STRENGTHENING CONNECTIONS
Fostering Relationships Through Digital Transformation

SUSTAINABILITY REPORT 2020

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BOARD STATEMENT

The Board of Directors (the "Board") is pleased to present the Sustainability Report of Food Empire Holdings Limited ("Food Empire" or together with its subsidiaries, "the Group") for the financial year ended 31 December 2020 ("FY2020").

FY2020 was a year demanding resilience amidst the scale and persistence of the COVID-19 pandemic and the resultant onslaught of lockdown measures by governments around the world. These have contributed to a global recessionary and volatile environment, which have impacted the Group's sales, distribution and production. To address the risks to Food Empire's supply chain and business operations, a management committee was formed to coordinate the dissemination of information and advisories relating to safe governance and practices for our employees worldwide. The Group also looked into maintaining buffer inventory levels and diversifying its supplier base to avoid any disruptions. In addition, changes in consumer buying behaviour and trade receivables collection patterns were, and continue to be, closely monitored by the Group's business heads in all major markets. As at 31 December 2020, we have not experienced any significant slowdown in collectables that would merit concern.

While business conditions are expected to be uncertain and challenging for the foreseeable term, the Board is confident that Food Empire's businesses will remain sustainable, backed by an experienced management team and a strong balance sheet. The Group is also expected to be able to fulfil its near-term obligations, support its future expansion plans, and comply with all COVID-19 regulatory requirements in the markets in which we operate.

The Board has reviewed Food Empire's five existing material sustainability matters and is of the opinion that these matters remained material to the Group in 2020. The Board will continue to ensure that these material sustainability matters are appropriately monitored and managed, and remains committed to working with management to drive sustainable growth and deliver long-term value for all our stakeholders.

Food Empire
5 hrs ago · 🌐

FY2020 IN REVIEW

1,942
Employees in Russia, Vietnam and Singapore

ZERO
confirmed cases of corruption and non-compliance with all laws and regulations

Recognised in

TOP 100 "MOST VALUABLE SINGAPOREAN BRANDS"

2020 ranking by Brand Finance, with an increase in estimated brand value from USD 76 million in 2019 to USD 81 million in 2020

ZERO
Work-related fatalities in all our operations

ZERO
Incidents of injury in Russia and Vietnam

👍❤️ 60.1K

47 Comments   214 Shares

👍 Like   💬 Comment   ↪ Share   ⚫ ▾

Food Empire, Singapore

Our mission is to be a leading global food and beverage company providing quality products and services. We will achieve this goal as we have the people, the passion and the enterprising spirit to make a difference.

USD 273 million
Net sales in FY2020

Sold in > 50 countries

>17 Brands

23 OFFICES worldwide

7 MANUFACTURING facilities

CHOOSE YOUR DROP-OFF

▶ A TRUSTED LEADER IN THE GLOBAL F&B MARKETS

Food Empire is a global branding and manufacturing company in the food and beverage (F&B) sector listed on the SGX Mainboard since April 2000. Today, our quality products –which include instant beverage products, frozen convenience food and snack food– are exported to more than 50 countries around the world.

We operate 7 manufacturing facilities and 23 representative and liaison offices worldwide. Our primary markets include Russia, Ukraine, Kazakhstan and other members of the Commonwealth of Independent States ("CIS"), as well as Indochina.

In 2019, Food Empire was presented with the Sustainability Award at the SIAS 20th Investors' Choice Award in Singapore.

Food Empire
5 hrs ago · 🌐

OUR **AWARD-WINNING** BRANDS

With an aim to further entrench our presence in existing markets and grow our global customer base, Food Empire is continually striving to improve our customers' experience through innovative and quality product offerings.

We currently offer over 17 brands that span a wide variety of beverages, including coffee, chocolate and tea; snacks, such as potato crisps; and premium-quality frozen foods. Besides manufacturing and selling retail products, we also sell our raw ingredients to other food manufacturers. Our brands are localised to match the flavour of the local markets in which our products are sold.

