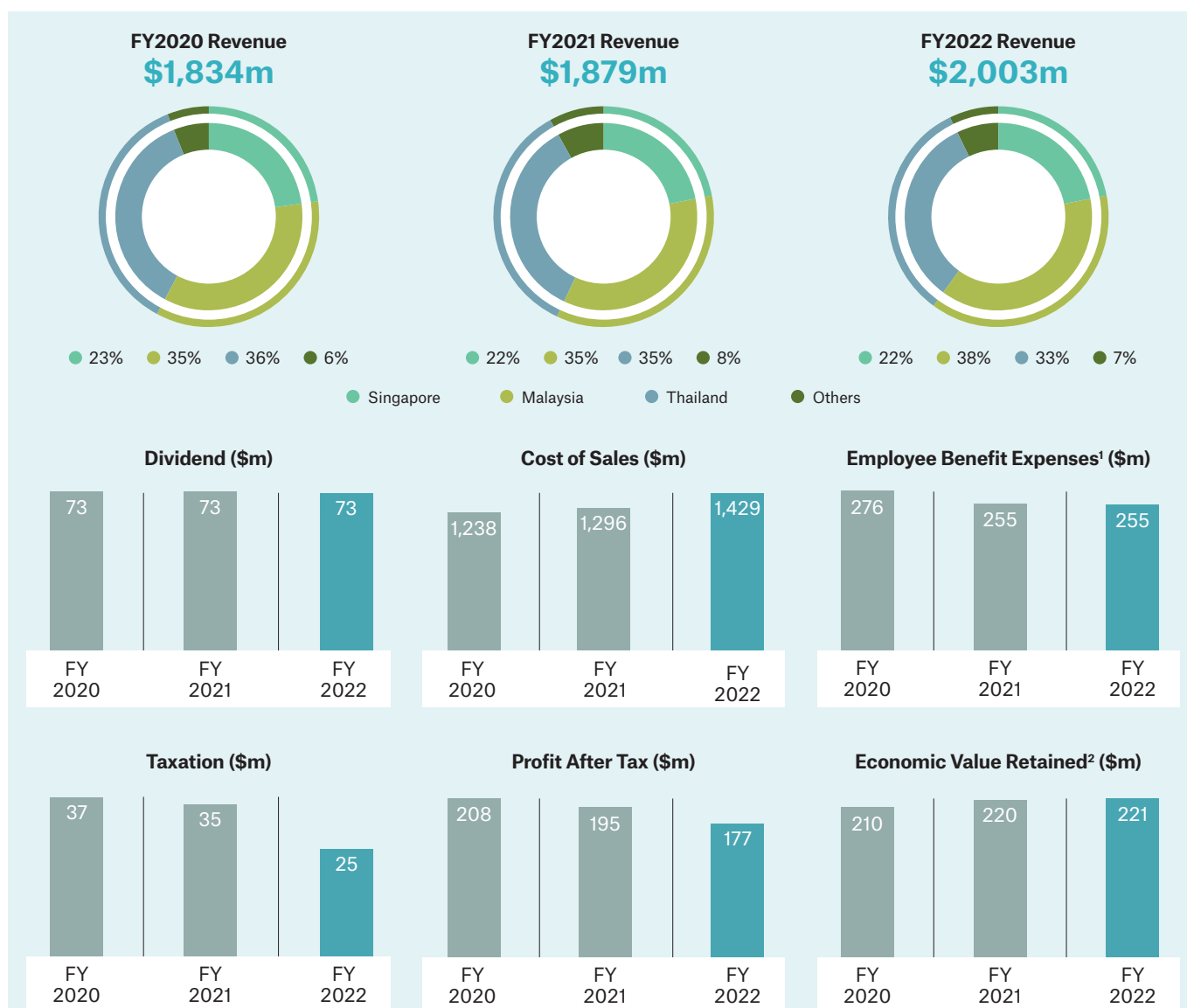
F&N's business success is based upon long-term value creation for our stakeholders. This is achieved by maintaining leadership in our core markets, leveraging innovative technologies, engaging our employees' expertise to meet consumers' evolving demands, and to enter new markets. Our economic performance provides us with a firm foundation to continue delivering the products our customers love.

The F&N Business Model is explained in detail on page pages 14 and 15 of this Report. F&N's economic performance depends upon six capitals – Financial, Manufactured, Intellectual, Human, Social and Relation, and Natural. Our sustainability initiatives support F&N's abilities to create financial value.

Our full economic performance can be found in our audited financial statements, as part of our FY2022 Annual Report:

- Group Financial Highlights, pages 10 to 11
- Group Financial Statements, pages 98 to 105

### PERFORMANCE



#### Notes:

- 1 Employee Benefit Expenses comprise Staff Costs, Employee Shared Based Expenses Defined Contribution Plans and Defined Benefit Plans
- 2 Economic value retained = Direct economic value generated (Revenue) less Economic value distributed (Cost of Sales, Employee Benefit Expenses, Taxation, Dividend). Community investments are not included

# Responsible Product Stewardship

Our philosophy 'Pure Enjoyment. Pure Goodness' is our commitment to consumers to deliver good quality products that adhere to safety standards. Putting our customers first in our product stewardship approach, we are committed to provide product information viewed as important by our customers. We also continuously innovate to meet the changing needs and wants of our customers.

In this chapter, we elaborate on how responsible business practices are ensured:

- Product Quality and Safety
- Product and Service Labelling
- Innovation

## PRODUCT QUALITY AND SAFETY

GRI Index: GRI 416-2

SDG



Product Quality and Safety is a core principle embedded in F&N's culture. Our 138 years of success is built on offering products that have earned the trust, created the satisfaction, and have considered the well-being of our consumers. This requires a holistic approach to quality and safety across our products.

### APPROACH

From boots to boardroom, we promote a culture of good product quality and safety standards. F&N adheres to all health and safety regulations applicable to the F&B industry for the markets we operate in. Our plants are certified with international standards – FSSC 22000, ISO 22000 and HACCP Food Safety management systems, and our production processes at all stages are subjected to rigorous quality control procedures. The F&N SRMC regularly reviews the key risks relating to product quality and safety.

All critical suppliers were audited on food safety regulations and standards, and none were found to be non-compliant this year. We assess a range of quality assurance and food security criteria to safeguard the health of consumers and the safety of workers in our supply chain. Our suppliers are assessed on the basis of: the implementation and monitoring of good manufacturing processes, use of protective clothing, food safety management systems, and chemical management.

**We are committed to good product quality and food safety and have obtained local and international certifications, such as:**

FNFS	F&NHB (including F&NDT)	F&NUL	F&NCM
<ul style="list-style-type: none"> <li>• FSSC 22000 – Food Safety System Certificate</li> <li>• Halal certification</li> </ul>	<ul style="list-style-type: none"> <li>• ISO 22000:2005 0 Food Safety Management System</li> <li>• FSSC 22000 – Food Safety System Certificate</li> <li>• Halal certification</li> <li>• Food Safety According to Hazard Analysis and Critical Control Point (HACCP) System MS 1480:2007</li> <li>• Good Manufacturing Practice</li> </ul>	<ul style="list-style-type: none"> <li>• ISO 22000:2005 0 Food Safety Management System</li> <li>• FSSC 22000 – Food Safety System Certificate</li> <li>• Halal certification</li> </ul>	<ul style="list-style-type: none"> <li>• FSSC 22000 – Food Safety System Certificate</li> <li>• Halal certification</li> <li>• Food Safety According to HACCP System MS 1480:2007</li> <li>• Veterinary Health Mark (VHM) Certification (required for the export of dairy products)</li> </ul>

## Responsible Product Stewardship

Our production facilities follow strict operational procedures to ensure our products are stored and transported in good condition, e.g. appropriate temperature range, lighting and stress on packages.

At F&N, we believe listening and acting on customers' feedback is critical to the customer experience. We provide multiple communication channels for customers to connect with us and share their feedback or enquiries – our product website, email address, or F&N's social media accounts like Facebook and Line. In Singapore, we have a hotline for customers to contact us directly.

### 2025 TARGET

F&N has set a 2025 target to achieve 100% of plants and production processes certified with the FSSC scheme 22000 and Halal Standard (or equivalent). At the end of FY2022, 100% of our plants are certified halal, with 63% certified with FSSC 22000.

We focus our efforts on ensuring high halal standards through a holistic approach – incorporate a high halal standards culture, strengthen internal control, engage private and public stakeholders, and maintain halal communications. In the coming years, we will explore other initiatives to meet this target by 2025. More details can be found in the 'Policy and Regulation' chapter of this Report.

### PERFORMANCE

#### GRI 416-2

All product categories comply with product labelling requirements

- **0 incidents of non-compliance concerning the health and safety impacts of products and services.**

## PRODUCT AND SERVICE LABELLING

GRI Index: GRI 417-1, GRI 417-2

### SDG's



Packaging and labelling are the primary means for F&N to communicate information about our product quality, nutrition, safety, and disposal methods in a transparent manner. It is essential that our labelling is comprehensive, accurate and clear for our consumers to make informed purchasing decisions.

### APPROACH

Our comprehensive processes and controls ensure our labelling adheres to Singapore Food Regulations and to the guidelines set by the Singapore Food Agency. F&N adheres to the Food Act in Malaysia and all requirements of the Food and Drug Administration in Thailand.

All information disclosed on our labels are reviewed regularly by internal experts from Research and Development ("R&D") teams, Scientific & Regulatory Affairs teams, and dieticians, to ensure rigorous quality standards. Labels are then submitted to government authorities for verification and endorsement.

F&N goes beyond mandatory labelling requirements because we believe our customers deserve clarity and transparency in their purchases. Some of such comprehensive information included in our labels are – the Nutrition information panel at the back-of-pack which is not mandated by current regulations, the HCS and Healthier Choice Logo ("HCL") for relevant products in Singapore and Malaysia, respectively, and the energy icon at the front-of-pack for selected products in Malaysia. The Halal logo is also displayed on our Halal certified products for our Muslim consumers to easily identify suitable products that meet their diet requirements.

Our customers are increasingly concerned about the environmental footprint of our products. 100% of F&N products with carton packaging are Forest Stewardship Council ("FSC") certified cartons and labelled as such. FSC cartons are from responsibly managed forests and other controlled sources where new trees replace the ones harvested, through planting or natural regeneration.



We strictly adhere to marketing and advertising policies – the Singapore Code of Advertising Practice, Malaysian Code of Advertising Practice and the Consumer Protection Act of B.E. 2522 (1979) in Thailand. In Malaysia, F&NHB is a signatory to the ‘Responsible Advertising to Children’ initiative and have pledged to restrict marketing to children under 12 years of age. F&NHB adopts the guidelines by the Malaysian Advertisers Association, which pledges to ethical marketing standards, on a voluntary basis. F&N ensures our employees are aware and up to date with our stance on marketing ethics. Existing employees go through an annual training as a refresher course and our new marketing and communication hires participate in marketing ethics training during their new hire orientation.

## PERFORMANCE

### GRI 417-1 (2016)

Requirements for product and service information and labelling

- The sourcing of components of the product or service
- Safe use of the product or service
- Content, particularly with regard to substances that might produce and environmental or social impact
- Disposal of the product and environmental/social impacts
- Others such as Halal logo, Certification on HACCP, Nutritional information

All product categories comply with product labelling requirements

### GRI 417-2 (2016)

Incidents of non-compliance concerning product and service information and labelling

- Throughout our product information, labelling and marketing communications efforts in FY2021, to the best of our knowledge, there was no incident of non-compliance with regulations or voluntary codes resulting in a fine, penalty or warning.

## Other performance

- Our RTD dairy products for the Thailand market have fully complied with the service labelling for Guideline of Daily Amounts (GDA) since April 2021.

## INNOVATION

SDG's



Innovation is central to F&N's long-term business success. It represents a response to growing concerns about social and environmental issues. By investing in product and process innovation, F&N is able to evolve to deliver new and unique product offerings which cater to consumers' changing needs and improve production efficiency. We are further guided by the circular economy principles – to continuously innovate for longer shelf life and improve the recyclability of our product packaging to reduce waste. This year, we achieved 11% of product innovation for commercialised F&N products.

## APPROACH

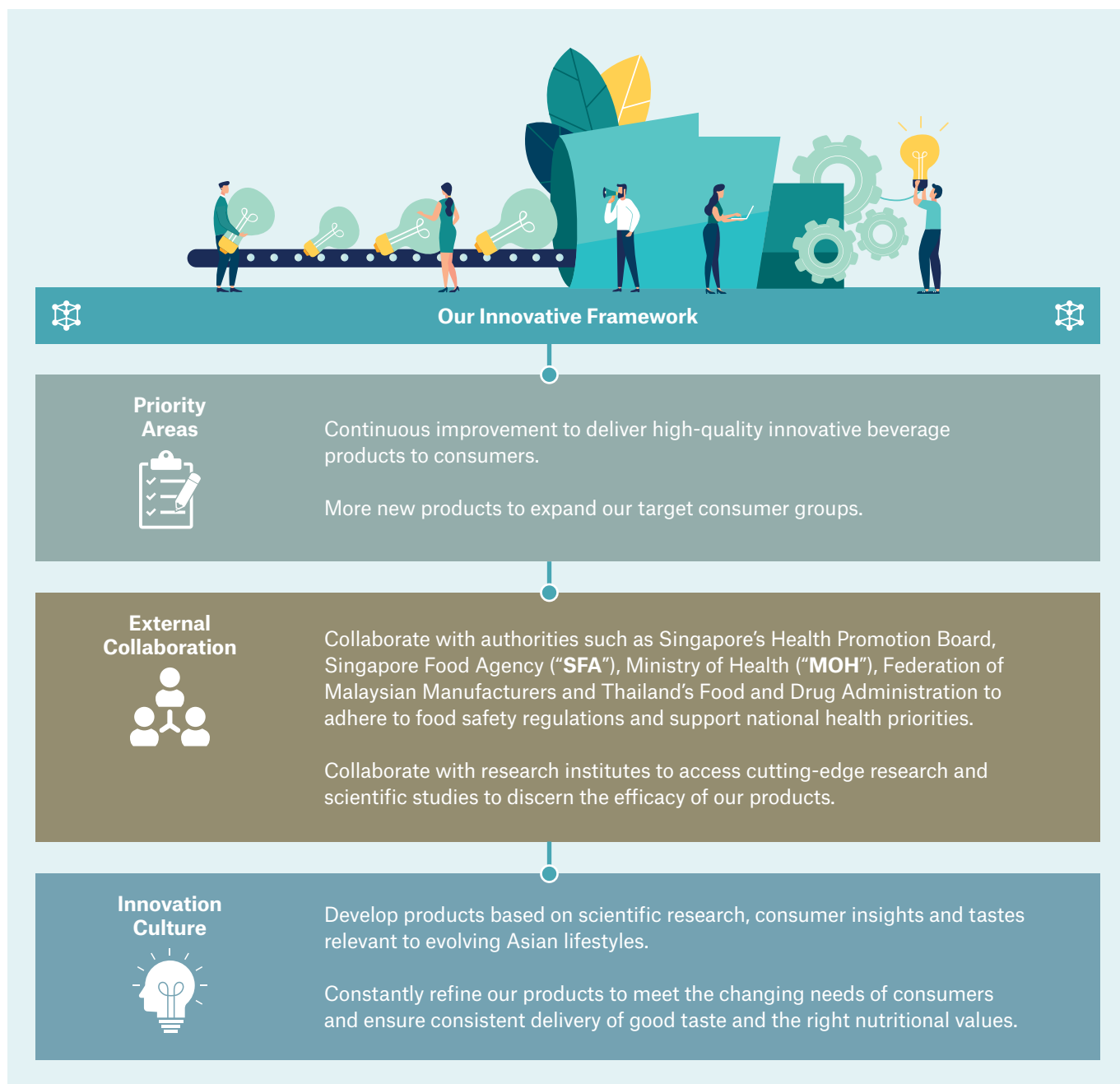
F&N's R&D Unit in Singapore is supported by teams in Malaysia and Thailand. The unit leads efforts for continuous improvements to our product formulas according to changes in consumer preferences and the regulatory environment, while exploring methods to improve our products' functional benefits and shelf life. F&N collaborates with Nanyang Technological University ("NTU") through the F&N-NTU Food & Beverage Innovation Lab in Singapore to foster research that will result in better food packaging and conversions of spent produce from food processing as future valuable resources.



**Innovation is central to F&N's long-term business success. It represents a response to growing concerns about social and environmental issues.**



# Responsible Product Stewardship



## Consumer-Focused Product Innovation:

Meeting consumer's evolving needs through product choice and availability

## Employee-Driven Process Innovation:

Improving our operations to increase resource efficiency, reduce environmental impact and adopt circular economy practices

## Consumer-Focused Product Innovation

Innovation in F&N is guided by changing consumer demands with regards to – Health & Wellness, Convenience, and Sustainability. These concerns are addressed by F&N in the following ways:

**Convenience** – Our consumers can easily order F&N products on e-commerce platforms and have it delivered to them. The F&N flagship online store – F&N Life – was launched in January 2020 in Malaysia and November 2021 in Singapore to allow consumers to order F&N products in

bulk at competitive prices, with delivery to their homes. F&N Life offers product details and nutritional values, recipes, and loyalty programmes.

**Health & Wellness** – Developing healthy and nutritious products that our consumers love. More details can be found in the 'Nutrition' section of this Report.

**Sustainability** – Choosing materials sourced sustainably. More details can be found in the 'Supply Chain Stewardship' section of this Report.

## Innovative beverage and dairy products launched in Singapore, Malaysia and Thailand in FY2022

### SINGAPORE



1. F&N Sparkling Pink Grapefruit\* – 325ml, 1.2L
2. F&N Sparkling Lemonade\* – 325ml, 1.2L
3. F&N SEASONS Ice Lemon Tea Zero Sugar\* – 300ml, 500ml, 1.5L
4. F&N SEASONS Botanicals Lemongrass Ginger\* – 300ml
5. F&N MAGNOLIA Plus Low Fat Hi Calcium Milk with Multigrains\* – 500ml, 1L

6. F&N MAGNOLIA Plus High Protein Milk Vanilla\* – 325ml
7. F&N MAGNOLIA Plus High Protein Milk Chocolate\* – 325ml
8. F&N MAGNOLIA Hazelnut Chocolate Milk\* – 475ml, 946ml
9. F&N NUTRISOY Fresh Soya Milk with Real Purple Rice\* – 1L
10. F&N SEASONS Botanicals Hibiscus\* – 300ml

\* HCS / HCL certified beverage/dairy products

^ New packaging format

# Responsible Product Stewardship

Innovative beverage and dairy products launched in Singapore, Malaysia and Thailand in FY2022 (cont'd)

## MALAYSIA



1. F&N 25% Reduced Sugar Sweetened Creamer – 380g
2. F&N SEASONS Soya Rose – 1L
3. F&N MAGNOLIA Pasteurised Full Cream Milk\* – 1L
4. F&N Teh Tarik Original^ – 240ml
5. F&N Teh Tarik Less Sweet^ – 240ml

## THAILAND



1. F&N MAGNOLIA UHT Milk Plain\* – 180ml
2. F&N MAGNOLIA UHT Milk Chocolate – 180ml
3. TEAPOT Purple Sweet Potato Sweetened Condensed Milk Tube – 150g
4. TEAPOT Low Fat 25% Less Sucrose Sweetened Condensed Milk Tube – 170g
5. F&N MAGNOLIA Plus Vitamin ACD Blackcurrent – 180ml
6. F&N MAGNOLIA Plus Vitamin ACD Brown Sugar – 180ml
7. TEAPOT Evaporated Milk Product for Cooking and Bakery – 385g
8. TEAPOT Extra Prisma Brik – 1L
9. TEAPOT Sweetened Evaporated Milk (2-in-1) for Beverages Brik – 1L

\* HCS / HCL certified beverage/dairy products

^ New packaging format



## Responsible Supply Chain

### Employee-Driven Process Innovation

At F&N, the two aspects of employee-driven process innovation are:

**Cost and Eco-efficiency** – F&N reviews the current system processes to improve efficiency in our plants through innovation – enabling water savings, reduction in GHG emissions and minimising resource consumption. We leverage on circular economy principles to reuse and recycle wastewater where possible. More details can be found in ‘Energy and Climate Change’ and ‘Water Stewardship’ section of this Report.

**Cultivating an Innovative Mind-set** – We encourage a ground-up empowerment of employees throughout our Business Units by cultivating an innovative culture. This year, our employees had contributed to F&N’s innovation efforts through the flagship Innovation Excellence Day 2022 – a special event to recognise and showcase innovations.

### Innovation Excellence Day 2022

The Innovation Excellence Day 2022 exhibition was held at the F&NDT Rojana factory in Aug 2022 with the objective to drive innovation for continued excellence and to encourage our employees to participate in more innovative projects. Awards were presented by Mitr Phol Group and SCG Packaging, two of F&N’s successful business partner, to the F&NDT innovation team to recognise their value-creating innovations for sustainable corporate growth.

The Innovation Excellence Day allowed our employees to learn and shared values through the showcase of successful innovation solutions and has also generated savings of over THB 30 mil (about SGD 1.2 mil) in addition to continuous improvements through innovation projects.



Collaborating with upstream value chain partners is key to mitigating supply chain risks. More importantly, working with suppliers help drive efficiencies and provide better insights into our supply chain, thereby amplifying our operational strengths, allowing identification of areas for improvement and forming a resilient and robust supply chain, which is essential for business success.

In the following chapter, we elaborate on how F&N engages and works with suppliers to reduce environmental and social impacts of our products.



# Responsible Supply Chain

## SUPPLY CHAIN STEWARDSHIP

GRI Index: GRI 204-1, GRI 308-1, GRI 414-1

### SDG's



The Russia-Ukraine war has resulted in global supply chain disruptions. Other key supply chain risk factors include changing weather and climate conditions, regulatory changes imposed by the government, human rights risks – poor working conditions, and forced and child labour. Having a resilient and sustainable supply chain enables us to manage the cost of raw materials and ensure it is sustainably sourced as they have direct impact on F&N operations and the bottom line of the business.

### APPROACH

As a market-leading F&B company, we constantly work with the counterparts of our supply chain, including business partners, suppliers and vendors, to understand their needs, and deliver mutually sustainable solutions that create long lasting value. We encourage our stakeholders to improve their sustainability performance throughout the supply chain, where applicable, and lead by example.

The cornerstones to our Supply Chain Stewardship are as follows:

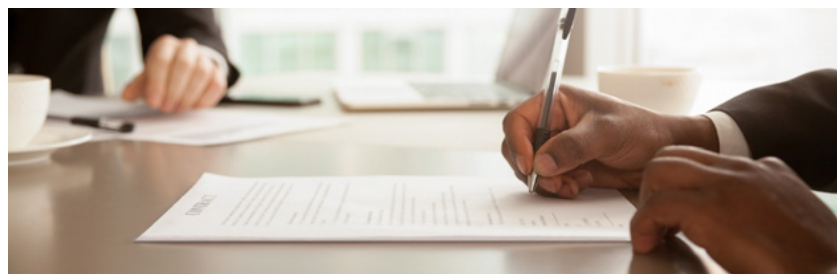
- Sustainable Sourcing
- Sustainable Supply Chain Policies
- Supplier Management
  - Identify Risks: Screening and Critical Suppliers Identification
  - Manage Risks: Supplier Capacity Building and Partnerships
  - Monitor Risks: Monitoring, Auditing and Corrective Action Planning

### 2025 TARGET

- 100% of active key suppliers accept and comply with F&N's SCOP by 2025.
  - As at September 2022, 95% of key active suppliers have accepted and complied with F&N's SCOP

### PERFORMANCE

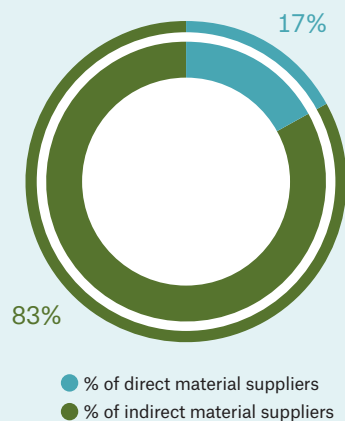
<b>GRI 204-1</b> Proportion of spending on local suppliers	<ul style="list-style-type: none"> <li>• F&amp;N works with about 92% local suppliers where possible, representing almost 66% of our purchase value expenditures.</li> </ul> <p><b>Note:</b></p> <p><sup>1</sup> Local suppliers refer to suppliers who conduct their businesses within the respective countries where F&amp;N's operations (as covered in this Report) are based, namely Singapore, Malaysia and Thailand.</p>
<b>GRI 308-1</b> New suppliers that were screened using environmental criteria	<ul style="list-style-type: none"> <li>• Over the year, a total of over 950 suppliers were screened using the environmental criteria.</li> </ul>
<b>GRI 414-1</b> New suppliers that were screened using social criteria	<ul style="list-style-type: none"> <li>• Over the year, a total of over 950 suppliers were screened using the social criteria.</li> </ul>



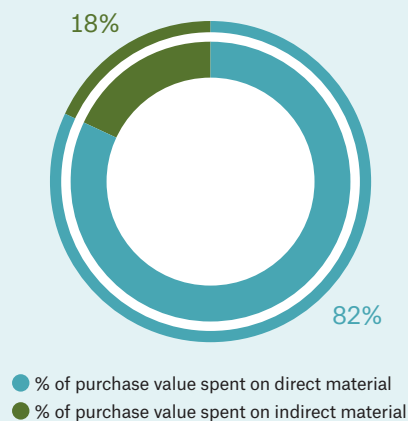
As at September 2022, 95% of key active suppliers have accepted and complied with F&N's SCOP.



### Group Suppliers by Supplier Category



### Proportion of Spending on Materials



#### Notes:

- 1 Direct suppliers refer to suppliers who supply materials that are related to the production of finished goods.
- 2 Indirect suppliers refer to suppliers who supply materials that are not related to the production of finished goods.

### INITIATIVES



#### Sustainable Sourcing

As a F&B business, we are dependent on the supply of raw materials for production operations. We aim to source raw materials certified with eco-credentials, including RSPO and FSC, whenever possible, as part of our sustainable supply chain strategy.



#### Sustainable Palm Oil

Palm oil is a widely used raw material in F&B products and is one of the raw materials in our supply chain. Irresponsible palm oil cultivation has caused — and continues to cause — significant environmental and social damage. As such F&N understands the importance of our actions and business practices on the support for sustainable palm oil production.

F&N became an ordinary member of the RSPO in August 2017 to reiterate our support for the use of CSPO in products. Currently, 100% of palm oil used at F&N is RSPO certified. 23% of the RSPO CSPO is physical<sup>3</sup> while 77% is offset by RSPO credits.



#### Sustainable Paper

Paper is an essential component in F&N's printing operations, we understand the importance of sourcing paper sustainably and supporting sustainable forest management.

Times Publishing Group, our subsidiary firm, is certified with Programme for the Endorsement of Forest Certification ("PEFC") Chain of Custody. The PEFC Chain of Custody certification tracks forest-based products from sustainable sources to the finished product. Each step of the supply chain is closely monitored through independent auditing to ensure that unsustainable sources are excluded. This is an ongoing initiative since 2009.

Our beverage and dairy paper carton packaging carries the FSC certification, ensuring that the paper products used to produce them comes from responsibly managed forests that provide environmental, social and economic benefits.

<sup>3</sup> As calculated by calendar year in alignment with the RSPO Annual Communication of Progress.

# Responsible Supply Chain

## Policies

F&N supports the UN Guiding Principles on Business and Human Rights and F&NHB is a member of the Supplier Ethical Data Exchange. The 2025 target is to ensure that suppliers are compliant with the F&N SCOP. By the end of FY2022, 95% are compliant with the F&N SCOP.

Our SCOP includes the following requirements: business ethics<sup>4</sup>, whistle blowing, communications, competitors, environmental management, human rights, and occupational health and safety. Suppliers are expected to treat their employees equally, with respect and dignity, in accordance with the ILO standards and applicable labour laws under the SCOP. This covers child and compulsory labour, equality, human capital development, layoff practices, wages and benefits, and working hours.

## Supplier Management – Identify Risks

High or variable costs and uncertain availability of raw materials pose commercial risks to F&N. To mitigate these risks, especially key risks, we established a BCP to proactively ensure product supply.

## Screening

F&N has a systematic screening process for all new suppliers on environmental and social criteria. These criteria reflect the commitments towards the environment (such as reducing waste, pollution and water usage) and society (including human rights and labour practices).

Suppliers are assessed annually to verify if they have:

1. Implemented an environmental policy
2. Undertaken audits to monitor environmental performance and compliance
3. Maintain an ISO14001 compliant Environmental

During the pre-qualification screening of suppliers, we assess our suppliers on delivery capacity, technical capabilities, ESG company policies and certifications.

## Critical Suppliers Identification

Critical suppliers are active direct (tier 1) material suppliers with a sales value greater than MYR 1 million per annum (for F&NHB suppliers) and/or irreplaceable suppliers. Direct material suppliers are those who supply packaging materials, raw ingredients and auxiliary materials. Irreplaceable suppliers are single-source suppliers. We conduct a vendor performance evaluation for critical suppliers annually and consider their sustainability performance.

**Our SCOP includes the following requirements: business ethics<sup>4</sup>, whistle blowing, communications, competitors, environmental management, human rights, and occupational health and safety.**



## Supplier Capacity Building and Partnerships

In the past year, we have engaged with over 3,800 global and local suppliers across our supply chain, including manufacturers, wholesalers, retailers, importers/merchants, contractors and professional service providers. A successful case study on our supplier capacity building and partnership programme is the Farming Excellence System in Thailand.

## Farming Excellence System – Thailand

Since 2013, F&N has been collaborating with local Thailand-based farmers in cooperatives that supply F&N with fresh milk. The capacity building and partnership efforts of the 'Farming Excellence System' initiative encompasses over 2,000 farmers.

Supplier engagement at F&N takes a ground-up and collaborative approach. For instance, understanding the challenges brought about by weather and climate change from the dairy farmers, F&N installed a large water storage tank that can supply 1.68 million litres of water every month for up to 180 households across communities in Chaiyaphum Province. This reduces the need to travel long distances to access reservoirs and water resources, especially during times of droughts, and increases water security. Through providing sufficient water supply for up to 24 farms, consisting of over 950 cattle, which effectively minimises disruptions from droughts and ensure farmers can continue their farming operations sustainably, the resiliency of F&N's supply chain is enhanced.

## Supplier Management – Monitor Risks

### Monitoring, Auditing and Corrective Action Planning

The Group works closely with our suppliers and conducts regular audits to ensure standards and practices for food safety and the environment are maintained throughout the value chain. Non-compliant or underperforming suppliers must demonstrate their commitment to taking necessary corrective actions within a predefined period, or risk having contracts terminated.

F&N is exploring the update of the evaluation checklist to include additional ESG criteria, such as corporate governance and human rights.



4 Antitrust, business gift, legal compliance, confidentiality and conflict of interest.





## Better Society: Well-Being Of Our People, Communities And Societies

F&N's successes over the last 139 years were made possible through the commitment of our people, the contributions of our consumers, and the support of communities in which we operate. Continuing to build collaborative relationships with these stakeholders is crucial to us.

We do so by offering a strong portfolio of good quality and nutritious products for consumers, providing vulnerable groups with the support they need, empowering our employees by providing tools for long-term growth and rewarding work environments, and respecting the human rights of all stakeholders.

This section elaborates on our approach in promoting the well-being of our key stakeholders, including:

- Nutrition
- Community Development and Inclusive Growth
- Human Rights
- Human Capital Development
- Employee Safety, Health and Well-being

### Material Topic and Targets for Better Society

#### Nutrition

67% of beverage and dairy products (based on formulation), excluding canned milk and cordials, comply with the Nutritional Guidelines by 2025

#### Community Development and Inclusive Growth

10% increase in the number of annual community programmes F&N provides (from a 2020 baseline) by 2025

#### Human Capital Development

Provide an average of at least 18 hours of training to Executives and 11 hours of training to Non-executives by 2025

#### Employee Safety, Health and Well-being

Reduce the LTIFR to 0

### Contributing to SDGs

#### Primary



#### Secondary



## Creating Value for Society

F&N believes that as a corporate citizen, valued should be created for our consumers, and the communities in our operational markets. As an industry leader in the F&B sector, it is only sensible to create value for society through the introduction of healthy products for our consumers, supporting local communities and advocating for human rights. Our efforts are further elaborated in the following sections:

- Nutrition
- Community Development and Inclusive Growth
- Human Rights

### NUTRITION

GRI Index: GRI 416-1, GRI 416-2

#### SDG's



Improving consumers' health is F&N's top priority. Our philosophy of 'Pure Enjoyment. Pure Goodness' is our commitment to consumers to deliver tasty and good quality products packed with nutritional goodness. Together with promoting an active lifestyle, F&N aims to offer products that satisfy our consumers and enhance their health and well-being.

Consumer F&B trends across the world are shifting. "Quality" is redefined by consumers to focus on affordable nutritious products. Yet many see cost as a barrier to improving their diet and health. This drives F&N to constantly reinvent, reformulate, and release new and improved products annually by focusing on reducing the sugar level of our beverages and fortifying the key nutrients in our products, to expand the availability of affordable nutritional beverages.

The F&N Nutrition Charter outlines our commitment to developing products that are healthy for consumers and guides us through our product development.

### APPROACH

Our increasing health and nutrition ambition focuses on:

- Reducing sugar levels
- Catering to consumers with diverse dietary needs

F&N's product development team continues to expand the health and nutrition profile of our portfolio. It is important for F&N to provide products with healthier option that do not compromise on our consumers' enjoyment. More details on the new products can be found in the 'Innovation' chapter of this Report.

F&N has also established an internal advisory panel on Health & Nutrition, through the Scientific and Regulatory Affairs department, a special unit under the purview of the Group R&D Department. This special unit focuses on health and nutrition and works closely with relevant regulators in setting the nutrition policy and leading local industry players in shaping future beverages regulation.



Led by our brand promise of 'Pure Enjoyment. Pure Goodness' to consumers - to deliver products which are not only great-tasting but also packed with nutritional goodness



To develop products based on proven scientific evidence and research, and consumer insights and tastes relevant to evolving Asian lifestyles



To actively self-regulate and ensure accountability via strong corporate governance



To provide safe, high-quality and affordable products to all our consumers



To innovate and constantly refine our products to meet the changing needs of all our consumers and ensure consistent delivery of good taste and the right nutritional values





## 2025 TARGET

67% of beverage (excluding cordials) and dairy (excluding canned milk) products (based on formulation) in compliance with Nutritional Guidelines.

- In 2022, 68% of beverage (excluding cordials) and dairy (excluding canned milk) products (based on formulation) are in compliance with Nutritional Guidelines.

## PERFORMANCE

### GRI 416-1 (2016)

Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.

- 93% of significant product categories for which health and safety impacts are assessed for improvement

### GRI 416-2 (2016)

Incidents of non-compliance concerning the health and safety impacts of products and services

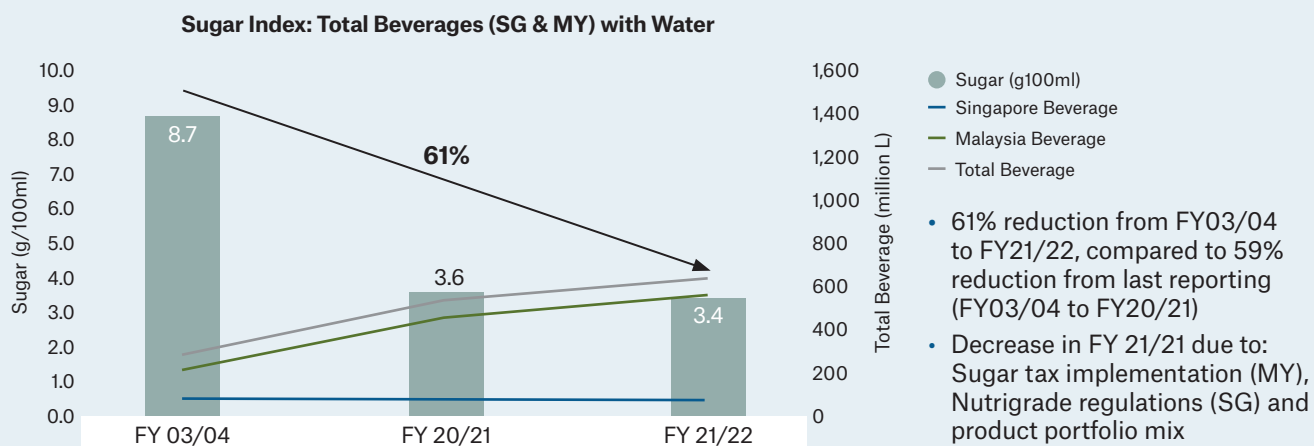
- In FY2022, we maintained our health and safety standards with no significant incidents of non-compliance with regulations resulting in fine, penalty or warning.

## INITIATIVES



### Reducing Sugar Content

Over 68% of our RTD products portfolio this year are certified HCS/HCL. Since 2004, F&N has taken deliberate steps in reducing the sugar content of our RTD products. We have achieved a further reduction of 2% in the sugar index (grams of sugar content per 100ml) across our range of RTD beverage products, in Singapore and Malaysia, as compared to last year.



### Catering to consumers with dietary restrictions and preferences

F&N provides alternative, and healthier options for consumers with food intolerances, such as lactose free milk. Lactose free milk is available in Singapore and Thailand, and F&N plans to expand this offering to Malaysia.

F&N increased its products certified with HCS/HCL, from around 50 in FY2020 to over 140 in FY2022, to cater to the increasing preference for healthier products from consumers.

# Creating Value for Society

## COMMUNITY DEVELOPMENT AND INCLUSIVE GROWTH

GRI Index: GRI 413-1

### SDG's



F&N recognises that the scale of our operations in the region goes beyond impacting our consumers. We connect and support local communities by maintaining positive relationships and strengthening them between different cultures to promote social inclusion.

### APPROACH AND INITIATIVES

In each market F&N operates in, we undertake several short and long-term programmes that serve to create greater social equity. We identified **five areas** to focus our community endeavours:

#### 1. Supporting Flood Relief

The flood in Malaysia at end 2021 was one of their worst in years, covering many parts of Peninsular Malaysia, with Selangor being hit the hardest. Videos posted on social media showed overflowing rivers, landslides, and cars submerged on abandoned streets. This had forced over 22,000 people to leave their homes.

F&NHB had quickly contributed more than 600 cartons of F&N ICE MOUNTAIN drinking water for direct distribution to the flood victims and people in affected areas through non-profit organisations like Red Crescent and Asia Crisis Response Alliance. For employees, they had distributed an estimated RM400,000 (about SGD 120,000) in crisis assistance funds to close to around 220 employees affected by the flood.

#### 2. Strengthening Vulnerable Groups

The Ukraine-Russia war has widespread effects on the global economy, causing significant disruptions in trade and food and fuel price shocks, all of which are contributing to high inflation and subsequent tightening in global financing conditions. This would no doubt have devastating effects on the vulnerable and marginalised groups. The toll from the conflict will further deepen inequality causing a greater global challenge. Our consumers and employees come from all segments of society and the widening inequality of wealth and opportunities undermine the development potential of our communities and also our business.

##### Malaysia: F&NHB International Computer Driving License ("ICDL") Annual Programme for Children

Since 2010, F&NHB has invested a total of RM200,000 (about SGD 60,000) to equip the F&N Information Technology Corners, two at Montfort Boys Town in Shah Alam and one in Montfort Youth Center in Melaka, with the necessary computer equipment, printers, projectors, internet access, as well as funding to conduct the ICDL programme.

To date, 585 children have excelled and graduated with the ICDL certification. Montfort Boys Town records a total of 414 graduates, while Montfort Youth Centre in Melaka records a total of 171 graduates. ICDL is the world's leading computer skills certification, with the course enjoying the participation of more than 16 million people in over 100 countries through 24,000 ICDL Accredited Test Centres worldwide.

##### Singapore: Supporting Vulnerable Groups

F&N supported other initiatives in Singapore:

- Sponsorship of products for charity golf events, such as Singapore Island Country Club May Day Charity 2022, Singapore Institute of Directors Charity Golf 2022 and Halogen Foundation Charity Golf 2022, raising funds for underprivileged sectors
- Collection of food items for distribution to those in need with Food Bank
- Book donations to underprivileged children through Care Corner Singapore, Big Heart Student Care, Southeast Community Development Council, and World Vision Philippines.

#### 3. Promoting Environmental Consciousness

Companies have a critical role to play in minimising our environmental footprint and leading sustainable development in societies. As we continue to move towards a circular economy model in our business, we exchange knowledge with communities and learn from them to better implement our ideas. Establishing partnerships with communities to promote environmental consciousness is our key priority.

##### Malaysia and Thailand: F&NHB School Recycling Program

After a two-year break due to the COVID-19 pandemic, F&NHB again kick-started its annual nationwide School Recycling Programme in Malaysia. Promoting the 5R philosophy, Reduce, Reuse, Recycle, Rethink and Reinvent, this initiative aims to instil good recycling habits in students from kindergartens, to primary and secondary schools.

The Waste Bank and Recycling Project was set up in two local schools in Thailand, approximately THB 150,000 (about SGD 6,000) was spent on improving the waste management infrastructure – setting up recycling stations to renovating waste storage areas. Through these projects students get inculcated with good recycling habits and obtained tangible monetary benefits by selling the recyclables collected.

#### Singapore: Recycle N Save

Recycle N Save is a joint initiative by F&N and the National Environment Agency (“NEA”) of Singapore. To date, the initiative saw the collection of more than 12 million aluminium cans and PET bottles for recycling. More details can be found in the ‘Packaging’ section of this Report on pages 81 to 82.

### 4. Spreading Festive Cheer

Our community development programme regards our F&N brand promise – “Pure Enjoyment. Pure Goodness” by encouraging communities to connect with each other by spreading festive cheers and strengthening relationships between different cultures.

#### Malaysia: F&NHB Celebrates Hari Raya with Underprivileged

F&NHB shared the joys of Hari Raya Aidilfitri with an annual nationwide programme to support over 500 individuals and families from vulnerable communities, totaling over RM 45,000 in contribution distributed. The programme was conducted across States of Malaysia, including Kuala Terengganu, Kota Bahru, Kuantan, Johor Bahru, Seremban, Penang, Perak, Klang Valley, Kota Kinabalu and Kuching, and saw 70 F&N volunteers contributing over 170 hours to the community.

#### Singapore: Distribution of Hari Raya Festive Hampers to underprivileged families

F&N partnered with the Indian Muslim Social Service Association to spread the festive cheer to underprivileged families by donating F&N products – F&N SEASONS Ice Lemon Tea – for including in the festive hampers.

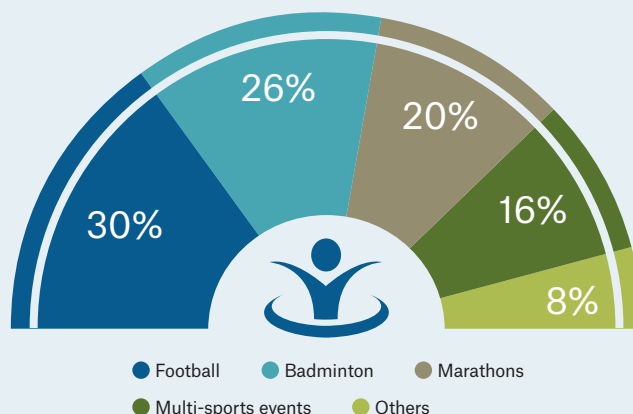
### 5. Promoting Active Lifestyles

F&N's products contribute to the health and wellbeing of our communities. We have a long and proud tradition of promoting active lifestyles in the community, from grassroots developments to elite levels. We believe sports have an important role in all societies and is a powerful tool to support nation-building.