Since our public listing in 2000, Food Empire has won numerous accolades and awards. MacCoffee – the Group's flagship brand – has been named by Enterprise Singapore (formerly known as IE Singapore) as one of "The Strongest Singapore Brands", and has consistently been ranked as the leading 3-in-1 instant coffee brand in Russia, Ukraine and Vietnam. Enterprise Singapore has also recognised Food Empire as one of the "Most Valuable Singapore Brands", and was twice named by Forbes Magazine as one of the "Best under a Billion" companies in Asia.

In FY2020, Food Empire ranked 53 in Brand Finance's Top 100 list of "Most Valuable Singaporean Brands", with an estimated brand value of USD 81 million (FY2019: USD 76 million)[1]. This was an improvement of 5 places from the prior ranking attained in 2019, and serves as a validation of the Group's continual efforts to improve our customer experience and brand equity.

INSTANT **BEVERAGES**

MacCoffee
Café PHO
Klassno
Petrovskaya Sloboda
MacTea
MacChocolate
Hillway
CaféRite
MacFito
MacChoco
MacCereal
NutriRite
FesAroma
Bolt

SNACK FOOD

Kracks
Chizzpa

....

FROZEN **CONVENIENCE FOOD**

OrienBites

....

COFFEE CAPSULES

Tazzanera

👍❤️ 70.2K   22 Comments   331 Shares

👍 Like   💬 Comment   ↪ Share   ⚫ ▾

[1] The assessment by Brand Finance was made by estimating Food Empire's likely future revenues attributable to its respective brands, calculating the royalty rate that would be charged for the use of its brands assuming it was not already owned, and benchmarking this against other contestants.

Food Empire
6 hrs ago · 🌐

SUSTAINABILITY
AT FOOD EMPIRE

OUR SUSTAINABILITY FOCUS

Our decision-making processes and business practices at Food Empire are guided by our sustainability ambitions surrounding Planet, Principles, and People. We are fully committed to all our stakeholders, and will continue to conduct our activities with a focus on sustainability to serve our stakeholders' needs and interests the best we can.

PLANET

We care about our PLANET.
We strive to reduce our
environmental impact and safeguard
a future for all generations to come.

**OUR
SUSTAINABILITY
FOCUS**

PRINCIPLES

We guide our purpose
with PRINCIPLES. We
are committed to
conducting our
business activities with
the highest integrity
and accountability.

PEOPLE

We are passionate about
PEOPLE. We place great
emphasis on creating
a safe and inclusive
workplace for our
employees, as well as
serving quality products
to our customers.

👍❤️ 76.2K   49 Comments   482 Shares

👍 Like   💬 Comment   ↪ Share   ⚫ ▾

ECONOMIC RESILIENCE

Economic resilience is a key strategic thrust that enables Food Empire to deliver stable returns to our shareholders, and distribute value to our other stakeholders, in the form of employee wages and benefits, taxes to the government, and community investments. To achieve this, we pride ourselves on consistent product innovation that caters to the fast-changing consumer preferences in the global markets, and that positions us well to diversify into new geographic and product sectors. In FY2020, our net sales were USD 273.0 million (FY2019: USD 288.6 million). For more information on our financial performance, please refer to our Annual Report.

COVID-19 IMPACT ON BUSINESS RESILIENCE AND OPERATIONS

As our business grows, so does the challenges and complexity of our operations. FY2020 was a particularly challenging year, putting pressure on our sales, distribution and production activities. With the mass enforcement of lockdown measures in our key markets together with the global recessionary and volatile economic conditions brought about by COVID-19, our revenues have declined by 5.4% from FY2019.

Despite this, Food Empire's cash position remains strong, and the Group is expected to be able to fulfil its near-term obligations, support its future expansion plans, and comply with all COVID-19 regulatory requirements. Furthermore, the Group's business heads in all major markets are closely monitoring changes in consumer buying behaviour and trade receivables collection patterns, and will make the appropriate interventions to ensure business continuity, where necessary.

When the pandemic first broke out, a COVID-19 management committee was formed to address important concerns such as business and supply chain continuity, coordinate the dissemination of information and advisories relating to safe governance and practices for our employees worldwide.

As Singapore changed the Disease Outbreak Response System Condition (DORSCON) alert level to Orange, the COVID-19 committee and our office team in Singapore started to draw up contingency plans to ensure business continuity should the situation in Singapore further deteriorate and the DORSCON alert level be changed to Red. The contingency plan included guidelines for working from home, and ensured that employees were mentally prepared and aware of their responsibilities. Every department was split into teams that alternated working from home and the office. To minimise operational disruptions, the IT department conducted an assessment of the readiness and effectiveness of the IT systems in supporting the new working arrangement, and provided ongoing technology and connectivity support. Virtual meetings replaced physical meetings.

Other group offices soon adopted the model initiated by the Singapore office. It had pre-emptively prepared for and introduced work from home arrangements. This puts the Group a step ahead in ensuring a smooth transition and compliance with COVID-19 regulatory requirements when lockdowns and social distancing measures were actually mandated by governments worldwide.

COVID-19 IMPACT ON OUR SUPPLY CHAIN

To a global consumer product company, supply chain continuity is crucial. As such, when COVID-19 first struck, a key priority of the Group was to ensure the resilience of our supply chain, especially since many of our suppliers sourced directly or indirectly from China, which was the main affected country then before the outbreak spread to countries such as Singapore, South Korea, and Hong Kong.

At that stage, the Group's operating units who were sourcing from China began sourcing alternative supplies and critical materials from other countries like Brazil, India, Malaysia and Vietnam, to prevent any disruption to production in our factories. A sub-committee was formed to engage suppliers, and we started obtaining weekly updates from each supplier and establishing alternative supply sources, where possible.

To date, this is an ongoing balancing act between diversifying our supplier base, and maintaining buffer inventory to protect against possible supply chain disruptions.

STAKEHOLDER
ENGAGEMENT & MATERIALITY

KEY STAKEHOLDERS [GRI 102-40] [102-42] [102-43] [102-44]

At Food Empire, we are fully committed to conduct our business in alignment with our stakeholders' needs and interests. Through regular engagement with our stakeholders, we aim to foster close relationships that will allow us to understand their dominant concerns and how we can best serve them. An overview of our key stakeholders, their expectations and our channels of engagement is presented below.

SHAREHOLDERS

Key Interests:
- Financial and operational performance
- Good Corporate governance
- Sustainability
- Transparency

Covid-19 specific concerns:
- Business resilience to economic shocks posed by COVID-19

Our response and engagement platforms:
- Cultivate a culture of transparent and timely communications
- Provide reliable and relevant information to investors through:
  » Annual Report and Sustainability Report (Annual)
  » Annual shareholder meeting (Annual)
  » Announcements and circulars (Regular)
  » Investor relations channel (Active)
  » Investor presentations, roadshows, dialogue sessions (Regular)
  » Quarterly reports (Quarterly)

REGULATORS

Key Interests:
- Compliance to relevant laws and regulations
- Contributions to economic and social development
- Environmental impacts of operations

Covid-19 specific concerns:
- Adherence to new workplace safe distancing guidelines

Our response and engagement platforms:
- Comply with all applicable environmental and socio-economic regulations
- Contribute to the local economy through local employment and tax payments to the government
- Implement safe distancing practices in the workplace
- Engage regulators through:
  » Annual Report and Sustainability Report (Annual)
  » Industry sector participation channels (Ad hoc)
  » Participation in conferences, meetings and discussions
  » Site visits and audits/checks

EMPLOYEES

Key Interests:
- Equal opportunities and non-discrimination
- Health, safety and well-being
- Job satisfaction
- Remuneration
- Training and development opportunities

Covid-19 specific concerns:
- Enhanced safety protocols at the workplace to prevent the spread of COVID-19
- Job security

Our response and engagement platforms:
- Establish a fair and diverse working environment
- Provide competitive remuneration and employment benefits
- Engage employees through annual performance appraisals, employee engagement surveys
- Provision of trainings and volunteering opportunities
- Implement new workplace arrangements to enhance safety
- Avoid COVID-19 related layoffs where feasible
- Engage employees through:
  » Company events and activities (Regular)
  » Control self-assessment for Senior Management (Regular)
  » Human resource channel (Active)
  » Staff appraisal (Regular)
  » Surveys and interviews (Ad hoc)
  » Training and development programs (Regular)
  » Volunteer and community activities (Ad hoc)