Lowering the barrier of access to sports and encouraging participation among youth is vital because it teaches core values like cooperation and respect, while instilling discipline and confidence within the individual. It is for this reason that 100PLUS is passionate in supporting schools and grassroots sports programmes, especially in football and badminton, to nurture future generations of champions.

#### Long-term Partnerships with Sporting Associations (Grassroots programmes)

F&NHB has been a long-term partner of the Football Association Malaysia, Badminton Association of Malaysia, National Sports Council, and Malaysian Football League by supporting the football and badminton sports programmes through our 100PLUS brand. F&NHB's allocation of investment in sports development is as follows:



#### Advocating for Healthy and Active Lifestyle

F&N continues our commitment to encourage our consumers to lead an active lifestyle by supporting major runs, marathons and sports activities, such as HSBC Women's World Championship 2022, Standard Chartered Kuala Lumpur Marathon and KL Car Free Morning. The initiatives are synonymous with our brand essence to advocate an active lifestyle amongst our consumers.

### 2025 TARGET

10% increase in the number of community programmes F&N provides from 2020 by 2025

- Number of community programmes F&N provided this FY (24 community programmes) remains unchanged from 2020 baseline

### PERFORMANCE

#### GRI 413-1 (2016)

Operations with local community engagement, impact assessments and development programmes

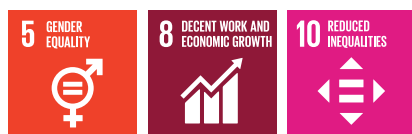
- 100% of our operations have implemented local community engagement, impact assessments and development programmes

# Creating Value for Society

## HUMAN RIGHTS

GRI Index: GRI 2-24, GRI 2-25, GRI 2-30, GRI 3-3

### SDG's



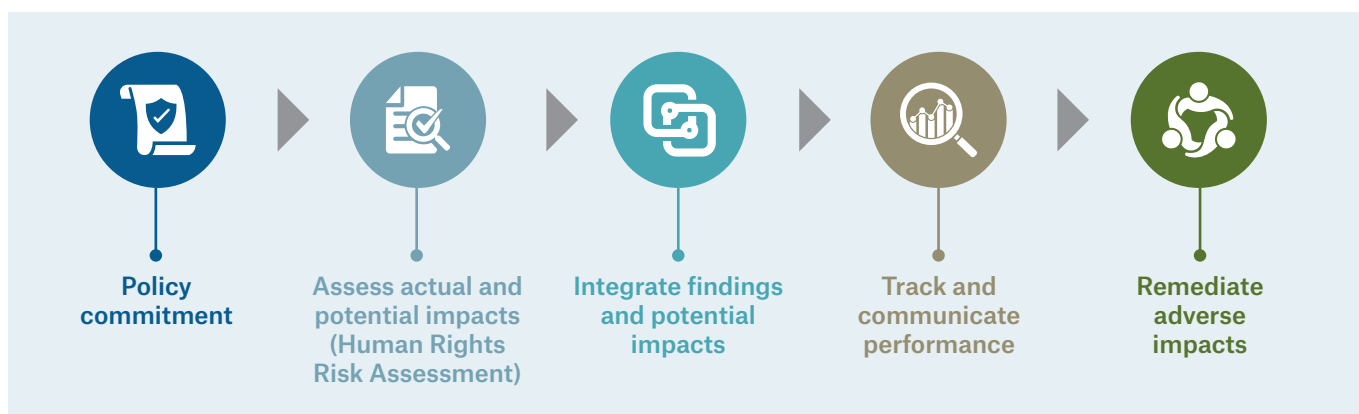
F&N is one of the region's oldest and most established F&B companies. Our success and longevity rely upon our stakeholders – including employees, business partners, suppliers and communities throughout our value chain. It is fundamental for our business to respect and promote the human rights of our stakeholders. We continuously work to improve their health and well-being and treat all our stakeholders with dignity, respect, and fairness.

### APPROACH

#### Human Rights Due Diligence (“HRDD”) Process

F&N is committed to upholding and promoting the human rights of all our stakeholder groups. F&N had conducted a HRDD process for the first time in 2021 to understand actual and potential human rights issues faced by our stakeholder groups.

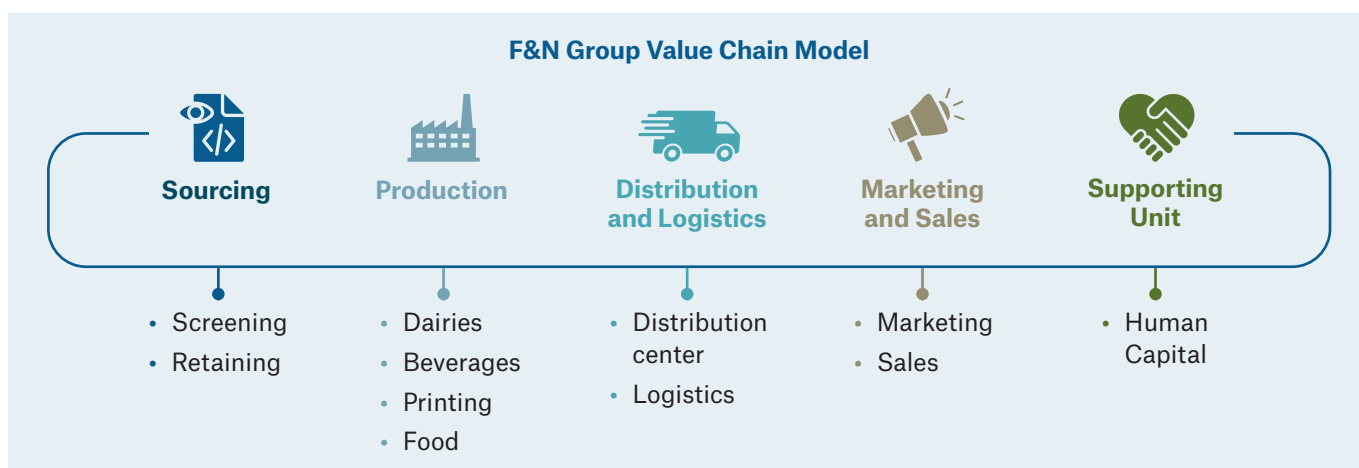
Over 29% of our full-time employees are covered by collective bargaining agreements. While for employees not covered by collective bargaining agreements, F&N adheres to existing local workforce regulations and international safety standards. Additionally, compensation and benefits are reviewed according to prevailing local market rates and practices.



#### Human Rights Risk Assessment (“HRRR”) Process

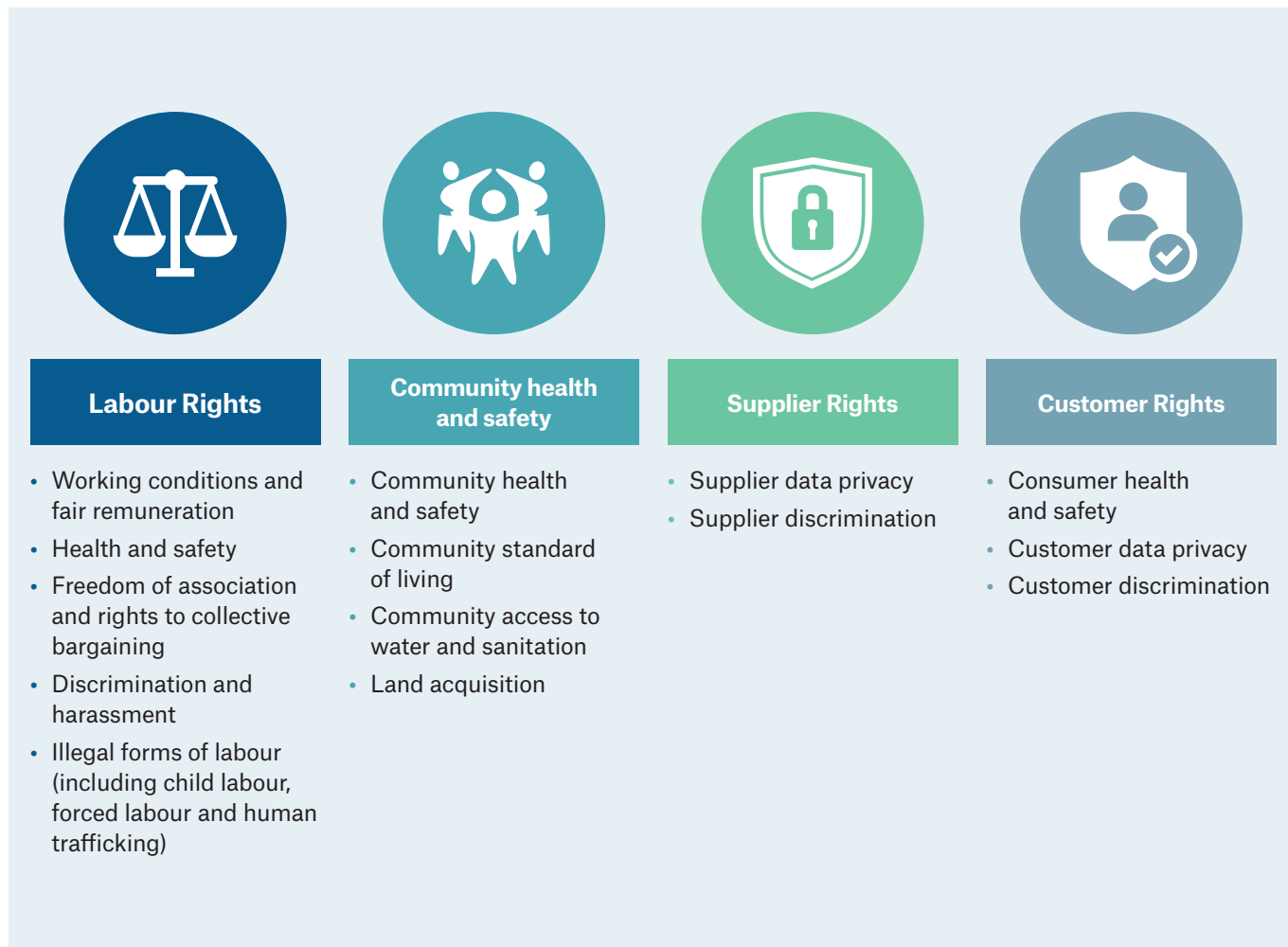
##### Scope of HRRR

The scope of HRRR aligns with this Report and covers the material business activities across F&N's operational sites in Singapore, Malaysia and Thailand for all segments of the value chain, including Sourcing, Production, Distribution and Logistics, and Marketing and Sales, and the supporting function, Human Resources.



The HRRA considered actual and potential human rights issues across F&N's value chain and identified the considerations of vulnerable groups (e.g. migrant workers, LGBTQI+, and elderly) that F&N works with.

- Consideration of actual and potential human rights issues:



- Consideration of employees and at risk or vulnerable groups:

Women/ Pregnant women	Migrant Workers	LGBTQI+	Children
3 <sup>rd</sup> party contracted labour	People with Disabilities	Indigenous Peoples	Local Communities
Elderly	Other minorities (e.g. stateless, refugee)		

## Methodology of HRRA

### 1. Human Rights Issues identification

Identify human rights issues for F&N Group's own operations, value chain and new business relations by considering the impact to the business and on potential rights holders. We benchmarked peer companies in the dairy and beverage sectors and acknowledged global human rights trends to improve our understanding on the impact of human rights issues.

### 2. Inherent Risk Ranking

Rank risks of the identified human rights issues that do not have controls and/or measures in place.

### 3. Residual Risk Ranking

Rank risks of identified human rights issues that exist even with the company's controls and/or measures.

### 4. Risk Prioritisation

Prioritise salient human rights issues, and issues with high residual risk.

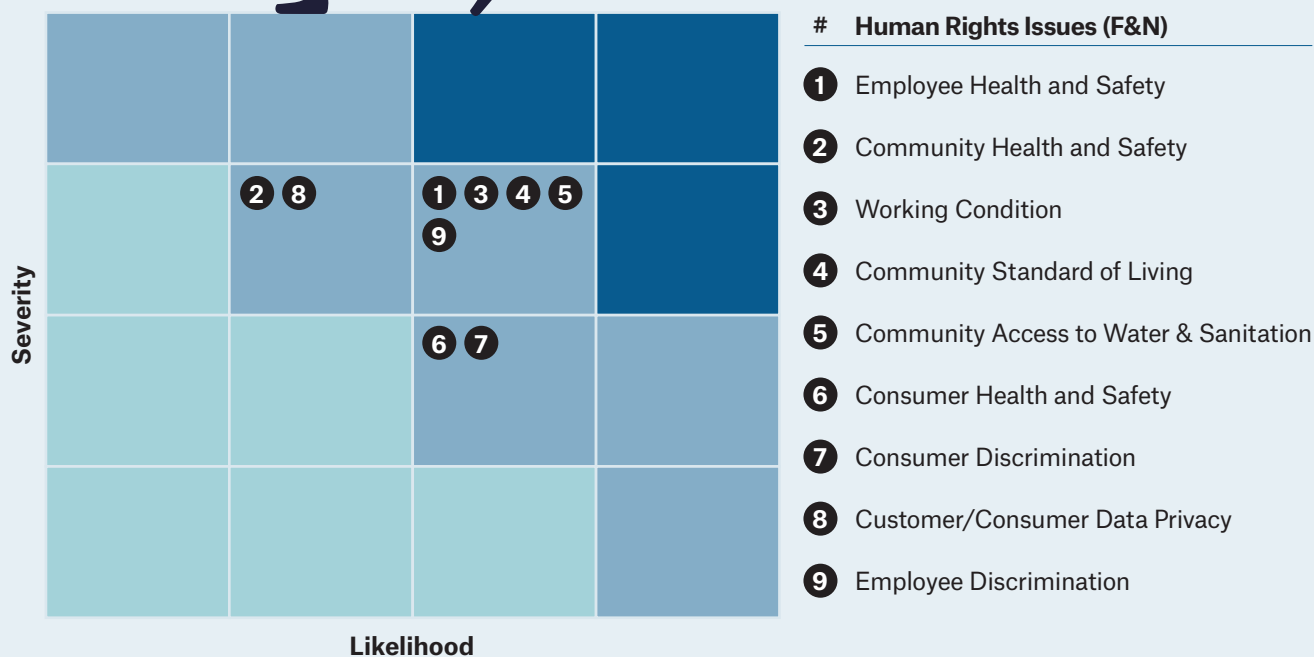


## Creating Value for Society

### Results of HRRA



**9** salient human rights issues were identified for the F&N Group in 2021.



### Policy Commitment

The results of our HRRA in 2020 led to the formulation of our current Human Rights Policy. The policy describes our commitments, particularly in the following areas:

- Prohibition of child labour, forced labour, human trafficking, and discrimination and harassment.
- Respecting and promoting fairness, diversity, the right to freedom of association and collective bargaining, fair remuneration and fair working conditions.
- Respect and promote health and safety, data privacy and the environment of our stakeholders.

F&N Human Rights commitment applies to all employees of F&N, including our stakeholders throughout our value chain – such as suppliers and business partners.

F&N Human Rights Policy was developed in accordance with related human rights principles under international standards – the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, UN Global Compact, the International Bill of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. The Human Rights Policy upholds under domestic and international laws, rules, and regulations. The Human Rights Policy extends to all companies under the F&N Group.

### Integrate Findings and Potential Impacts

F&N designs and implements mitigation measures with preventive and corrective actions to reduce the actual and potential impacts of human rights issues.

### Examples of Salient Human Rights Issues and Mitigating Measures Identified

Employee Health & Safety	
Actual Issues	Mitigation Measures
<ul style="list-style-type: none"> <li>Marketing &amp; Sales: Client-focused departments have an increased risk of contracting the COVID-19 virus during work hours since they meet people in high frequencies</li> <li>Production + Human Capital: Minor work injuries and accidents</li> <li>Logistics: Road accidents during transportation, minor vehicle malfunction (e.g. flat tires)</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with Public Health Regulations on COVID-19 measures, e.g. face masks, hand sanitizers, temperature checks</li> <li>Approved paid leaves for vaccinations and launched a vaccination program for employees</li> <li>Track employees' vaccination progress</li> <li>Offer doctor consultations and in-house panel clinics in large-scale production plants</li> <li>Increased safety training and safety briefing to identify potential risks at the start of the workday</li> </ul>
Community Health and Safety & Community Standard of Living	
Actual Issues	Mitigation Measures
<ul style="list-style-type: none"> <li>Marketing &amp; Sales: Spread of COVID-19 virus from employees infecting members of the community, e.g. during large scale events</li> <li>Marketing &amp; Sales: Road accidents will increase health and safety risks for community members</li> <li>Marketing &amp; Sales: Reckless driving complaints of the distributor in the local area</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with Public Health Regulations</li> <li>Provide personal protective equipment (PPE), such as face masks, face shield, hand sanitisers, to employees</li> <li>Increased safety training and safety briefings to identify potential risks at the start of the workday</li> <li>F&amp;N Voice channel available for employees to report on safety risks and concerns</li> </ul>
Employee Discrimination	
Actual Issues	Mitigation Measures
<ul style="list-style-type: none"> <li>Human Capital: An employee felt uncomfortable to report a case of verbal harassment until after resigning from the company</li> </ul>	<ul style="list-style-type: none"> <li>Inform employees the various channels and measures available to raise discrimination and harassment issues anonymously, e.g. welfare committee, reporting channel, mental health hotline</li> <li>Implement additional trainings for supervisors on preventing discrimination and harassment of employees</li> </ul>
Customer/ Consumer Discrimination	
Potential Issue	Mitigation Measures
<ul style="list-style-type: none"> <li>Discrimination by prioritising against certain groups of customers/ consumers</li> </ul>	<ul style="list-style-type: none"> <li>Ensure F&amp;N's products are targeted to all consumers</li> <li>Marketing strategies are suitable for a multi-racial society and ensure no content are inappropriate or discriminatory against one's gender, race, culture, etc.</li> </ul>

## Creating Value for Society

### Track and Communicate Performance

- The Group continuously tracks, monitors, and assesses our human rights risks to stay informed on issues and concerns relating to human rights violations.
- F&N communicates and educates all employees on our human rights practices. This year, we rolled out the Human Rights Policy across the F&N Group and incorporated the Human Rights Policy in the F&N Group Executive Human Capital Handbook for employees to read, understand and uphold. F&N evaluates the implementation of human rights policies and mitigation measures by tracking and monitoring processes.
- We promote and support cooperation from all directors, executives, employees, and all groups of stakeholders within the business value chain to report any forms of human rights suspicions, incidents, and violations arising from business operations through established and dedicated communication channels. Feedback from these channels is used to consider improvements, and to develop appropriate mitigation and remediation measures.
- We are determined to conduct the HRDD process regularly to identify, review and evaluate any risks and impacts relating to a violation of human rights caused by the Group's business operations and associated activities.
- Our human rights performance will be reported annually in our Report.

### Remediate Adverse Impacts

- F&N recognises our business activities may potentially contribute to or be linked with human rights violations of relevant stakeholders. F&N is committed to mitigate such potential human rights risks and violations.
- Our ongoing commitment is supported through a revised assessment of human rights risks within an appropriate timeframe. Additional mitigation measures will be established to remediate and reduce the possibility of human rights violations caused or endorsed by business activities of F&N.
- There were no human rights violation cases in 2022. Thus, no remediation measures were taken.

F&N plans for an annual systematic review of the human rights assessment, and to conduct the assessment every three years.

### PERFORMANCE

#### GRI 412-1

Operations that have been subject to human rights reviews or impact assessments

- 100% of our material operations in Singapore, Malaysia and Thailand have been subjected to human rights reviews or impact assessments in FY2021.



# Empowering Our People

At F&N, we value our people and believe they are key to our long-term success. Their dedication, knowledge and performance bring life to F&N's strategy and drive our business. As such, our employees are encouraged to pursue continual learning and development through Group-wide learning programmes. F&N cares for our employee's health and well-being, and we work towards creating a safe and healthy workplace for all. Our efforts are further elaborated in:

- Human Capital Development
- Employee Safety, Health and Well-being

## HUMAN CAPITAL DEVELOPMENT

GRI Index: GRI 2-7, GRI 3-3, GRI 401-1, GRI 401-2, GRI 401-3, GRI 404-1, GRI 404-2, GRI 404-3, GRI 405-1

### SDG's



F&N empowers our employees by developing employment opportunities that are accessible to all. We keep our employees engaged and challenge them to perform at their highest potential, rewarding them fairly for their merits.

Building a company that consumers choose, and trust requires a good understanding of the richness and cultural diversity of the societies we serve. F&N celebrates and promote diversity and inclusion at all levels. We strive to offer equal opportunities for all, regardless of race, gender, age, religion, and any other attributes unrelated to employment requirements.

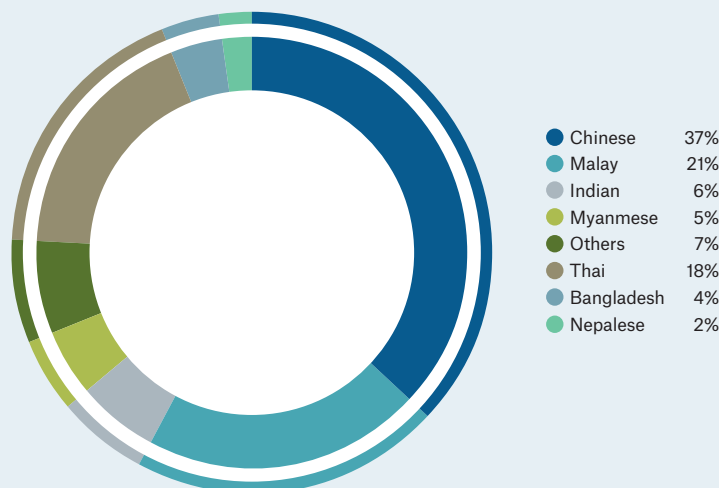
As of 30 Sep 2022, F&N has over 6,700 FTE employees across all operations. The FTE employees consolidated at the end of the reporting period does not fluctuate significantly from our previous reporting period. Most employees work full-time, and about 13% of all hires are working under temporary contracts. Over 35% of all F&N employees have been with the company for over a decade, and the employee turnover rate sits at about 29% this year.