CUSTOMERS

Key Interests:
- Business ethics and sustainable practices
- Food safety and hygiene
- Innovation
- Product quality and nutritional value
- Responsible marketing and labelling

Covid-19 specific concerns:
- Availability of products

Our response and engagement platforms:
- Continue to deliver quality products
- Engage customers through:
  » Annual Report and Sustainability Report (Annual)
  » Consumer enquiries channel (Active)
  » Marketing and labelling of products (Active)
  » Mass media and social media (Regular)
  » Surveys and market research (Ad hoc)

FINANCIERS

Key Interests:
- Financial and operational performance
- Good Corporate governance
- Sustainability of Food Empire
- Timely repayment of loan principal and interest

Covid-19 specific concerns:
- Timely repayment of loan principal and interest

Our response and engagement platforms:
- Cultivate a culture of transparent and timely communications
- Provide reliable and relevant information to financiers through:
  » Annual Report and Sustainability Report (Annual)
  » Direct communication, meetings and discussion (Annual)
  » Announcements and circulars (Regular)

SUPPLIERS AND BUSINESS PARTNERS

Key Interests:
- Business ethics and sustainable practices
- Long-term business relationship with Food Empire
- Financial and operational performance
- Sustainability

Covid-19 specific concerns:
- Management of contractual obligations

Our response and engagement platforms:
- Close collaboration with our suppliers to achieve a long, sustainable relations
- Regular communications and meeting with suppliers
- Conducting supplier audits annually
- Engage suppliers through:
  » Annual Report and Sustainability Report (Annual)
  » Direct communication, meetings and discussion (Annual)
  » Evaluation and monitoring (Ad hoc)
  » Joint initiatives and programmes (Ad hoc)
  » Site visits and audits/checks (Ad hoc)
  » Survey (Ad hoc)

COMMUNITY

Key Interests:
- Contribution to economic and social development
- Environmental impact of operations
- Local employment

Covid-19 specific concerns:
- Provide donations and community support

Our response and engagement platforms:
- Supporting local communities through corporate sustainability programmes
- Engage community through:
  » Annual Report and Sustainability Report (Annual)
  » Corporate social responsibility initiatives (Ad hoc)
  » Sponsorship and philanthropy (Ad hoc)

MATERIALITY ASSESSMENT [GRI 102-46] [102-47]

Ranking our sustainability matters through a materiality assessment allows us to focus our resources on the most critical matters of our business. In previous years, we have identified the top five sustainability matters that have a significant impact on our business and key stakeholders. In FY2020, we have reviewed these sustainability matters, and concluded that they remain relevant for the year even in the context of COVID-19. The figure below illustrates our materiality assessment process and the five material sustainability matters identified through the assessment.

FY2017 MATERIALITY ASSESSMENT	FY2018 REVIEW	FY2019 REVIEW	FY2020 REVIEW
We identified 3 material matters through: • Consolidating a list of potentially material ESG matters from interviewing internal stakeholders and performing peer benchmarking. • Prioritising material ESG matters through materiality assessment workshop, taking into account both internal and external stakeholder perspectives. • Obtaining Board validation of 3 material ESG matters identified.	We added Vietnam operations to our reporting scope, and identified two new material matters. A total of 5 material matters were validated by the Board and reported in FY2018.	We conducted a review of our 5 material ESG matters in FY2019, and concluded that the five material matters are still relevant across our operations.	We conducted another review of our 5 material ESG matters in FY2020, and concluded that the five material matters are still relevant across our operations. These topics will be reviewed again in subsequent reports to ensure their continued relevance to the Group.
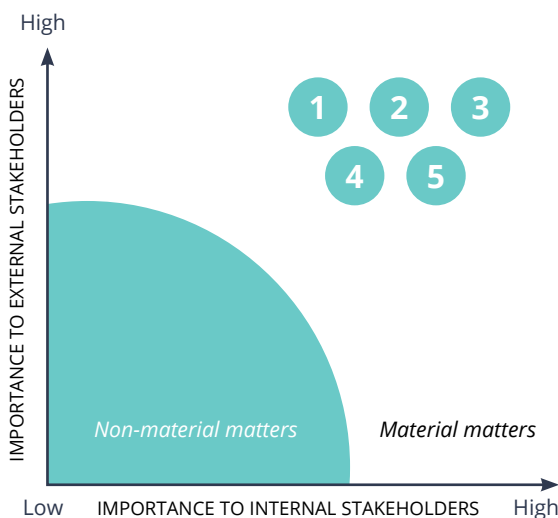
No.	Mapping of Material Sustainability Matters to GRI Standards Topics	
	Sustainability Matters	**Relevant GRI Standards Topics**
1	Energy Consumption and Greenhouse Gas (GHG) Emission	GRI 302: Energy GRI 305: Emissions
2	Consumer Health and Safety	GRI 416: Customer Health and Safety GRI 417: Marketing and Labeling
3	Anti-corruption	GRI 102: Ethics and Integrity GRI 205: Anti-Corruption
4	Occupational health and safety	GRI 403: Occupational Health and Safety
5	Employment practices	GRI 401: Employment

PRINCIPLES

Food Empire believes that upholding high standards of corporate governance is of paramount importance to our continued success and is a key enabler for the achievement of the Group's sustainability aspirations across all levels of the organisation.

SUSTAINABILITY GOVERNANCE [GRI 102-18] [102-29] [102-32]

A well-defined committee structure with clear delegation of responsibilities is vital to achieving strong sustainability governance and enabling the advancement of Food Empire's sustainability strategy.

THE BOARD

At the highest level, The Board of Directions ("the Board") is responsible for the Group's sustainability performance and ensures that sustainability matters are incorporated in the Group's strategic formulation. The Board also identifies material sustainability matters and ensure they are well managed, with appropriate policies and practices in place.

FOOD EMPIRE TOP MANAGEMENT

The Management team oversees the implementation of all sustainability policies and regularly monitors the progress of key metrics relevant to the Group's sustainability performance. The Management provides regular updates to the Board on the overall progress towards achieving its Sustainability goals.

FOOD EMPIRE SUSTAINABILITY COMMITTEE

The Food Empire Sustainability Committee reports directly to top management. The Committee includes sustainability coordinators from our headquarters in Singapore as well as representatives from our key markets; Russia and Vietnam. Market representatives work with local teams to ensure that specific policies are adhered to on the operational level, and to track the country's sustainability performance. The Committee meets regularly to discuss key updates on and potential improvements to Food Empire's sustainability reporting and performance.

MATERIAL MATTER CHAMPIONS → Energy Consumption and Greenhouse Gas Emissions | Consumer Health and Safety | Anti-corruption | Occupational Health and Safety | Employment

OUR BUSINESS ETHICS

WHY IS ANTI-CORRUPTION IMPORTANT TO FOOD EMPIRE? [GRI 103-1]

The continued success of a business rests largely on its ability to maintain the trust and confidence of its stakeholders. Corrupt practices and ethical violations can damage this trust and cause lasting harm to the reputation of a business. They can also result in legal and financial consequences, that may have significant repercussions on business operations. Food Empire adopts a strict zero-tolerance stance towards fraud, bribery and corruption. As a responsible member of society, we are committed to taking all possible steps to ensure that no incidences of corruption take place, or go unpunished and unresolved, within the organisation.

POLICY

MANAGEMENT APPROACH [GRI 103-2] [103-3] [205-2] [205-3]

Food Empire is committed to maintaining high standards of corporate governance and business conduct. Our conduct is governed by Food Empire's Business Ethics and Code of Conduct, which is communicated to all employees. The table below provides a summary of the key aspects of this code.