In recent years, we made good progress towards gender equality in our workforce with females making up 37% of all employees at F&N. Within the ranks of management, 46% of managerial positions are held by female employees. In Singapore, F&N employs staff beyond the statutory retirement age of 62, providing employment to older individuals.

Training is growing in importance for workers across generations. It remains important for F&N help our employees to remain employable, relevant, and competitive. We prepare our people through training and resources and equip them with important skills to safeguard their future employability.

F&N contributes to the UN SDG 8's target to achieve full and productive employment and decent work for all through our approach detailed below.

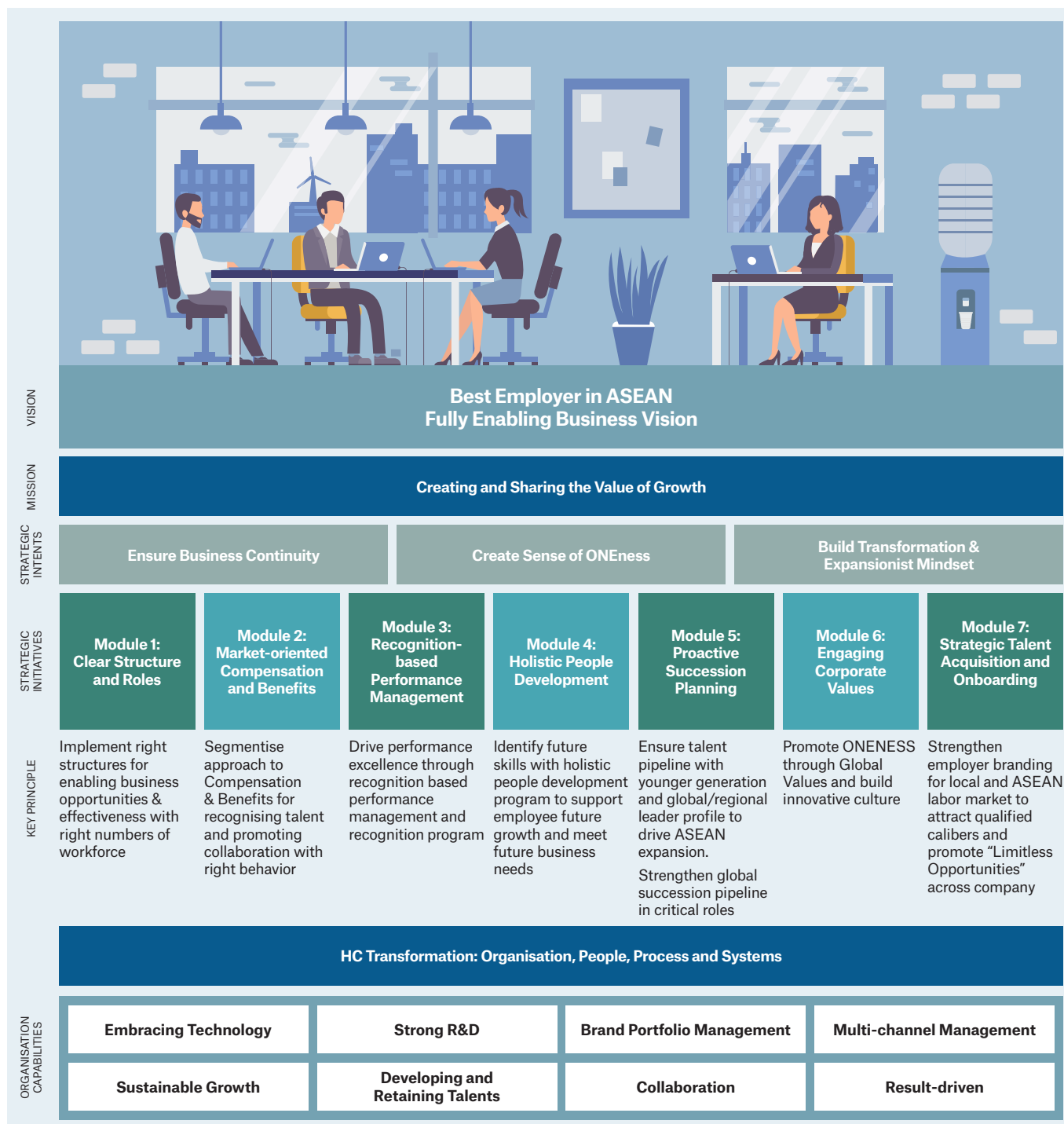
Employees by race



# Empowering Our People

## HUMAN CAPITAL ROADMAP AND STRATEGY

Apart from focusing on Diversity and Inclusion, F&N Group has developed a Human Capital Roadmap and formulated a strategy to groom our employees. The seven modules for strategic human capital transformation are as follows:



### Clear Structure and Roles

F&N adopts the 'Beverest' system to integrate our Human Capital processes and systems across the Group – from recruitment and on-boarding to performance reviews and career development. The system ensures that the expectations and responsibilities of each employee are well-communicated.

### Market-Orientated Compensation and Benefits

We pay our employees competitive wages and offer competitive benefits. F&N regularly reviews our remuneration packages to ensure alignment with those of our peers and in harmony across the Group. Some of the benefits provided to all full-time employees include life insurance, health care, disability and invalidity coverage, parental leave, retirement provision, and stock ownership options (share-based incentive plans).



	Singapore	Malaysia	Thailand
<b>Life insurance</b>	Yes, by job level	Yes, by job grade	Yes, by job grade
<b>Health care</b>	Yes, by staff category and/or job level	Yes, by age, staff category and/or job grade	Yes, by age, staff category and/or job grade
<b>Disability and invalidity coverage</b>	Yes, by job level	Yes, by job grade	Yes, by job grade
<b>Parental leave</b>	Yes, to all eligible employees under the law	Yes, to all eligible employees under the law	Yes, to all eligible employees under the law
<b>Retirement provision</b>	No, (as per statutory requirements)	Yes, for certain categories of employees	Yes, for certain categories of employees
<b>Stock ownership</b>	Yes, for eligible executives only	Yes, by job grade	No
<b>Others</b>	<ol style="list-style-type: none"> <li>1. Company product/ allowance (Non-Executives only)</li> <li>2. Long- Service Awards</li> <li>3. Annual Membership Subscription to Professional Body (Executives Only)</li> <li>4. Mobile Line Subsidy (selected departments / employees only)</li> </ol>	<ol style="list-style-type: none"> <li>1. Car Loan (Executives only)</li> <li>2. Long Service Award (All employees)</li> <li>3. Annual Membership Subscription to Professional Body (executives only)</li> <li>4. Phone Subsidy (selected departments / employees only)</li> <li>5. Festive Drinks (All departments)</li> </ol>	<ol style="list-style-type: none"> <li>1. Provident fund</li> </ol>

### Recognition-Based Performance Management

A Performance Assessment Review occurs annually for our employees to appraise their outcomes and identify development opportunities together with their supervisors. This year, 100% of employees received their assessment reviews.

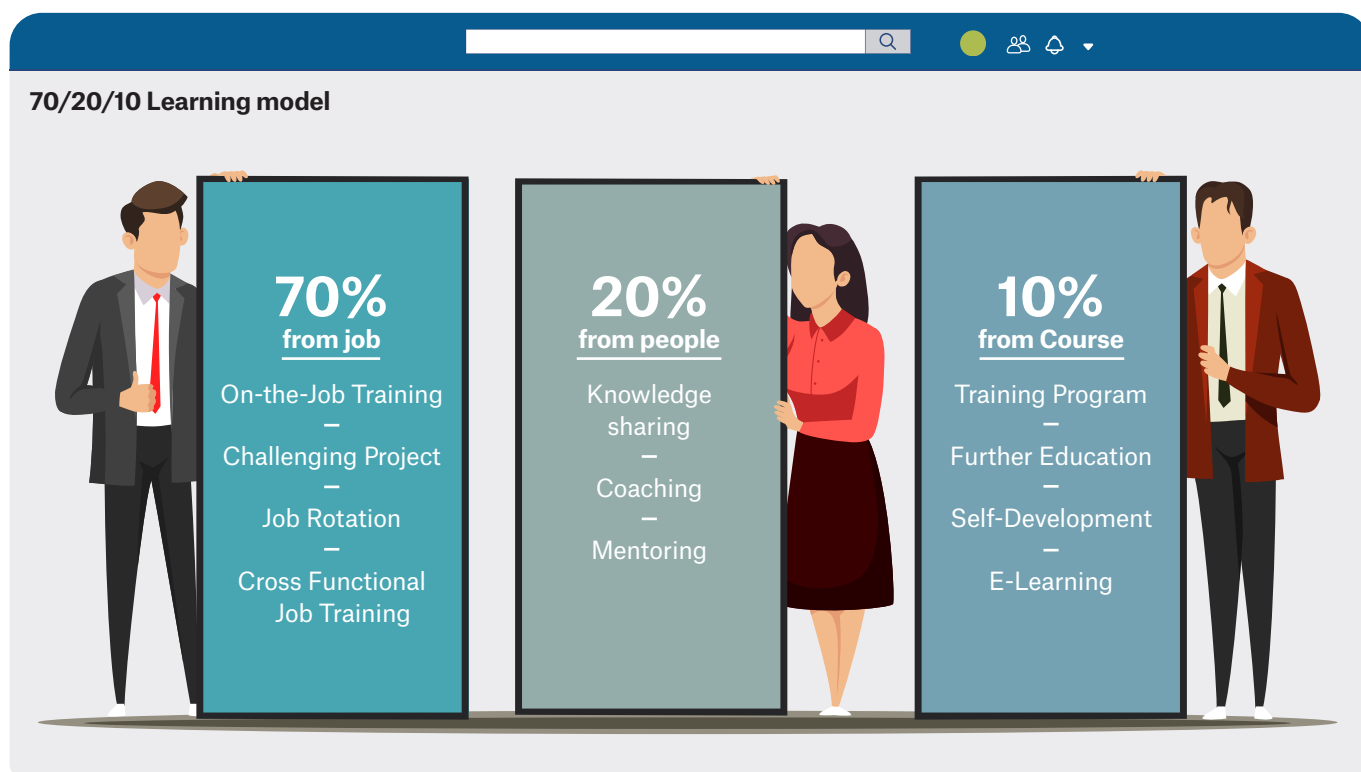
Our policy supports the provision of 'Limitless Opportunities' to employees from the moment they join F&N. Employees develop their Individual Development Plans ("IDP"), which has four stages:



## Empowering Our People

### Holistic High Performer Retention and Development

F&N accelerated our transition to focus on the future of work, as we adapted to the COVID-19 pandemic. Through the 70/20/10 Learning Model, F&N's employees were reskilled and upskilled with the mandatory training and development courses online.



All of our Executive Employees were required to complete at least 16 hours of training on average and all Non-Executive employees were required to complete at least 10 hours of training on average.

We are committed to supporting our employees throughout their lifelong learning journey. As such, F&N's 2025 target is to increase the average training hours to 18 hours for Executives and 11 hours for Non-Executives.

The key development programmes for F&N this year included topics around digitalisation, leadership, and corporate governance. Some key training courses that were promoted are outlined below:

Theme	Program	Employees Targeted
Self-management & interpersonal skills	7 Habits of Highly Effective People (webinar)	Executives and Sup-Con
Technical skills	Cyber Security Training	Finance Department
	SAP training	
	Digital Transformation Awareness	Executives and Sup-Con
	Industry 4.0	
	Data Analytics	Executives
	Workshop on TCFD	
	Strategic Sales Planning and Consultative Selling	Bargainable
	Sales Development Program for Non-Alcoholic Beverages Van Sales	
Soft Skills	Design Thinking E-Learning Series	Executives and Managers
	Transformative Mindset Courses	
	Critical Thinking	Executives
Leadership	Leadership Mentorship Program	Managers
People Management	Coaching Workshop	

### Proactive Succession and Workforce Planning

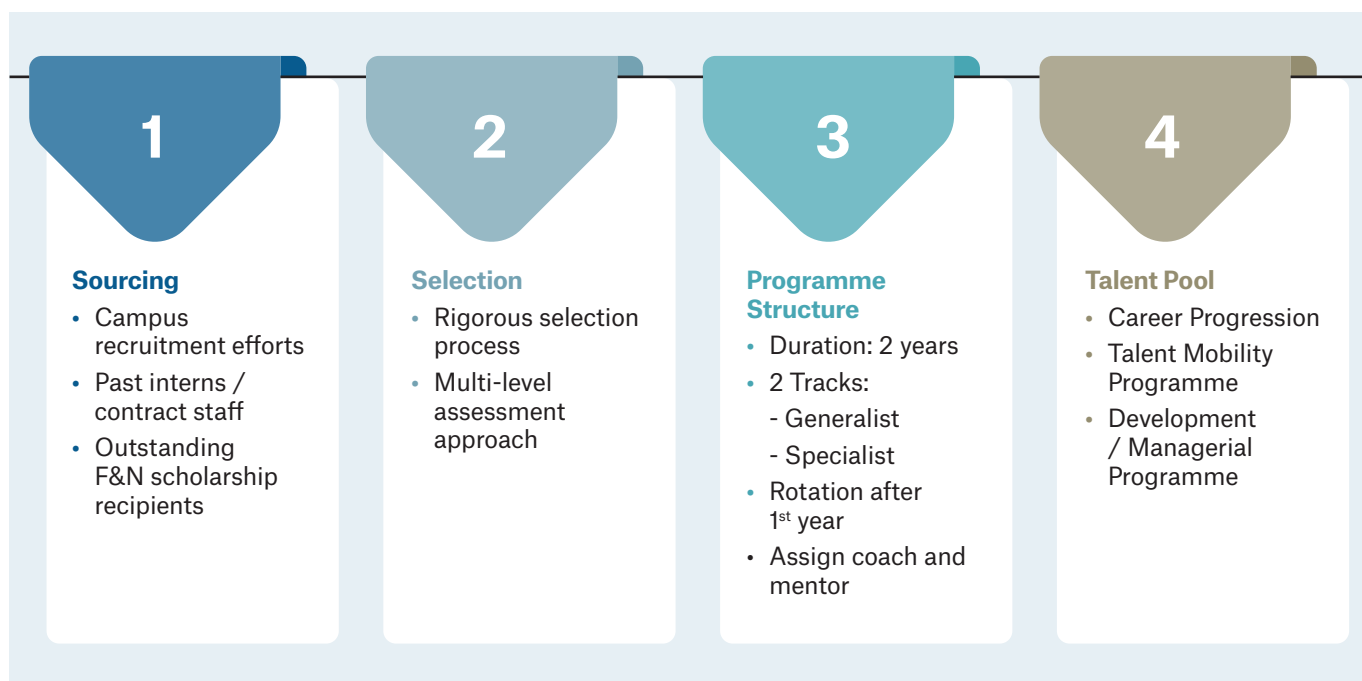
With the support of F&N's Talent Management Team, we groom employees identified with the potential to become future leaders at F&N. These employees gain access to opportunities, such as job rotations and transfers, to enhance their understanding of F&N's operations.

### Engaging Corporate Culture

F&N promotes a culture of engagement and inclusion. At the heart of this is our Global Values which emphasise on optimal outcomes when we work together. More details on our Global Values, can be found on page 13.

### Strategic Talent Acquisition and On-Boarding

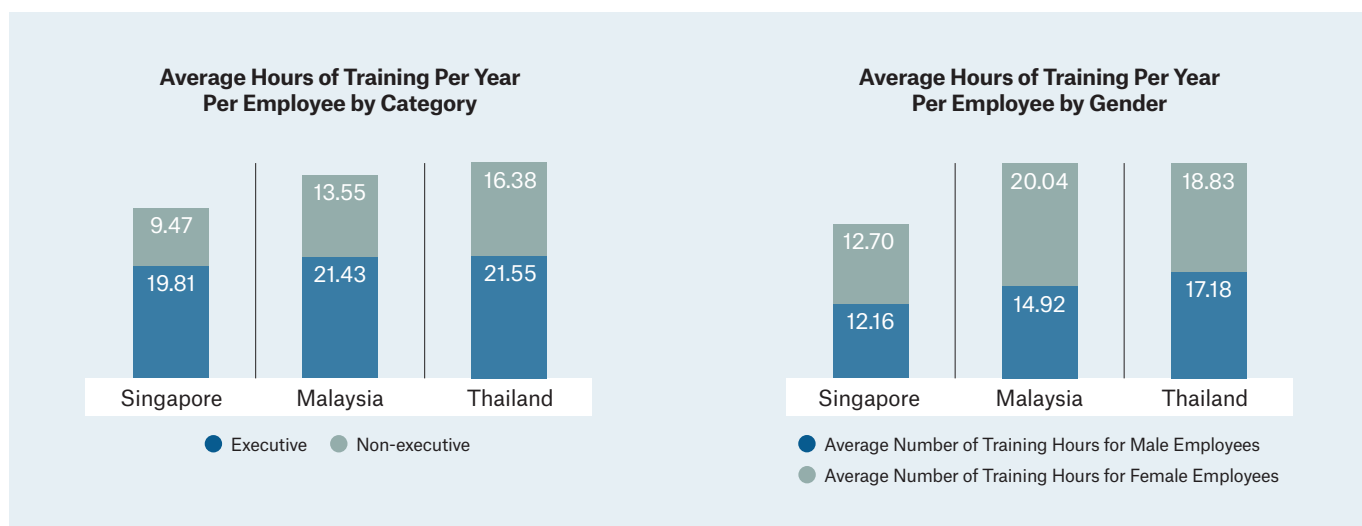
F&N maximises opportunities available for our own talent and seeks to promote employees up through the ranks. When it is not possible, our Human Capital team ensures a variety of assessment tools are used to maintain a fair and rigorous process in recruiting suitable candidates that match the company's needs. We ensure that all new recruits benefit from a comprehensive and consistent on-boarding programme across the Group. This includes a mix of self-serve e-learning and one-on-one support.



### 2025 TARGETS

Provide an average of at least 18 hours of training to Executives and 11 hours of training to Non-Executives by 2025

- 21.11 training hours provided to Executives and 13.40 training hours provided to Non-Executives



# Empowering Our People

## PERFORMANCE

<b>GRI 401-1</b> New employee hires and employee turnover	• See 'Performance Summary' section in this Report on pages 86 and 87
<b>GRI 401-2</b> Benefits provided to full time employees not provided to temporary or part-time employees	• See page 65
<b>GRI 401-3</b> Parental Leave	• See 'Performance Summary' section in this Report on pages 86 and 87
<b>GRI 404-1</b> Average hours of training per year per employee	• See 'Performance Summary' section in this Report on pages 86 and 87
<b>GRI 404-2</b> Programmes for upgrading employee skills and transition assistance programmes	• See page 66
<b>GRI 404-3</b> Percentage of employees receiving regular performance and career development reviews	• See 'Performance Summary' section in this Report on pages 88 and 89
<b>GRI 405-1</b> Diversity of governance bodies and employees	• See 'Performance Summary' section in this Report on pages 88 and 89

## EMPLOYEE SAFETY, HEALTH AND WELL-BEING

GRI Index: GRI 403-9, GRI 403-10

### SDG



The COVID-19 pandemic has further highlighted the importance of health, hygiene, and safety. F&N ensures our employees are safe from work hazards and workplaces are aligned with the national government's COVID-19 strategy. We enforce strict protocols to physically protect our employees on the ground and enable better work-life balance practices to boost the mental health of our employees working from home.

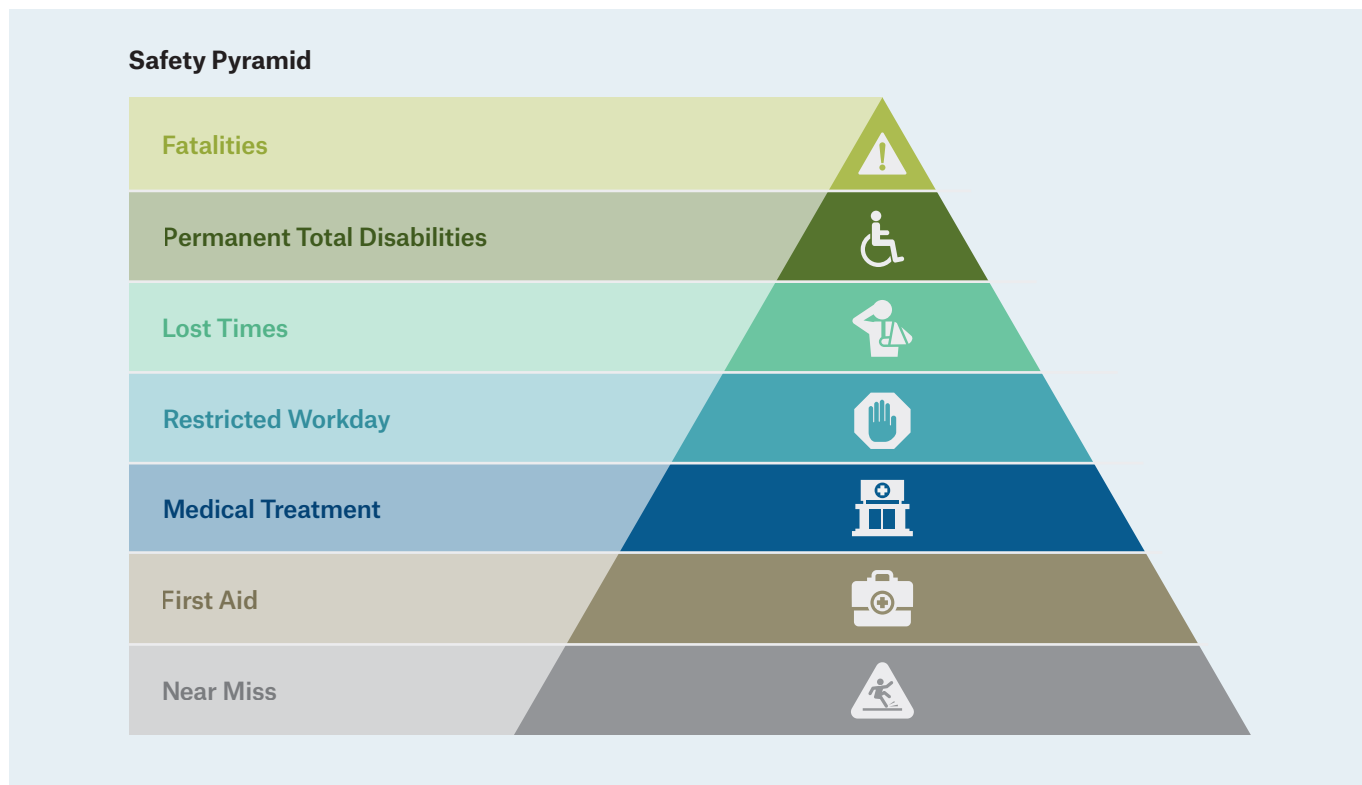
F&N believes that working as a team is the only way to achieve our target of zero LTIFR. We foster a proactive 'safety first' culture for employees to be aware of their responsibilities to themselves and their colleagues.

## APPROACH

The safety of our people, and those who work with us, is one of our top priorities. To ensure our employees and contractors' employees carry out their functions aligned with F&N's safety protocols, various safety training programmes were conducted.

F&N's commitment is further strengthened with the incorporation of these two key performance indicators for our executives to prioritise:

- LTIFR; and
- Number of safety and health initiatives conducted



### Creating a Safety Culture

F&N strictly adheres to the ILO guidelines, Singapore's Workplace Safety and Health ("WSH") Council WSH guidelines, Thailand's Labour Protection Act and Malaysia Employment Act 1955. We go beyond national regulations by complying with ISO 14001 and ISO 45001 at all our major sites. Guidelines and legal requirements of these policies have been extended to our internal Workplace, Safety, Health and Security Policy, signalling F&N's commitment to creating a safety culture for all.

F&N integrates safety across our operations through the implementation of ESH systems and monitoring processes. All employees, workers and activities are covered under our ESH systems. Workers are to receive adequate training and safety equipment wherever appropriate.

Every plant has a Safety Committee, which includes representatives from the management and the workers. The main objective of these committees is to oversee F&N's safety systems and programmes to ensure their effectiveness. This is supported by:

- Periodical meetings to discuss accidents or near-misses and determine appropriate corrective actions
- Audits of ESH systems
- Development of annual safety plans
- Initiating programmes to increase awareness of health and safety issues among employees

On the ground, our Company Emergency Response Teams are trained to mobilise quickly and attend to any incidents.

Employees are encouraged to report any potential risks or hazards by informing their safety representative or supervisor, or by a formal channel to safety committees with an option to remain anonymous.

### Employee Safety Training and Awareness

Our safety trainings remained effective with over 700, 1,460 and 650 attendees participating in over 1,000, 15,100 and 1,700 hours of safety trainings in Singapore, Malaysia and Thailand, respectively. The safety topics our manufacturing staff covered in FY2022 included noise exposure and personal hearing protection, plant safety awareness, chemical handling, first aid, ergonomics, etc.

F&N conducts frequent checks on our employees to detect early onset symptoms from potential hazards in their day-to-day work. Audiometric tests are conducted regularly for all at-risk workers annually, with follow-up doctor consultations when hearing impairments are identified.



# Empowering Our People

## Conducive Working Environment

The Safety Committees comprises skilled personnel trained to comprehensively evaluate areas where employees may be exposed to health risks and are supported by accredited Occupational Health and Safety (“OHS”) consultants. All employees and contractors have access to OHS services, including hygiene services, ergonomic tools, protective equipment, and first aid kits.

Air quality, brightness, temperature and noise levels are monitored in all of F&N’s facilities. By monitoring noise levels at our facilities regularly, F&N is able to ensure that the noise level is within the recommended range. For instances where workers are exposed to high noise levels, hearing protection equipment is provided.

To promote a better work-life balance, F&N has implemented flexible working hours for office employees.

### 2025 TARGETS

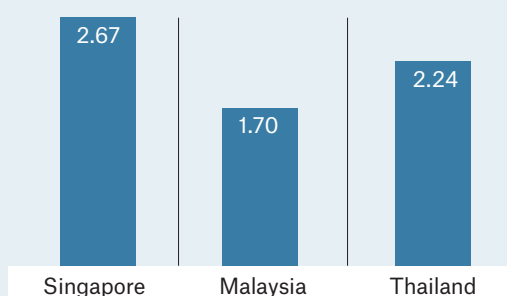
- Reduce the LTIFR to 0
  - 1.90 LTIFR in FY2022

### PERFORMANCE

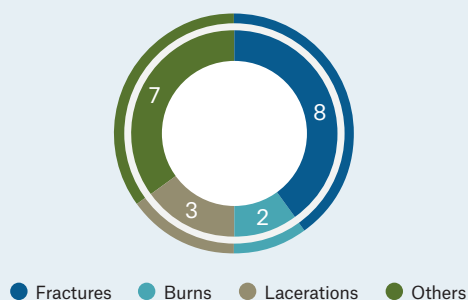
#### GRI 403-9

#### Work-related injuries

##### Employment Work-related Injuries Rate

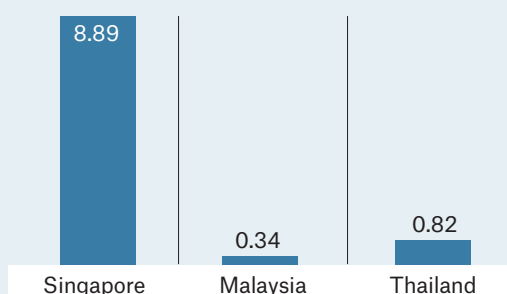


##### Employees Work-related Injuries by Type

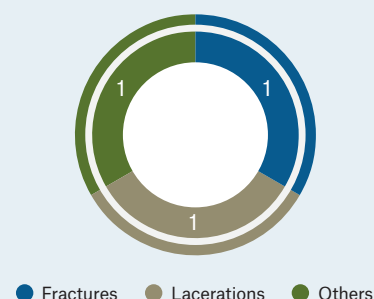


- In FY2022, there were 20 employee work-related injuries. None of the incidents were high-consequence work-related injuries or resulted in fatalities.

##### Non-Employee Work-related Injury Rate



##### Non-Employees Work-related Injuries by Type



- In FY2022, there were 3 non-employee work-related injuries. None of the incidents were high-consequence work-related injuries or resulted in fatalities.

#### GRI 403-10

#### Work-related ill health

- There were zero incidents of work-related ill health at F&N in FY2022.



# Better Planet: Circularity And Environmental Protection

At F&N, we recognise the role of our business in protecting the environment. The transition to a circular economy offers opportunities to create business value as well as minimise environmental impacts. We promote circularity and environmental efficiency in our operations through our management of energy, water and waste. We promote a circular economy across our value chain through the critical topic of packaging. We recognise the interaction of the F&B sector with biodiversity and we are committed to sourcing ingredients with respect of impacts on ecosystem.

**We have identified five main issues in relation to our environmental efforts:**

## Operational Eco-Efficiency

- Energy and Climate Change
- Water Stewardship
- Waste Management

## Value Chain Impacts

- Packaging
- Biodiversity

## Material Topic and Targets for Better Society

### Energy and Climate Change

- Reduce the Group's energy intensity ratio at our plants (from a 2020 baseline) by 8% by 2025
- Reduce the Group's GHG emissions intensity ratio at our plants (from a 2020 baseline) by 8% by 2025

### Water Stewardship

Reduce the Group water intensity ratio at our plants (from a 2020 baseline) by 8% by 2025

### Waste Management

Reduce the solid waste sent to landfill (from a 2020 baseline) by 30% by 2025

### Packaging

25% of beverage and dairy packaging to contain recycled materials by 2025

## Contributing to SDGs

### Primary



### Secondary



## Operational Eco-Efficiency

F&N recognises that our company creates environmental impacts through energy, water and resource consumption. To reduce our impacts on the environment, our employees at the plants investigate ways to improve our manufacturing processes and optimise eco-efficiency. Details on how we approach each environmental impact are elaborated in the following sections:

- Energy and Climate Change
- Water Stewardship
- Waste Management

### Environment, Safety and Health Policy

F&N implements environmentally sustainable business practices aligned with our core values and the circular economy principles. Our operations are guided by the ESH Policy. It serves as a framework for all F&N's decisions concerning the environment across our value chain – production operations, business facilities, products, distribution and logistics, and management of waste. We work with local communities to protect and preserve the environment and strive for zero waste and zero pollution.



## ENERGY AND CLIMATE CHANGE

GRI Index: GRI 302-1, GRI 302-3, GRI 305-1, GRI 305-2, GRI 305-4

### SDG's



GHG emissions from our business operations contribute to climate change. In turn, the effects of climate change also affect F&N. The ripple effects of climate change result in a strain on production and poses climate-related risks such as price fluctuations of raw material commodities, and the access to water resources, for F&N. At the same time, it also provides climate-related opportunities, such as cost savings, and alignment with consumer expectations. For a more detailed focus on climate change risks, refer to the 'TCFD and Climate Risk Management' chapter of this Report.

F&N is committed to reducing the energy intensity and GHG emission intensity at our plants, as per our 2025 sustainability targets. We assume the responsibility to minimise our carbon footprint across our value chain. To further highlight this commitment, and to support the efforts to mitigate the effects of climate change, we would also be declaring a 2040 target for the net-zero of Scope 1 and 2 GHG emissions.

### APPROACH

F&N's approach is guided by the five principles of the Energy and Climate Change Strategy:



### 2025 TARGETS

- Reduce the Group's energy intensity ratio at our plants (from a 2020 baseline) by 8% by 2025
  - Our group energy ratio decreased by 2% from 2020, due to the various energy efficiency initiatives at our plants
- Reduce the Group's GHG emissions intensity ratio at our plants (from a 2020 baseline) by 8% by 2025
  - Our GHG emissions intensity ratio decreased by 5% from 2020, due to the increased use of renewable energy at our plants



# Operational Eco-Efficiency

## PERFORMANCE

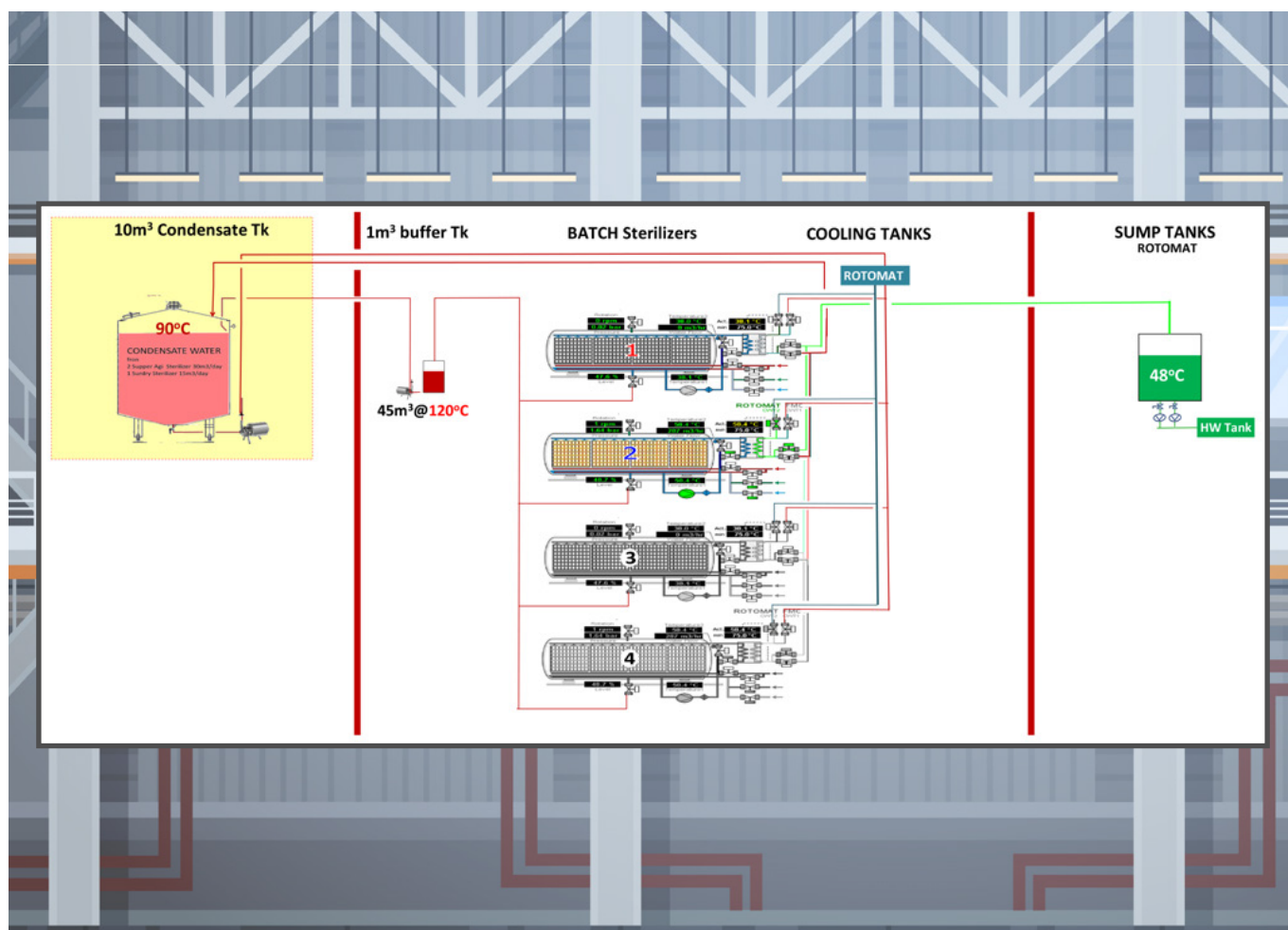
### Metrics

<b>GRI 302-1</b> Energy consumption within the organisation	• See 'Performance Summary' section in this Report on pages 90 and 91
<b>GRI 302-3</b> Energy intensity ratio	• See 'Performance Summary' section in this Report on pages 90 and 91
<b>GRI 305-1</b> Direct (scope 1) GHG gas and CO <sub>2</sub> emissions (CO <sub>2</sub> e)	• See 'Performance Summary' section in this Report on pages 90 and 91
<b>GRI 305-2</b> Energy Indirect (scope 2) and CO <sub>2</sub> emissions (CO <sub>2</sub> e)	• See 'Performance Summary' section in this Report on pages 90 and 91
<b>GRI 305-4</b> GHG emissions intensity ratio at plants	• See 'Performance Summary' section in this Report on pages 90 and 91

## INITIATIVES

### Energy Efficiency in Our Operations

Improving energy efficiency in our operations makes just as much business sense as it is to reduce our environmental impacts. F&N continues to scale up on our GHG reduction projects by improving the energy efficiency in our operations and supply chain.





### Thailand: F&NDT – Innovative Heat Recovery System



Installation of innovative heat recovery system to recover heat loss from batch sterilizers and divert to hot water recovery tank for heating milk from 25°C to 75°C. With this installation, F&NDT's natural gas consumption would be reduced by up to 10%, creating cost savings of about THB 9.6 million per year (about SGD 384,000 per year).

### Malaysia: F&NHB – Energy Efficient Variable Speed Drive (“VSD”)



A new energy efficient VSD was installed at F&NDM to supply oil free compressed air for general air supply. Energy cost has reduced by about 228,000kWh per year, with about MYR 68,000 (about SGD 20,100) in cost savings.

### Renewable Energy Sourcing and Generation

Renewable energy sourcing and generation initiatives will be key for our progress toward our 2025 Energy and GHG reduction sustainability goals.

### Singapore, Malaysia and Thailand: FNFS, TPL, F&NHB and F&NDT – Installation of Solar Panel



Across the Group's operations in Singapore, Malaysia and Thailand, solar panel are being progressively installed across the rooftops of selected plants. At this point in time, it provides cost savings of around SGD 1.7 million, and an estimated reduction of around 8,900 MT CO<sub>2</sub>e in GHG emissions, each year. The solar photovoltaic system reduces the amount of electricity usage by about 15.9 million kWh, significantly reducing F&N's energy offtake from the grid by our switching to renewable energy for daily operations.

### Route Planning

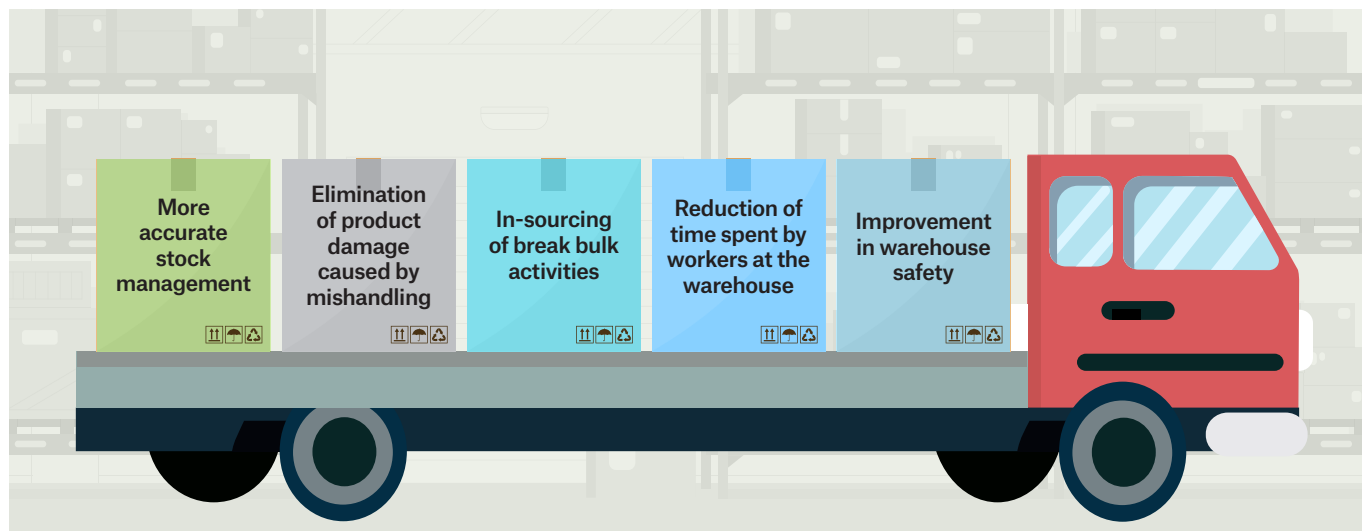
Optimal route planning can help reduce GHG emissions. In the last few years, we have continued to streamline our distribution networks.

### Malaysia and Thailand: F&NHB and F&NDT – Shortened Transportation Routes



Since 2014, F&NHB has made over MYR 800 million (over SGD 250 million) of capital investments on new lines and warehouses across production facilities in Malaysia and Thailand. By decentralising our logistics with manufacturing and warehouse operations located in closer proximity, transportation routes will become shorter and fuel consumption and GHG emissions will be reduced.

F&NHB also invested about MYR 180 million (about SGD 58 million) in an integrated warehouse at Shah Alam Plant in Malaysia and established a regional distribution centre (“RDC”) in Rojana in Thailand. Both are equipped with the Automated Storage Retrieval System (“ASRS”) and have commenced operations last financial year. The RDC in Thailand serves as the regional distribution hub for F&NDT's products and is estimated to have reduce material and transport costs by about THB 20 million (about SGD 800,000) in a year. The ASRS automates process of getting finished goods ready for delivery to markets or distributors' warehouses. This system drives improvements through:



# Operational Eco-Efficiency

## Low Carbon Product

### Thailand: F&NDT – Extra Non-dairy Half Creamer for Cooking and Baking



The Extra Non-dairy Half Creamer for Cooking and Baking (385g) is F&NHB's first low-carbon product certified by Thailand Greenhouse Gas Management Organisation ("TGO"). The product's carbon footprint of 295 kg CO<sub>2</sub> successfully meets the requirements of the Carbon Footprint Label Scheme.

F&N is working towards having more products certified by TGO under the Carbon Footprint Label Scheme.

## Operations Exposure to Climate Change Risks

The increasingly visible impacts of climate change around the globe are disrupting societies and businesses. F&N too is vulnerable to such climate-related risks, from extreme temperatures to floods and drought, which have the potential to halt our operations and disrupt our supply chain.

### Singapore, Malaysia and Thailand: Group – Climate-Related Risks and Opportunities Assessment



To better understand our position, F&N conducted an inaugural climate-related risks and opportunities assessment to identify and assess the potential climate-related physical and transition risks and opportunities. These risks and opportunities will be integrated into the organisation's overall F&N ERM framework for monitoring in order to drive strategic decisions for managing them.

For details on the climate-related risks and opportunities assessment, refer to the 'TCFD and Climate Risk Management' section of this Report.

## WATER STEWARDSHIP

GRI Index: GRI 303-3, GRI 303-4, GRI 303-5

### SDG's



Water is an important resource for F&N because it is used extensively in our products and operational processes. The success to our business depends on a reliable supply of water and effective water management. Through our climate-related risks and opportunities assessment, approximately 70% of our key sites are in areas with medium to high exposure to water-stress - where demand of good quality water exceeds the availability. With climate change expected to intensify the severity of flooding and water-stress in the near future, we are committed to responsible water stewardship by managing our water use to safeguard the availability of clean water for the local communities, in the markets we operate.

### APPROACH

Guided by the F&N ESH Policy and the principles of circular economy, F&N has organised initiatives to increase water security and reduce our water consumption. Water-related risks and opportunities are identified and addressed by collaborating with relevant stakeholders to create shared value projects.

To reduce risks towards our water supply, we utilised a range of internal water assessments and have deployed action policies in all our facilities.



- F&N conducted a climate-related risks and opportunities assessment to identify potential sites that are faced with medium to high exposure to water stress, and flooding.
- The sustainability team utilises publicly available tools such as the World Resources Institute Aqueduct and World Wildlife Fund Water Risk Filter to evaluate water-stress areas.
- F&N has an established system within all operations for systematic daily and monthly tracking and monitoring of water consumption and effluent quality.

With climate change expected to intensify the severity of flooding and water-stress in the near future, we are committed to responsible water stewardship by managing our water use to safeguard the availability of clean water for the local communities, in the markets we operate.



## 2025 TARGET

- Reduce the Group's water intensity ratio at our plants by 8% from a 2020 baseline by 2025
  - Our group water intensity ratio increased by 3% because of a lower production volume at our dairy plant

## PERFORMANCE

### Metrics

GRI 303-3 Water withdrawal	• See 'Performance Summary' section in this Report on pages 90 and 91
GRI 303-4 Water discharge See	• See 'Performance Summary' section in this Report on pages 90 and 91
GRI 303-5 Water consumption	• See 'Performance Summary' section in this Report on pages 90 and 91

## INITIATIVES

### Water Stewardship in Our Operations



F&N implemented various water saving initiatives this year to further progress toward our target of reducing water intensity by 8% by 2025. F&N seeks to improve our water efficiency with our plant engineers looking into closing the loop for our water systems – through treating wastewater from our plants and using the recycled water for general cleaning and cooling purposes.

We also share best practices with suppliers upstream in the value chain. Beyond that, F&N engaged dairy farmers to enhance their water security. This has enabled F&N to improve supply chain resilience through water stewardship. More details can be found in the 'Supply Chain Stewardship' chapter of this Report.

### Water-Efficiency and Zero-Discharge in Our Operations.



A range of initiatives have been implemented at our plants to increase water savings through optimising plant processes. Some initiatives include:

- Combining two smaller cooling towers into a bigger cooling tower
- Use of water saving taps, nozzles and self-closing valves
- Adjusting Clean-In-Place ("CIP") process to make it more efficient
- Replacing cube sugar with liquid sugar
- Zero-discharge initiatives based on circular economy principles

In particular, we would like to highlight the efforts at FNFS.

Recognising that soya process is one of the more water intensive processes at FNFS plant, we evaluated our soya activities and implemented changes to improve water efficiency in 2020. Monthly average water usage reduced by about 42% after the implemented changes. The total average yearly water savings was approximately 13,300 m<sup>3</sup>, with cost savings of around SGD 36,000.

With success of the soya line, F&N worked on the Hipex Production line in 2021 – the second most water intensive process at the F&NFS plant. Changes implemented included swapping out the open-end hose for the spray gun hose with a lower flow rate and controlling CIP process by using pH readings. Monthly average water usage had a 14% reduction, with the total average yearly water savings estimated to be about 4,000 m<sup>3</sup>. The cost savings are approximately SGD 11,000.

FNFS is intending to move to a new plant this year with plans for more efficient processes and equipment installed. Specifically, an improved water system that helps recover water through the use of Reverse Osmosis. The used water is then channelled to general cleaning and cooling of towers. There are also plans for CIP programmes to recover chemicals and water.

# Operational Eco-Efficiency

## WASTE MANAGEMENT

GRI Index: GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5, GRI 306-6

### SDG's



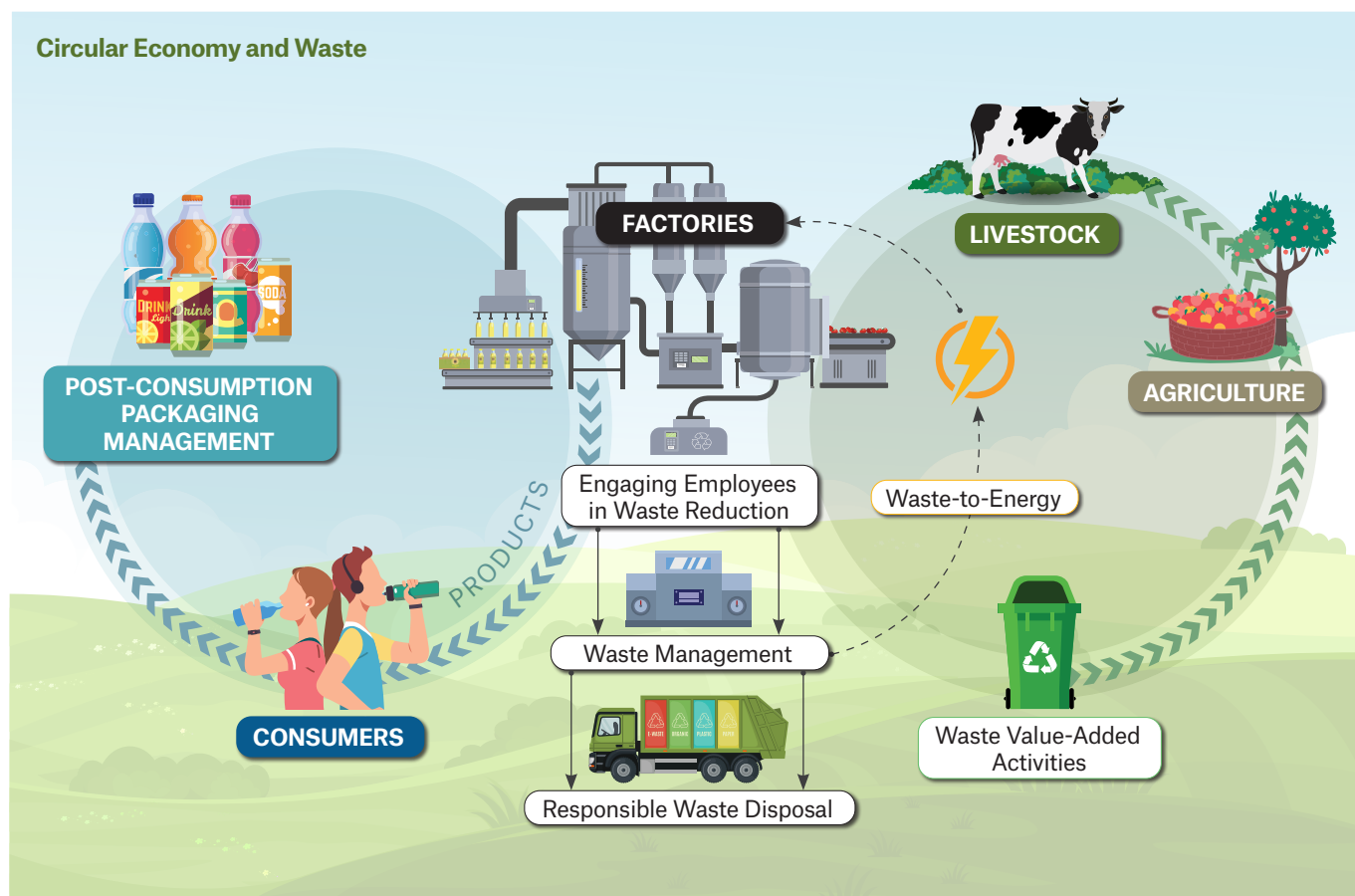
'Waste' is commonly perceived to be a resource that has little to no value for the user. In a world of finite resources, we should no longer treat waste as such. The circular economy views waste as a resource that could regenerate value as an input for another process. Effectively managing waste enhances our ability to achieve resource efficiency, reduces our impact on the environment and could translate to cost savings for the business.

### APPROACH

Waste is generated throughout all stages of production – along the supply chain and in our direct operations. F&N focuses on driving effective waste management by reducing and diverting our operational waste. We extend our commitments beyond our operations to engage our stakeholders along the supply chain to identify circular opportunities in their operations and assist them in saving costs through the efficient use of resources.

F&N aspires to achieve 'zero discharge, zero waste and zero landfill'. Our manufacturing teams seek to improve efficiency in our operations by applying innovation and discovering new opportunities to close the loop in the material cycle.

Under our ESH Policy, we raise the awareness of employees on responsible consumption and the importance of effective waste management across our business activities.

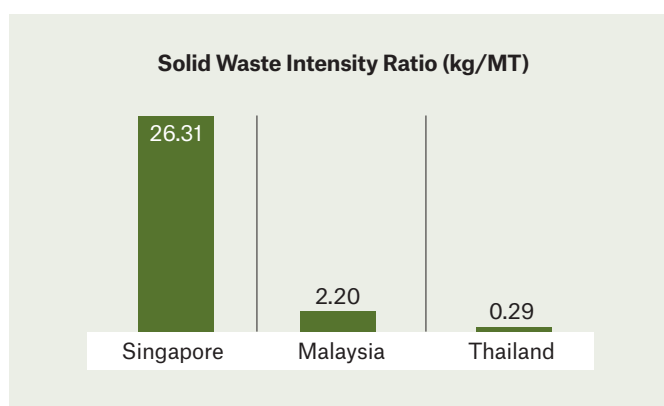


### 2025 TARGET

- Reduce the solid waste sent to landfill (from a 2020 baseline) by 30% by 2025
  - The total solid waste sent to landfill in FY2022 increased by 21% from a 2020 baseline year

<b>GRI 306-3 (2020)</b> Waste generated	<ul style="list-style-type: none"> <li>See 'Performance Summary' section in this Report on pages 92 and 93</li> </ul>
<b>GRI 306-4 (2020)</b> Waste diverted to disposal	<ul style="list-style-type: none"> <li>See 'Performance Summary' section in this Report on pages 92 and 93</li> </ul>
<b>GRI 306-5 (2020)</b> Waste directed to disposal	<ul style="list-style-type: none"> <li>See 'Performance Summary' section in this Report on pages 92 and 93</li> </ul>

- Solid waste intensity
- % of solid waste recycled, reused or recovered



## Plant Management – Road to Zero Waste to Landfill




F&NDT Rojana plant's zero-landfill achievement is made possible through effective awareness raising programmes on waste segregation and reduction for our employees. At F&N, we have ongoing campaigns at plants to cultivate awareness among employees about waste management with the goal of increasing recycling rate. For instance, the F&NDT team avoided the usage of plastic bags in waste collection by reusing bags that were used to contain packaging materials. This change has reduced plastic bag usage by up to 5,200 kg and led to cost savings of over THB 250,000 (about SGD 10,000).





# Operational Eco-Efficiency

## Food Loss & Waste in the Value Chain

 Food loss and food waste have become a global concern and an issue for sustainable development goals. An estimated 1/3 of all food produced globally is lost or goes to waste. Food loss and waste not only contribute to food shortage, water stress, biodiversity loss, and increases GHG.

As a F&B manufacturer, F&N aspires to optimise our position to minimise food wastage in our entire value chain. We are committed to reducing global food loss/waste by:


- Reducing food loss throughout our value chain, from sourcing, manufacturing and logistics
- Reducing our production waste to landfill by 30% by 2025
- Collaborating with our business partners to reduce food waste

At F&NHB, a framework for managing food loss and waste, guided by the Food and Drink Material Hierarchy from the Food and Agriculture Organization of the UN, has been developed. They collaborate with upstream and downstream partners to look for innovative alternatives to reduce food loss or redirect food loss with focus on prevention, optimisation, recycling and recovery initiatives to minimise food waste along our value chain.


Raw Materials Upstream	<ul style="list-style-type: none"><li>• Work closely with our suppliers to ensure our raw materials are of set standards and quality.</li><li>• Track, measure and monitor any losses of our raw materials on monthly basis to reduce food loss.</li></ul>
Production Processes Within Our Plants	<ul style="list-style-type: none"><li>• Track, measure and monitor our manufacturing processes.</li><li>• Improve our food loss management by identifying key categories and waste streams.</li><li>• Reduce impact from operations by complying with, and going beyond, relevant regulations.</li></ul>
Collaboration with Partners	<ul style="list-style-type: none"><li>• Team up with partners to look for innovative programmes/initiatives to reduce food loss or reuse food loss for alternative usage.</li></ul>
Managing Food Surplus Downstream	<ul style="list-style-type: none"><li>• Regularly track, measure and monitor any food surpluses in retail.</li><li>• Channel our surplus food to organisations and communities.</li></ul>

Various initiatives have been implemented by F&NHB toward this end, including:

### Collaborating with partners to re-use food loss, for example transforming sludge into fertilisers

 In 2022, 100% of industrial sludge from our dairy production were converted into organic fertiliser and distributed to local farmers. Over 540 MT of industrial sludge from our wastewater treatment plants were converted into fertiliser.

### Channelling surplus food to charitable organisations and communities in need

 Since 2019, F&NHB had established a partnership with Yayasan Food Bank Malaysia to support the Food Bank Siswa programme. We have also supported various communities in need with surplus food.



F&NHB ... collaborate(s) with upstream and downstream partners to look for innovative alternatives to reduce food loss or redirect food loss with focus on prevention, optimisation, recycling and recovery initiatives to minimise food waste along our value chain.

“

## Value Chain Impacts

The impacts of our products extend beyond our direct operations. The raw materials and ingredients we source for our products and packaging are all associated impacts of our business. Packaging and biodiversity are therefore regarded as material issues to F&N. We attempt to address these value chain impacts through improved packaging and better raw material sourcing. More information can be found in the following sections:

- Packaging
- Biodiversity

### PACKAGING

GRI Index: GRI 301-1, GRI 301-2

#### SDG



The sourcing of packaging materials and the management of post-consumer packaging are major societal concerns. Increasing awareness on the environmental impacts of single-use plastics is leading consumers and stakeholders to actively demand F&N companies to act. Various stakeholders are pressuring companies to invest in packaging solutions that are holistic and sustainable. Governments in where we operate have introduced environmental policies that are designed to encourage companies to rethink their production methods - Thailand's 'Roadmap on Plastic Waste Management', Malaysia's 'Roadmap towards Zero Single-Use Plastics' and the launch of Singapore's Plastics Recycling Association. Rethinking packaging enables F&N to support the respective government's policies as well as be prepared for future stringent regulations.

Packaging is one of the critical aspects where we could influence and minimise negative impacts on the society and environment. We explore sustainable solutions with a focus on packaging design and materials that would encourage recyclability and circularity.

#### APPROACH

F&N focuses on designing our packaging with the environment in mind and looks into investing in new innovations, integrating circular economy concepts, and working closely with our stakeholders to innovate packaging solutions.

F&N's packaging approach is focused on:

- Reducing the amount of materials used in our packaging
- Increasing the use of recycled materials, e.g. replacing virgin aluminium and tin cans with recycled materials
- Designing packaging to be recyclable

F&N actively works across the supply chain to find solutions to manage post-consumer packaging. We have partnered with other organisations to close the loop and we are seeking to work with new suppliers that meet our requirements for sustainable packaging materials.

#### 2025 TARGET

- 25% of beverage and dairy packaging to contain recycled materials by 2025
  - Average recycled content in our packaging has improved from 22% in FY2020 to 23% in FY2022

#### PERFORMANCE

<b>GRI 301-1</b> Materials used by weight or volume	<ul style="list-style-type: none"> <li>• Over 1.9 million MT of materials used</li> </ul>
	<b>Notes:</b> 1 Materials are sourced from external suppliers 2 Data are sourced from direct measurements
<b>GRI 301-2</b> Recycled input materials used	<ul style="list-style-type: none"> <li>• About 22% of recycled input materials used</li> </ul>

# Value Chain Impacts

## INITIATIVES

### Launch of Green Lab



Combining the expertise and resources of Times Printers and Print Lab, the sustainable packaging business was officially launched under the brand Green Lab in May 2022. Green Lab offers a solution to our customers where the responsible use of packaging can have a positive impact of the environment, but not at the expense of price, quality, or convenience.

Green Lab offers customers highly customisable biodegradable paper bags, fully compostable plant-based alternative for plastic carrier bags, an extensive range of fully-compostable F&B packaging and cutlery supplies, eco-packaging boxes and eco-pouches. The products are also printed with environmentally friendly soy-based printing ink.

Green Lab aims to be Singapore's one-stop eco-solutions provider for business and services alike, providing new and exciting possibilities for corporations to realise and play a role in a sustainable future, supporting them in their quest to meet their ESG objectives.



### Founding Member of the MAREA



In January 2021, F&NHB and nine other members formed MAREA – an alliance in collaboration with the Malaysian government to enable a voluntary, industry-led Extended Producer Responsibility group. It brings like-minded companies together to focus on boosting the value chain and improving the collection rates and recycling of post-consumer packaging.

### 'Recycle N Save' Initiative



F&N spearheaded a joint initiative with the NEA of Singapore to introduce 50 reverse vending machines across Singapore since 2019. The initiative was to provide an easily available avenue for consumers to deposit selected used plastic bottles and aluminium cans to encourage a habit of recycling. This supports the national vision of the Sustainable Singapore Blueprint's goal to increase the national recycling rate to 70% by 2030. As of September 2022, more than 12 million aluminium cans and PET bottles have been collected and passed on to recycling facilities.

## BIODIVERSITY

GRI Index: GRI 304-1

### SDG



A rich biodiversity with healthy ecosystems provides nutrition, shelter, medicine, energy, to all humans. The livelihoods of billions<sup>5</sup> are directly dependent on thriving biodiverse ecosystems. The urban population would also benefit from a well-protected biodiverse ecosystem; for instance, through providing a physical barrier against zoonotic diseases such as COVID-19.

5 IPBES (2022). Summary for Policymakers of the Thematic Assessment Report on the Sustainable Use of Wild Species of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services. Fromentin, J.M., Emery, M.R., Donaldson, J., Danner, M.C., Hallosserie, A., Kieling, D., Balachander, G., Barron, E.S., Chaudhary, R.P., Gasalla, M., Halmy, M., Hicks, C., Park, M.S., Parlee, B., Rice, J., Tickin, T., and Tittensor, D. (eds.). IPBES secretariat, Bonn, Germany. <https://doi.org/10.5281/zenodo.6425599>

But in recent decades, biodiversity loss and ecosystem degradation are occurring at an unprecedented pace with overexploitation of resources. Safeguarding biodiverse ecosystems will be challenged by intensifying climate change impacts, increasing demand, and technological advances.

F&N is dependent on the natural environment for raw materials such as palm oil, sugar, and paper. A declining biodiverse ecosystem impacts our business too. We foresee scaling up our efforts beyond sustainable sourcing, and together with our suppliers, protect biodiversity and promote natural ecosystems in areas where we operate.

## APPROACH

Our subsidiary, F&NHB leads the conversation on biodiversity with internal and external stakeholders to develop a direction in biodiversity management. Launched in 2021, the commitments made in F&NHB Biodiversity Statement serves as a foundation for their initiatives:

1. Avoid deforestation in our supply chain.
2. Avoid operating and developing in close proximity to nationally, or internationally recognised areas of high biodiversity value, including World Heritage areas, International Union for Conservation of Nature (IUCN) Category I-IV protected areas, RAMSAR Sites and key biodiversity areas.
3. In any circumstance where our production sites or a proposed project is located within, or depend upon, areas of high biodiversity value, we will apply the following mitigation hierarchy:
  - a. Avoidance - Avoid operating and developing in areas of high biodiversity value.
  - b. Minimisation - Implement measures/initiatives to monitor and minimise impacts on biodiversity from our operations.
  - c. Restoring - Seek to restore/rehabilitate areas where impacts cannot be prevented.
  - d. Offset - Consider biodiversity compensation/offsets measures, where there is residual impact.
4. In managing potential biodiversity risk, we will engage necessary stakeholders, including local authorities and the communities nearby, and ensure appropriate mitigation strategy is developed to minimise impacts to as low as reasonably possible. We are committed to collaborating with external partners, such as biodiversity experts, to support our biodiversity assessment and management process.

This statement is applicable to all current and future operational sites at F&NHB. Suppliers and business partners are encouraged to commit to protecting the biodiversity and ecosystems in their operations through our Sustainable Agriculture Guideline.

## INITIATIVES



F&N sources for sustainable palm oil in a bid to contribute to the conservation of the ecosystem. As an ordinary member of RSPO, we abide by the RSPO Principles and Criteria 2018 and are committed to sourcing for traceable palm oil that is free from deforestation and conversion through suppliers with a no deforestation, no conversion policy.

We engage our palm oil suppliers to ensure the palm oil sourced from them is RSPO certified, sustainable and traceable. Our current palm oil suppliers have *No Deforestation, No Peat, No Exploitation Policies* which they disclose on their websites.

## PERFORMANCE

### GRI 304-1

Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.

- None of our operational sites are in or adjacent to protected areas and areas of high biodiversity value outside protected areas.

# Performance Summary

Better Business: Responsible Business Fundamentals			
GRI Standards	Reference	Unit	
RESPONSIBLE BUSINESS PRACTICE			
Material Topic: Governance and Ethics			
GRI 205-2 (2016) Communication and training about anti-corruption policies and procedures	Communication		
	F&N Board		
	- Directors		
	Employees		
	- Executive Level		
	- Middle Management		
	- Department Head		
	- Senior Officer		
	- Officer Level		
	Business Partners		
	- Suppliers		
	Training		
	F&N Board		
	- Directors		
	Employees		
	- Executive Level		
	- Middle Management		
	- Department Head		
	- Senior Officer		
	- Officer Level		
Material Topic: Policy and Regulation			
GRI 307-1 (2016) Non-compliance with environmental laws and regulations	Monetary value of significant fines	SGD	
	Non-monetary sanctions	case	
	Cases brought through dispute resolution mechanisms		
GRI 419-1 (2016) Non-compliance with laws and regulations in the social and economic area	Monetary value of significant fines	SGD	
	Non-monetary sanctions		
		case	
	Cases brought through dispute resolution mechanisms		
RESPONSIBLE SUPPLY CHAIN			
Material Topic: Supply Chain Stewardship			
GRI 204-1 (2016) Proportion of spending on local suppliers	Percentage of local suppliers		
	Percentage of purchase value spent on local suppliers	%	

## Notes for GRI 204-1 (2016):

- Local suppliers refer to suppliers who conduct their businesses within the respective countries where F&N's operations (as covered in this Report) are based, namely Singapore, Malaysia and Thailand.



Financial Year								
FY2020			FY2021			FY2022		
Singapore	Malaysia	Thailand	Singapore	Malaysia	Thailand	Singapore	Malaysia	Thailand
						<b>14 (100%)</b>		
						14 (100%)		
						<b>1120 (25%)</b>	<b>1966 (45%)</b>	<b>1333 (30%)</b>
						<b>27 (1%)</b>	14 (1%)	5 (0%)
						<b>57 (1%)</b>	138 (3%)	33 (1%)
						<b>95 (2%)</b>	234 (5%)	100 (2%)
						<b>185 (4%)</b>	435 (10%)	478 (11%)
						<b>756 (17%)</b>	1145 (26%)	717 (16%)
						<b>534 (16%)</b>	<b>2272 (67%)</b>	<b>392 (12%)</b>
						<b>534 (16%)</b>	2272 (67%)	392 (12%)
						<b>14 (100%)</b>		
						14 (100%)		
						<b>1120 (25%)</b>	<b>1966 (45%)</b>	<b>1333 (30%)</b>
						27 (1%)	14 (1%)	5 (0%)
						57 (1%)	138 (3%)	33 (1%)
						95 (2%)	234 (5%)	100 (2%)
						185 (4%)	435 (10%)	478 (11%)
						756 (17%)	1145 (26%)	717 (16%)
Data for communication about anti-corruption policies and procedures to be disclosed from FY2022 onwards			Data for communication about anti-corruption policies and procedures to be disclosed from FY2022 onwards					
Data for training about anti-corruption policies and procedures to be disclosed from FY2022 onwards			Data for training about anti-corruption policies and procedures to be disclosed from FY2022 onwards					
Data for non-compliance with environmental laws and regulations to be disclosed from FY2021 onwards			There are no cases of non-compliance with environmental laws and/or regulations for FY2021			There are no cases of non-compliance with environmental laws and/or regulations for FY2022		
Data for non-compliance with laws and regulations in the social and economic area to be disclosed from FY2021 onwards			There were 2 cases of non-compliance with laws and regulations in the social and economic area. They were for shipping dairy products without the required permit and for workers not properly wearing their PPE equipments. The monetary fines were about SGD 2,500 in total.			There are no cases of non-compliance with laws and/or regulations in the social and economic area for FY2022		
81	92	97	76	91	96	84	92	96
37	72	79	31	76	79	39	67	75

# Performance Summary

Better Society: Well-Being of Our People, Communities and Society			
GRI Standards	Reference	Unit	
<b>EMPOWERING OUR PEOPLE</b>			
<i>Material Topic: Human Capital Development</i>			
<b>GRI 401-1 (2016)</b> New employee hires and employee turnover	<b>Total new employee hires</b>	Person	
	- Age under 30 years old		
	- Age between 30 - 50 years old		
	- Age over 50 years old		
	- Male		
	- Female		
	<b>Total employee turnover</b>		
	- Age under 30 years old		
	- Age between 30 - 50 years old		
	- Age over 50 years old		
	- Male		
	- Female		
<b>GRI 401-3 (2016)</b> Parental Leave	<b>Employees entitled to parental leave</b>	Person	
	- Male		
	- Female		
	<b>Employees that took parental leave</b>		
	- Male		
	- Female		
	<b>Employees that returned to work in previous reporting period after parental leave ended</b>		
	- Male		
	- Female		
	<b>Employees that returned to work in current reporting period after parental leave ended</b>		
	- Male		
	- Female		
	<b>Employees that returned to work after parental leave ended that were still employed 12 months after their return to work</b>		
	- Male		
	- Female		
	<b>Return to work rate</b>	%	
	- Male		
	- Female		
	<b>Retention rate</b>		
	- Male		
	- Female		
<b>GRI 404-1 (2016)</b> Average hours of training per year per employee	<b>Total training hours</b>	Hours	
	- Male	Person	
	- Female		
	- Executives		
	- Non-executives		
	Average hours of training per employee	Hours	
	<b>Average hours of training per Executive across the Group</b>		
	<b>Average hours of training per Non-executive across the Group</b>		

Financial Year								
Singapore	FY2020 Malaysia	Thailand	Singapore	FY2021 Malaysia	Thailand	Singapore	FY2022 Malaysia	Thailand
<b>198 (19%)</b>	<b>185 (18%)</b>	<b>650 (63%)</b>	<b>158 (21%)</b>	<b>129 (17%)</b>	<b>457 (61%)</b>	<b>336 (29%)</b>	<b>259 (22%)</b>	<b>566 (49%)</b>
76 (7%)	70 (7%)	419 (41%)	55 (7%)	48 (6%)	293 (39%)	155 (13%)	95 (8%)	364 (32%)
105 (10%)	96 (9%)	227 (22%)	87 (12%)	71 (10%)	164 (22%)	162 (14%)	152 (13%)	202 (17%)
17 (2%)	19 (2%)	4 (0%)	16 (2%)	10 (1%)	0 (0%)	19 (2%)	12 (1%)	0 (0%)
127 (12%)	123 (12%)	264 (26%)	79 (11%)	84 (11%)	188 (25%)	225 (19%)	170 (15%)	254 (22%)
71 (7%)	62 (6%)	386 (37%)	79 (11%)	45 (6%)	269 (36%)	111 (10%)	89 (8%)	310 (27%)
<b>210 (30%)</b>	<b>213 (31%)</b>	<b>272 (39%)</b>	<b>261 (21%)</b>	<b>533 (43%)</b>	<b>449 (36%)</b>	<b>301 (28%)</b>	<b>350 (32%)</b>	<b>427 (40%)</b>
74 (11%)	80 (12%)	174 (25%)	82 (7%)	111 (9%)	220 (18%)	103 (9%)	90 (8%)	183 (17%)
107 (15%)	117 (17%)	91 (13%)	135 (11%)	284 (23%)	216 (17%)	159 (15%)	203 (19%)	228 (21%)
29 (4%)	16 (2%)	7 (1%)	44 (4%)	138 (11%)	13 (1%)	39 (4%)	57 (5%)	16 (2%)
143 (21%)	119 (17%)	94 (14%)	155 (12%)	308 (25%)	191 (15%)	106 (10%)	226 (21%)	212 (20%)
67 (10%)	94 (14%)	178 (26%)	106 (9%)	225 (18%)	258 (21%)	195 (18%)	124 (11%)	215 (20%)
			<b>1049</b>	<b>1604</b>	<b>569</b>	<b>1056</b>	<b>1766</b>	<b>385</b>
			633	1153	0	<b>650</b>	1273	0
			416	451	569	<b>406</b>	493	385
			<b>9</b>	<b>63</b>	<b>15</b>	<b>15</b>	<b>59</b>	<b>18</b>
			5	33	0	4	39	0
			4	30	15	11	20	18
			<b>12</b>	<b>63</b>	<b>11</b>	<b>16</b>	<b>50</b>	<b>18</b>
			8	33	0	5	30	0
			4	30	11	11	20	18
			<b>9</b>	<b>63</b>	<b>8</b>	<b>15</b>	<b>59</b>	<b>18</b>
			5	33	0	4	39	0
			4	30	8	11	20	18
			<b>12</b>	<b>54</b>	<b>8</b>	<b>16</b>	<b>59</b>	<b>17</b>
			8	32	0	5	39	0
			4	22	8	11	20	17
			<b>100</b>	<b>100</b>	<b>53</b>	<b>100</b>	<b>100</b>	<b>100</b>
			100	100	N.A.	100	100	N.A.
			100	100	53	100	100	100
			<b>100</b>	<b>86</b>	<b>73</b>	<b>100</b>	<b>118</b>	<b>94</b>
			100	97	N.A.	100	130	N.A.
			100	73	73	100	100	94
<b>16,374</b>	<b>42,914</b>	<b>20,673</b>	<b>16,724</b>	<b>38,157</b>	<b>18,555</b>	<b>13,261</b>	<b>32,363</b>	<b>23,223</b>
680	1,568	751	644	1,432	740	657	1,413	737
439	630	641	441	577	598	431	563	596
311	833	347	339	722	347	286	709	340
808	1,365	1,045	746	1,287	991	802	1,267	993
14.63	19.33	14.85	15.41	18.99	13.87	12.19	16.38	17.70
	<b>26.23</b>			<b>26.51</b>			<b>21.11</b>	
	<b>12.57</b>			<b>11.94</b>			<b>13.40</b>	

Data for parental leave to  
be disclosed from FY2021 onwards

# Performance Summary

## Better Society: Well-Being of Our People, Communities and Society

GRI Standards	Reference	Unit	
<b>EMPOWERING OUR PEOPLE</b>			
<i>Material Topic: Human Capital Development</i>			
<b>GRI 404-3 (2016)</b> Percentage of employees receiving regular performance and career development reviews	Employees receiving regular performance and career development reviews	%	
<b>GRI 405-1 (2016)</b> Diversity and equal opportunity	<b>Total employee breakdown</b>	%	
	<b>F&amp;N Board</b>		
	- Male		
	- Female		
	- Age under 30 years old	%	
	- Age between 30 - 50 years old		
	- Age over 50 years old		
	<b>Male employees</b>		
	- Executive Level		
	- Middle Management		
	- Department Head	%	
	- Senior Officer		
	- Officer Level		
	<b>Female employees</b>		
	- Executive Level		
	- Middle Management		
	- Department Head	%	
	- Senior Officer		
	- Officer Level		
	<b>Age under 30 years old</b>		
	- Executive Level		
	- Middle Management		
	- Department Head	%	
	- Senior Officer		
	- Officer Level		
	<b>Age between 30 - 50 years old</b>		
	- Executive Level		
	- Middle Management		
	- Department Head	%	
	- Senior Officer		
	- Officer Level		
	<b>Age over 50 years old</b>		
	- Executive Level		
	- Middle Management		
	- Department Head	%	
	- Senior Officer		
	- Officer Level		
<i>Material Topic: Employee Safety, Health and Well-being</i>			
<b>GRI 403-9 (2018)</b> Work-related injuries	Employees work-related injury rate	incident/million hours	
	Non-employees work-related injury rate		
	Work-related Fatalities	incident	
	Lost Time Injury Frequency Rate (LTIFR)		
	<b>Group Lost Time Injury Frequency Rate</b>	incident/million hours	

Financial Year								
FY2020			FY2021			FY2022		
Singapore	Malaysia	Thailand	Singapore	Malaysia	Thailand	Singapore	Malaysia	Thailand
Data for employees receiving regular performance and career development reviews to be disclosed from FY2021 onwards			100	100	100	100	100	100
23	48	29	24	45	31	25	45	30
	75			75			75	
	25			25			25	
	0			0			0	
	8			8			8	
	92			92			92	
0	0	0	0	0	0	0	0	0
1	2	0	1	2	0	1	2	0
1	3	1	1	3	1	1	3	1
1	5	6	2	5	7	1	5	7
11	23	9	11	22	9	12	22	9
0	0	0	0	0	0	0	0	0
1	1	0	1	1	0	1	1	0
1	2	1	1	2	1	1	2	1
2	5	4	2	5	5	2	5	4
6	6	8	6	5	7	6	5	8
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	1	0	0
1	1	2	1	1	2	1	1	2
4	8	6	3	6	7	4	6	7
0	0	0	0	0	0	0	0	0
1	2	0	1	2	0	1	2	1
2	4	2	2	4	2	1	4	2
2	7	7	2	7	8	2	7	8
9	16	10	9	17	7	9	16	8
0	0	0	0	0	0	1	0	0
0	1	0	0	1	0	1	1	0
1	1	0	1	1	0	1	1	0
1	2	1	1	2	1	1	2	1
4	5	1	4	4	1	4	4	1
5.26	3.85	4.73	3.57	0.67	0.33	2.67	1.70	2.24
8.05	1.55	1.00	0.00	1.61	0.00	8.89	0.34	0.82
0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
4.85	2.62	3.47	3.57	0.22	0.33	2.67	1.21	2.24
	3.34			1.10			1.90	



# Performance Summary

Better Planet: Circularity and Environmental Protection			
GRI Standards	Reference	Unit	
<b>OPERATIONAL ECO-EFFICIENCY</b>			
<i>Material Topic: Energy, Climate Change</i>			
<b>GRI 302-1 (2016)</b> Energy consumption within the organisation	<b>Total energy consumption within the organisation</b>	'000 MJ	
	Fuel consumption from non-renewable fuel sources		
	<b>Fuel Type</b>		
	Natural Gas		
	Diesel		
	Liquified Petroleum Gas	'000 MJ	
	Gasoline		
	Fuel Oil		
	<b>Energy purchased</b>		
	Electricity		
	Steam		
	Fuel consumption from renewable fuel sources	'000 MJ	
	Solar		
	Biofuels		
	<b>Energy sold</b>		
<b>GRI 302-3 (2016)</b> Energy intensity	Production volume	MT	
	Total energy intensity ratio		
	<b>Group total energy intensity ratio</b>	MJ/MT	
<b>GRI 305-1 (2016)</b> Direct (Scope 1) GHG emissions (CO <sub>2</sub> e)	Total Scope 1 GHG emissions (CO <sub>2</sub> e)	'000 MT CO <sub>2</sub> e	
<b>GRI 305-2 (2016)</b> Energy indirect (Scope 2) GHG emissions (CO <sub>2</sub> e)	Total Scope 2 GHG emissions (CO <sub>2</sub> e)	'000 MT CO <sub>2</sub> e	
<b>GRI 305-4 (2016)</b> Greenhouse gas (GHG) emissions intensity	Total GHG emissions intensity ratio	MT CO <sub>2</sub> e/MT	
	<b>Group total GHG emissions intensity ratio</b>		
<i>Material Topic: Water Stewardship</i>			
<b>GRI 303-3 (2018)</b> Water withdrawal	<b>Total volume of water withdrawal</b>		
	Surface water	MI	
	Ground water		
	Third-Party Water (e.g. municipal water)		
<b>GRI 303-4 (2018)</b> Water discharged	<b>Total volume of water discharged</b>		
	Total freshwater (< 1,000 mg/l Total Dissolved Solids) discharge		
	Surface water		
	Ground water		
	Seawater		
	Third-Party water treatment and usage	MI	
	<b>Total other water (&gt; 1,000 mg/l Total Dissolved Solids) discharge</b>		
	Surface water		
	Ground water		
	Seawater		
	Third-Party water treatment and usage		
<b>GRI 303-5 (2018)</b> Water consumption	Total volume of water consumed	MI	
<b>Water intensity</b>	Water intensity ratio		
	<b>Group water intensity ratio</b>	m <sup>3</sup> /MT	

Financial Year								
Singapore	FY2020 Malaysia	Thailand	Singapore	FY2021 Malaysia	Thailand	Singapore	FY2022 Malaysia	Thailand
143,680	698,209	380,344	140,028	721,637	405,208	133,182	752,093	394,523
143,660	697,495	377,717	140,007	720,703	400,111	133,162	747,977	385,447
9,627	407,654	213,371	8,532	422,674	230,853	9,251	436,139	214,817
61,372	18,981	497	39,796	21,446	589	57,260	30,639	794
0	3,857	12,423	0	4,156	21,453	0	5,660	24,204
0	0	0	20,537	0	0	0	0	0
0	0	14,778	0	0	13,284	0	0	14,251
72,661	267,002	134,431	71,142	272,427	133,932	66,651	275,539	131,381
0	0	2,217	0	0	0	0	0	0
21	715	2,627	20	934	5,097	20	4,116	9,076
21	0	2,598	20	0	8,021	20	2,773	9,041
0	715	28	0	934	20	0	1,343	35
0	0	0	0	0	2,944	0	0	0
53,587	721,249	344,801	48,484	728,919	372,442	43,582	801,939	356,634
2,681.23	968.06	1,103.09	2,888.12	990.01	1,087.98	3,055.89	937.84	1,106.24
	1,091.63			1,101.78			1,064.59	
5.80	26.31	14.26	5.25	26.56	16.69	5.10	28.09	15.56
8.46	41.92	21.33	8.07	42.85	21.07	7.56	42.96	20.67
0.266	0.095	0.103	0.275	0.095	0.101	0.290	0.089	0.102
	0.105			0.105			0.100	
318	2,141	675	309	2,170	778	287	2,439	752
0.58	1,210	0	0	21	23	0	0	36
0	102	160	0	113	267	0	117	260
317	829	515	309	2,036	487	287	2,321	455
257	1,252	237	248	1,328	291	227	1,336	328
32	886	237	25	955	291	227	1,057	328
0	820	0	0	921	60	211	950	70
0	9	38	0	13	0	0	2	0
0	15	0	0	16	0	0	24	0
32	43	199	25	4	231	16	81	258
224	365	0	223	373	0	0	279	0
0	0	0	0	0	0	0	0	0
0	1	0	0	2	0	0	0	0
0	288	0	0	302	0	0	279	0
224	76	0	223	70	0	0	0	0
61	1287	438	60	842	487	60	1103	424
5.93	2.97	1.96	6.37	2.98	2.09	6.58	3.04	2.11
	2.80			2.83			2.89	

# Performance Summary

Better Planet: Circularity and Environmental Protection			
GRI Standards	Reference	Unit	
OPERATIONAL ECO-EFFICIENCY			
Material Topic: Waste Management			
GRI 306-3 (2020) Waste generated	Total waste generated	MT	
	Waste diverted from disposal		
	Hazardous waste	MT	
	Non-hazardous waste		
	Waste directed to disposal		
	Hazardous waste	MT	
GRI 306-4 (2020) Waste diverted from disposal	Non-hazardous waste		
	Total hazardous waste	MT	
	Offsite		
	Preparation for reuse		
	Recycling	MT	
	Composting (Self-Fertilizer)		
	Chemical waste water treatment		
	Total non-hazardous waste	MT	
	Offsite		
	Preparation for reuse		
GRI 306-5 (2020) Waste directed to disposal	Recycling	MT	
	Composting (Self-Fertilizer)		
	Chemical waste water treatment		
	Total hazardous waste	MT	
	Offsite		
	Landfill		
	Incineration (with energy recovery)	MT	
	Incineration (without energy recovery)		
	Total non-hazardous waste	MT	
	Offsite		
Solid waste intensity	Landfill		
	Incineration (with energy recovery)	MT	
	Incineration (without energy recovery)		
	Solid waste incinerated, disposed or sent to landfill	'000 kg	
Solid waste recycled	Solid waste reused, recycled or recovered	'000 kg	
	Solid waste recycled	%	
	Group solid waste intensity ratio	kg/MT	

Financial Year								
FY2020			FY2021			FY2022		
Singapore	Malaysia	Thailand	Singapore	Malaysia	Thailand	Singapore	Malaysia	Thailand
7,022	13,246	2,187	6,516	12,373	2,208	6,086	12,013	1,293
0	35	0	25	26	5	50	54	3
5,471	11,611	2,042	4,935	10,738	2,090	4,889	10,194	1,186
28	91	56	26	44	10	1	2	2
1,524	1,509	89	1,529	1,565	103	1,146	1,762	102
0	35	0	25	26	5	6	32	0
0	24	0	0	15	5	6	22	0
0	3	0	0	4	0	0	1	0
0	0	0	0	3	0	0	2	0
0	8	0	25	5	0	0	7	0
5,471	11,611	2,042	4,935	10,738	2,090	4,637	10,915	1,063
17	175	0	5	217	0	10	329	0
5,453	6,303	1,011	4,926	5,475	845	4,627	4,929	482
0	5,133	1,031	4	5,046	1,245	0	4,936	581
0	0	0	0	0	0	0	0	0
28	91	56	26	44	10	45	25	5
0	0	46	0	2	1	0	2	1
0	86	10	26	41	8	44	22	3
28	5	0	1	1	0	1	1	1
1,524	1,509	89	1,529	1,565	103	1,397	1,762	225
0	1,509	20	0	1,565	18	0	1,762	102
11	0	69	0	0	86	252	0	123
1,513	0	0	1,529	0	0	1,146	0	0
1,541	1,523	451	1,530	1,565	18	1,147	1,762	102
28.76	2.11	1.31	31.56	2.15	0.05	26.31	2.20	0.29
	3.14			2.71			2.50	
5,481	11,723	1,736	4,986	10,805	2,188	4,939	10,583	1,189
78	89	79	77	87	99	81	85	92

# Performance Summary

Better Planet: Circularity and Environmental Protection			
GRI Standards	Reference	Unit	
<b>VALUE CHAIN IMPACTS</b>			
<i>Material Topic: Packaging</i>			
<b>GRI 301-1 (2016)</b> <b>Materials used by weight or volume</b>	Materials used to produce and package primary products and services	'000 MT	
	Renewable		
	Non-renewable		
<b>GRI 301-2 (2016)</b> <b>Recycled input materials used^</b>	Recycled input materials used to manufacture products and services	%	

^ Data for Packaging materials only

## Notes for GRI 302-1 (2016) and GRI 302-3 (2016):

- 1 There is no electricity, heating, cooling and steam sold
- 2 The data on natural gas and electricity consumption is collected through meter readings and converted to MJ through standard conversion values
- 3 Energy intensity ratio is calculated based on the total amount of energy consumed (in megajoule, MJ) per metric tonne of product (MT)
- 4 Energy intensity ratio is for energy consumed within F&N only
- 5 Natural Gas, Diesel, Fuel Oil, Gasoline, Liquefied Petroleum Gas, Biofuels, Solar and Electricity are included in the energy intensity ratio

## Notes for GRI 303-3 (2018):

- 1 Water withdrawal is not from areas with high water stress
- 2 All our withdrawn water is freshwater (< 1,000 mg/l Total Dissolved Solids)



Financial Year								
FY2020			FY2021			FY2022		
Singapore	Malaysia	Thailand	Singapore	Malaysia	Thailand	Singapore	Malaysia	Thailand
			<b>72</b>	<b>935</b>	<b>608</b>	<b>59</b>	<b>1,299</b>	<b>559</b>
	Data for materials used by weight or volume to be disclosed from FY2021 onwards		72	895	566	59	1,246	516
			0	39	42	0	53	43
	Data for recycled input materials used to be disclosed from FY2021 onwards		9	25	16	8	25	20

**Notes for GRI 305-1 (2016), GRI 305-2 (2016) and GRI 305-4 (2016):**

- 1 CO<sub>2</sub>e emissions estimated based on the conversion factors from 2006 Intergovernmental Panel on Climate Change ("IPCC") Guidelines for National Greenhouse Gas Inventories and IGES List of Grid Emission Factors v10.12 and using the location-based method
- 2 Only CO<sub>2</sub> is included in the calculation of the Direct (Scope 1) GHG emissions and Energy indirect (Scope 2) GHG emissions
- 3 There is no biogenic CO<sub>2</sub> emissions generated from the combustion of biomass
- 4 The base year for the calculations is 2020. It was chosen as the baseline year for the F&N 2025 targets in order to track the performance against the targets over the years
- 5 The Global Warming Potential ("GWP") value for a time horizon of 100 years based on the IPCC Fifth Assessment Report: Working Group I Report "Climate Change 2013: The Physical Science Basis" (chapter 8) is used in the calculation
- 6 Operational control method is used for the consolidation approach of emissions
- 7 GHG emissions intensity ratio is calculated based on the total amount of CO<sub>2</sub>e generated (in metric tonne, MT) per metric ton of product (MT)
- 8 Direct (scope 1) and energy indirect (scope 2) is included in the GHG emissions intensity ratio
- 9 Only CO<sub>2</sub> is included in the calculation of the GHG emissions intensity ratio

# Independent Assurance Statement



## LRQA Independent Assurance Statement Relating to Fraser and Neave, Limited's data for selected GRI indicators for the fiscal year 2022 (1<sup>st</sup> October 2021 – 30<sup>th</sup> September 2022)

This Assurance Statement has been prepared for Fraser and Neave, Limited in accordance with our contract but is intended for the readers of this Report.

### Terms of engagement

Lloyd's Register Quality Assurance Limited (LRQA) was commissioned by Fraser and Neave, Limited (F&N), to provide independent assurance on its selected GRI indicators ("the data") against the assurance criteria below to a limited level of assurance and at the materiality of the professional judgement of the verifier using LRQA's verification procedure. LRQA's verification procedure is based on current best practice, is in accordance with ISAE 3000<sup>1</sup> and uses the following principles of - inclusivity, materiality, responsiveness and reliability of performance data.

Our assurance engagement covered F&N's operations and activities in Malaysia, Singapore and Thailand specifically the following requirements:

- Confirming whether the selected economic, environmental and social indicators below were compiled with reference to GRI's Standard 2021.
- Evaluating the reliability of data and information for only the selected environmental and social indicators listed below:

#### Economic

- GRI 201-1 Direct economic value generated and distributed (Community investment)

#### Environmental

- GRI 302-1 Energy consumption within the organization
- GRI 302-3 Energy intensity
- GRI 303-3 (2018 edition) Water withdrawal
- GRI 303-4 (2018 edition) Water discharge
- GRI 303-5 (2018 edition) Water consumption
- GRI 305-1 Direct (Scope 1) GHG emissions
- GRI 305-2 Energy indirect (Scope 2) GHG emissions
- GRI 305-4 GHG emissions intensity
- GRI 306-3 (2020 edition) Waste generated
- GRI 306-4 (2020 edition) Waste diverted from disposal
- GRI 306-5 (2020 edition) Waste directed to disposal

#### Social

- GRI 403-8 (2018 edition) Workers covered by an occupational health and safety management system
- GRI 403-9 (2018 edition) Work-related injuries
- GRI 403-10 (2018 edition) Work-related ill health
- GRI 404-1 Average hours of training per year per employee
- GRI 404-3 Percentage of employees receiving regular performance and career development reviews
- GRI 413-1 Operations with local community engagement, impact assessments, and development programs

Our assurance engagement excluded the data and information of F&N's suppliers, contractors and any third-parties mentioned in the report.

LRQA's responsibility is only to F&N. LRQA disclaims any liability or responsibility to others as explained in the end footnote. F&N's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of F&N.

<sup>1</sup> GHG quantification is subject to inherent uncertainty.



### LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that F&N has not, in all material respects:

- Met the requirements above
- Disclosed reliable performance data and information as no errors or omissions were detected

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the verifier.

**Note:** The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

### LRQA's approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Auditing F&N's data management systems to confirm that there were no significant errors, omissions or mis-statements in the data. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification. We also spoke with those key people responsible for compiling the data and drafting the report.
- Sampling the selected GRI indicators at F&NHB plants (Bentong and Kuching) in Malaysia, Times Printers plant (Tuas) in Singapore. We also reviewed how these selected GRI indicators from the operations in Malaysia, Singapore and Thailand were consolidated into the final reported data.

### Observations

Further observations and findings, made during the assurance engagement, are:

- Reliability: Data management systems are established and centralized for the data and information collection and calculation associated with the selected GRI indicators. However, we believe that the periodic internal verification will help improving the quality and reliability of data reported in the future, typically for reporting of water and waste management performance.

### LRQA's standards, competence and independence

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This verification is the only work undertaken by LRQA for F&N and as such does not compromise our independence or impartiality.

Dated: 24<sup>th</sup> November 2022

Opert Charuratana  
LRQA Lead Verifier

On behalf of LRQA (Thailand) Limited  
No.9, G Tower Grand Rama 9, FL. 30, Room H14,  
Rama 9 Rd., HuayKwang, Bangkok, 10310, THAILAND  
LRQA reference: BGK00000809/A

LRQA Group limited its affiliates included LRQA (Thailand) Limited and subsidiaries, and their respective officers, employees or agents are, individually and collectively, referred to in this clause as 'LRQA'. LRQA Group limited assumes no responsibility and shall not be liable to any person for any loss, damage or expense caused by reliance on the information or advice in this document or howsoever provided, unless that person has signed a contract with the relevant LRQA entity for the provision of this information or advice and in that case any responsibility or liability is exclusively on the terms and conditions set out in that contract.

The English version of this Assurance statement is the only valid version. LRQA Group limited assumes no responsibility for versions translated into other languages.

This Assurance statement is only valid when published with the Assertion to which it refers. It may only be reproduced in its entirety.  
Copyright © LRQA Group limited 2022.

# GRI Standards 2021 Content Index

GRI Standards 2021 Content Index			
UNIVERSAL STANDARDS			
Topic	GRI Standard	Description of Disclosure	Reference Page / Explanation
GRI 2: General Disclosures 2021			
<b>The organisation and its reporting practices</b>	<b>2-1</b>	Organisational details	Pages 10 - 11
	<b>2-2</b>	Entities included in the organisation's sustainability reporting	Page 08
	<b>2-3</b>	Reporting period, frequency and contact point	Page 08
	<b>2-4</b>	Restatements of information	No restatement of information from previous reporting.
	<b>2-5</b>	External Assurance	Pages 96 - 97
<b>Activities and workers</b>	<b>2-6</b>	Activities, value chain and other business relationships	Pages 10 - 11, 14 - 15
	<b>2-7</b>	Employees	Pages 10, 63, 88 - 89
	<b>2-8</b>	Workers who are not employees	Information incomplete.
<b>Governance</b>	<b>2-9</b>	Governance structure and composition	This information is available in our Annual Report.
	<b>2-10</b>	Nomination and selection of the highest governance body	This information is available in our Annual Report.
	<b>2-11</b>	Chair of the highest governance body	This information is available in our Annual Report.
	<b>2-12</b>	Role of the highest governance body in overseeing the management of impacts	Pages 02 - 03, 27, 38
	<b>2-13</b>	Delegation of responsibility for managing impacts	Pages 02 - 03, 38
	<b>2-14</b>	Role of the highest governance body in sustainability reporting	Pages 02 - 03, 27, 38
	<b>2-15</b>	Conflicts of interest	This information is available in our Annual Report.
	<b>2-16</b>	Communication of critical concerns	This information is available in our Annual Report.
	<b>2-17</b>	Collective knowledge of the highest governance body	Page 41
	<b>2-18</b>	Evaluation of the performance of the highest governance body	This information is available in our Annual Report.
	<b>2-19</b>	Remuneration policies	This information is available in our Annual Report.
	<b>2-20</b>	Process to determine remuneration	This information is available in our Annual Report.
	<b>2-21</b>	Annual total compensation ratio	Confidentiality constraints.
<b>Strategy, policies and practices</b>	<b>2-22</b>	Statement on sustainable development strategy	Pages 02 - 03
	<b>2-23</b>	Policy commitments	Pages 40 - 41, 58 - 62
	<b>2-24</b>	Embedding policy commitments	Pages 40 - 41, 58 - 62
	<b>2-25</b>	Processes to remediate negative impacts	Pages 61 - 62
	<b>2-26</b>	Mechanisms for seeking advice and raising concerns	Pages 40 - 41
	<b>2-27</b>	Compliance with laws and regulations	Pages 40 - 41, 84 - 85
	<b>2-28</b>	Membership associations	Page 36

GRI Standards 2021 Content Index			
UNIVERSAL STANDARDS			
Topic	GRI Standard	Description of Disclosure	Reference Page / Explanation
GRI 2: General Disclosures 2021			
<b>Stakeholder engagement</b>	<b>2-29</b>	Approach to stakeholder engagement	Pages 34 - 35
	<b>2-30</b>	Collective bargaining agreements	We have a strong commitment to transparent dialogue. In FY2022, over 29% of our employees were covered by collective bargaining agreements
GRI 3: Material Topics 2021			
<b>Disclosures on material topics</b>	<b>3-1</b>	Process to determine material topics	Page 16
	<b>3-2</b>	List of material topics	Page 16
Better Business: Responsible Business Fundamentals			
Responsible Business Practice			
<b>Governance and Ethics</b>	<b>3-3</b>	Management of material topics	Pages 38 - 40
	<b>205-2</b>	Communication and training about anti-corruption policies and procedures	Pages 84 - 85
	<b>205-3</b>	Confirmed incidents of corruption and actions taken	Page 40
<b>Policy and Regulation</b>	<b>3-3</b>	Management of material topics	Pages 40 - 41
<b>Economic Performance</b>	<b>3-3</b>	Management of material topics	Page 42
	<b>201-1</b>	Direct economic value generated and distributed	Page 42
Responsible Product Stewardship			
<b>Product Quality and Safety</b>	<b>3-3</b>	Management of material topics	Pages 43 - 44
<b>Product and Service Labelling</b>	<b>3-3</b>	Management of material topics	Pages 44 - 45
	<b>417-1</b>	Requirements for products and service information and labelling	Page 45
	<b>417-2</b>	Incidents of non-compliance concerning product and service information and labelling	Page 45
<b>Innovation</b>	<b>3-3</b>	Management of material topics	Pages 45 - 48
Responsible Supply Chain			
<b>Supply Chain Stewardship</b>	<b>3-3</b>	Management of material topics	Pages 49 - 51
	<b>204-1</b>	Proportion of spending on local suppliers	Pages 49, 84 - 85
	<b>308-1</b>	New suppliers that were screened using environmental criteria	Page 49
	<b>414-1</b>	New suppliers that were screened using social criteria	Page 49



# GRI Standards 2021 Content Index

GRI Standards 2021 Content Index			
TOPIC STANDARDS			
Topic	GRI Standard	Description of Disclosure	Reference Page / Explanation
<b>Better Society: Well-Being of Our People, Communities and Society</b>			
<b>Creating Value For Society</b>			
<b>Nutrition</b>	<b>3-3</b>	Management of material topics	Pages 54 - 55
	<b>416-1</b>	Assessment of health and safety impacts of product and service categories	Page 55
	<b>416-2</b>	Incidents of non-compliance concerning the health and safety impacts of products and services	Page 55
<b>Community Development and Inclusive Growth</b>	<b>3-3</b>	Management of material topics	Pages 56 - 57
	<b>413-1</b>	Operations with local community engagement, impact assessments, and development programs	Page 57
<b>Human Rights</b>	<b>3-3</b>	Management of material topics	Pages 58 - 62
<b>Empowering Our People</b>			
<b>Human Capital Development</b>	<b>3-3</b>	Management of material topics	Pages 63 - 68
	<b>401-1</b>	New employee hires and employee turnover	Pages 86 - 87
	<b>401-2</b>	Benefits provided to full time employees that are not provided to temporary or part-time employees	Page 65
	<b>401-3</b>	Parental Leave	Pages 86 - 87
	<b>404-1</b>	Average hours of training per year per employee	Pages 86 - 87
	<b>404-2</b>	Programs for upgrading employee skills and transition assistance programs	Page 66
	<b>404-3</b>	Percentage of employees receiving regular performance and career development reviews	Pages 88 - 89
	<b>405-1</b>	Diversity and equal opportunity	Pages 88 - 89
<b>Employee Safety, Health and Well-being</b>	<b>3-3</b>	Management of material topics	Pages 68 - 70
	<b>403-1</b>	Occupational health and safety management system	Page 69
	<b>403-2</b>	Hazard identification, risk assessment, and incident investigation	Page 69
	<b>403-3</b>	Occupational health services	Page 70
	<b>403-4</b>	Worker participation, consultation, and communication on occupational health and safety	Page 69
	<b>403-5</b>	Worker training on occupational health and safety	Page 69
	<b>403-6</b>	Promotion of worker health	Page 70
	<b>403-7</b>	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 69
	<b>403-9</b>	Work-related injuries	Pages 70, 88 - 89
	<b>403-10</b>	Work-related ill health	Page 70

GRI Standards 2021 Content Index			
TOPIC STANDARDS			
Topic	GRI Standard	Description of Disclosure	Reference Page / Explanation
<b>Better Planet: Circularity and Environmental Protection</b>			
<b>Operational Eco-efficiency</b>			
<b>Energy and Climate Change</b>	<b>3-3</b>	Management of material topics	Pages 73 - 76
	<b>302-1</b>	Energy consumption within the organisation	Pages 90 - 91
	<b>302-3</b>	Energy intensity	Pages 90 - 91
	<b>305-1</b>	Direct (Scope 1) GHG emissions (CO <sub>2</sub> e)	Pages 90 - 91
	<b>305-2</b>	Energy indirect (Scope 2) GHG emissions (CO <sub>2</sub> e)	Pages 90 - 91
	<b>305-4</b>	Greenhouse gas (GHG) emissions intensity	Pages 90 - 91
<b>Water Stewardship</b>	<b>3-3</b>	Management of material topics	Pages 76 - 77
	<b>303-1</b>	Interactions with water as a shared resource	Pages 76 - 77
	<b>303-2</b>	Management of water discharge related impacts	Pages 76 - 77
	<b>303-3</b>	Water Withdrawal	Pages 90 - 91
	<b>303-4</b>	Water discharged	Pages 90 - 91
	<b>303-5</b>	Water consumption	Pages 90 - 91
<b>Waste Management</b>	<b>3-3</b>	Management of material topics	Pages 78 - 80
	<b>306-1</b>	Waste generation and significant waste-related impacts	Pages 78 - 80
	<b>306-2</b>	Management of significant waste-related impacts	Pages 78 - 80
	<b>306-3</b>	Waste generated	Pages 92 - 93
	<b>306-4</b>	Waste diverted from disposal	Pages 92 - 93
	<b>306-5</b>	Waste directed to disposal	Pages 92 - 93
<b>Value Chain Impacts</b>			
<b>Packaging</b>	<b>3-3</b>	Management of material topics	Pages 81 - 82
	<b>301-1</b>	Materials used by weight or volume	Pages 81, 94 - 95
	<b>301-2</b>	Recycled input materials used	Pages 81, 94 - 95
<b>Biodiversity</b>	<b>3-3</b>	Management of material topics	Pages 82 - 83
	<b>304-1</b>	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Page 83

# UN Global Compact Content Index

Core Value	Global Compact Principle	Our Corresponding Written Commitment	Reference
Human Rights	<b>Principle 1</b> Businesses should support and respect the protection of internationally proclaimed human rights	Human Rights Policy	'Human Rights' chapter (pages 58 - 62)
	<b>Principle 2</b> Businesses should make sure that they are not complicit in human rights abuses		
Labour	<b>Principle 3</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Human Rights Policy	'Human Rights' chapter (pages 58 - 62)  'Human Capital Development' chapter (pages 63 - 68)
	<b>Principle 4</b> Businesses should uphold the elimination of all forms of forced and compulsory labour		
	<b>Principle 5</b> Businesses should uphold the effective abolition of child labour		
	<b>Principle 6</b> Businesses should uphold the elimination of discrimination in respect of employment and occupation		
Environment	<b>Principle 7</b> Businesses should support a precautionary approach to environmental challenges	Environment, Health & Safety Policy	'Operational Eco-efficiency' chapters (page pages 71 - 80)  'Value Chain Impacts' chapters (pages 81 - 83)
	<b>Principle 8</b> Businesses should undertake initiatives to promote greater environmental responsibility		
	<b>Principle 9</b> Businesses should encourage the development and diffusion of environmentally friendly technologies		
Anti-corruption	<b>Principle 10</b> Businesses should work against corruption in all its forms, including extortion and bribery	Anti-Bribery & Anti-Corruption Policy	'Governance & Ethics' chapter (pages 38 - 40)

## TCFD Content Index

TCFD Recommendation		Relevant Chapter
<b>Governance - Disclose the organisation's governance of climate-related risks and opportunities</b>		
a)	Describe the board's oversight of climate-related risks and opportunities	'Our Sustainability Approach' chapter (pages 16 - 36)
b)	Describe management's role in assessing and managing climate-related risks and opportunities	'Our Sustainability Approach' chapter (pages 16 - 36)
<b>Strategy - Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material</b>		
a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	Partial disclosure
b)	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	To be disclosed next year
c)	Describe the resilience of the organisation's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario	Partial disclosure
<b>Risk Management - Disclose how the organisation identifies, assesses, and manages climate-related risks</b>		
a)	Describe the organisation's processes for identifying and assessing climate-related risks	'Our Sustainability Approach' chapter (pages 16 - 36)
b)	Describe the organisation's processes for managing climate-related risks	'Our Sustainability Approach' chapter (pages 16 - 36)
c)	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	'Our Sustainability Approach' chapter (pages 16 - 36)
<b>Metrics &amp; Targets - Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</b>		
a)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	'Performance Summary' chapter (pages 84 - 95)
b)	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	'Performance Summary' chapter (pages 84 - 95)
c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	To be disclosed next year

# SGX Metric Index

Topic	Metrics	Unit	GRI Framework mapping	Reference
<b>Environmental</b>				
<b>Greenhouse Gas Emissions ("GHG")</b>	Absolute emissions	MT CO <sub>2</sub> e	GRI 305-1, GRI 305-2	Pages 90 - 91
	Emissions intensity	MT CO <sub>2</sub> e/MT	GRI 305-4	Pages 90 - 91
<b>Energy Consumption</b>	Total energy consumption	MJ	GRI 302-1	Pages 90 - 91
	Energy consumption intensity	MJ/MT	GRI 302-3	Pages 90 - 91
<b>Water Consumption</b>	Total water consumption	MI	GRI 303-5	Pages 90 - 91
	Water consumption intensity	m <sup>3</sup> /MT	N.A.	1.32
<b>Waste Generation</b>	Total waste generated	MT	GRI 306-3	Pages 92 - 93
<b>Social</b>				
<b>Gender Diversity</b>	Current employees by gender	%	GRI 405-1	Pages 88 - 89
	New hires and turnover by gender	%	GRI 401-1	Pages 86 - 87
<b>Age-Based Diversity</b>	Current employees by age groups	%	GRI 405-1	Pages 88 - 89
	New hires and turnover by age groups	%	GRI 401-1	Pages 86 - 87
<b>Employment</b>	Total turnover	Number and %	GRI 401-1	Pages 86 - 87
	Total number of employees	Number	N.A.	Over 6,700 employees across F&N Group
<b>Development &amp; Training</b>	Average training hours per employee	Hours/No. of employees	GRI 404-1	Pages 86 - 87
	Average training hours per employee by gender	Hours/No. of employees	GRI 404-1	Pages 86 - 87
<b>Occupational Health &amp; Safety</b>	Fatalities	Number of cases	GRI 403-9	Page 79
	High-consequence injuries	Number of cases	GRI 403-9	Page 79
	Recordable injuries	Number of cases	GRI 403-9	Page 79
	Recordable work-related ill health cases	Number of cases	GRI 403-10	Page 79
<b>Governance</b>				
<b>Board Composition</b>	Board independence	%	GRI 102-22	50
	Women on the Board	%	GRI 102-22, GRI 405-1	Pages 88 - 89
<b>Management Diversity</b>	Women in the management team	%	GRI 102-22, GRI 405-1	Page 63
<b>Ethical Behaviour</b>	Anti-corruption disclosures	Number	GRI 205-1, GRI 205-2	Pages 40, 84 - 85
	Anti-corruption training for employees	Number and %	GRI 205-2	Pages 84 - 85
<b>Certifications</b>	List of relevant certifications	List	N.A.	Page 43
<b>Alignment with Framework</b>	Alignment with frameworks and disclosure practices	GRI	N.A.	Page 08
<b>Assurance</b>	Assurance of Sustainability Report	External	N.A.	Pages 96 - 97





**Fraser and Neave, Limited**

438 Alexandra Road  
#20-00 Alexandra Point  
Singapore 119958

Tel: (65) 6318 9393

Fax: (65) 6271 0811

**[www.fraserandneave.com](http://www.fraserandneave.com)**

(Company Registration No. 189800001R)  
(Incorporated in Singapore)