Policies and procedures	Summary
Legal compliance	Employees and directors are expected to comply with the local laws and regulations (e.g. Anti-Corruption, Labour, Immigration Act etc.) in all the countries we operate in.
Product quality and safety	Products must meet all applicable food safety and hygiene standards required by law in the countries we manufacture and supply to.
Gifts, loans and entertainment	Employees and directors should not, directly or indirectly, accept gifts of cash, favours or anything of value which could impair, or appear to impair their ability to perform their duties or exercise their judgment in a fair and unbiased manner.
Interest in other business and organisations	Employees and directors should not, directly or indirectly, engage in any work or business other than those in connection with their duties. This includes not having any deemed interest in any transaction, competitor or supplier which could influence objectivity and create a conflict of interest.
Indirect interests and relationships	Employees and directors should not be in a position to make or influence any decision made pertaining to any transaction or business endeavour which might involve their relatives.
Confidentiality and use of company information	Employees and directors should not use for personal benefit or disclose any company information and data to any other person or entity, even after termination of employment.
Diversion of corporate opportunities	Employees and directors should not appropriate or divert any business or financial opportunity to any other person or entity.
Safeguarding company property	Employees and directors should utilise the company's resources and assets in a most efficient manner, to increase competitiveness and provide the best possible service to customers.
Code of Conduct	Employees and directors are expected to follow the Code of Conduct, which covers: a. High Standard of Honesty and Integrity b. Loyalty to Company c. Conflict of Interest d. Cost Effectiveness

TARGETS

Perpetual target	FY2019 performance
Zero cases of non-compliance with all applicable laws and regulations	🟢 Achieved
Zero confirmed incidents of corruption	🟢 Achieved

GRIEVANCE PROCEDURES

Food Empire has implemented a Group-wide grievance mechanism via its Whistleblowing Policy. The Whistleblowing Policy allows employees to raise concerns about any wrongdoings, financial malpractice, illegal acts or business practices that go against Food Empire's code of conduct in a safe and confidential manner. This channel ensures that any breach of trust can be reported by employees without any fear of reprisal or victimisation.

The Audit Committee ("AC") has the responsibility to oversee and implement this Policy. Specifically, the AC Chairman ("ACC") handles the following functions:

• Receive complaints
• Perform a preliminary review of the complaints and report valid complaints to the AC
• Set up and maintain a Complaints Register

PEOPLE

As a business that is focused on bringing joy to consumers through our products, we put care for people at the core of our purpose. At Food Empire, not only do we aim to create a positive difference in the lives of consumers by providing quality food and beverages, we also hope to inspire people through our brands, bringing greater value to our consumers, stakeholders, partners and the community at large.

OUR EMPLOYMENT PRACTICES

WHY ARE EMPLOYMENT PRACTICES IMPORTANT TO FOOD EMPIRE? [GRI 103-1]

Food Empire believes in maintaining a fair, responsible and conducive working environment for all our employees. Diversity remains a key consideration in our hiring practices. We strongly believe that diversity and inclusivity are integral to enhancing teamwork, confidence and performance amongst our employees. This commitment sets us apart as a choice employer. At a Group level, we believe in setting the stage with clear policies to ensure that all employees are treated equally and given the same opportunities to grow and develop in their journey.

POLICY

MANAGEMENT APPROACH [GRI 103-2] [103-3]

Our employment policies cover a wide range of employment practices which include recruitment, employment benefits and career development activities. The table below lists our Group's key policies and procedures.

Policies and procedures	Summary
Recruitment	This policy serves as the basis of our recruitment practices. It embodies our commitment to provide equal employment opportunity regardless of race, national origin, religion, age, or gender.
Employment benefits	This policy sets out the guidelines and procedures of employee benefits which include compensation benefits, leave policy and administration, and medical and dental benefits.
Career development	This policy provides guidelines to ensure that a consistent and systematic approach is taken to manage career development activities for employees, through activities such as performance appraisals, succession planning, and training and development.

To effectively implement employment policies across our operations, our corporate Human Resources ("HR") department in Singapore sets the Group's key policies and tracks the implementation of these policies in our organisation.

Day-to-day HR operations are managed by the local HR team in each country, who is also responsible for adopting the Group's employment policies and tailoring them to include specific employment provisions from their local regulations. The local HR team in each country reports key HR statistics to the Group HR on a quarterly basis.

The existing arrangement ensures consistency in HR practices across the Group while still providing local HR teams with the flexibility to adapt the practices to the different regulatory requirements in each country.

GRIEVANCE PROCEDURES

Food Empire takes every opportunity to ensure that we provide a positive working environment free from harassment and discrimination. However, we acknowledge that it may not be possible to fully prevent these incidents from taking place. As such, Food Empire has implemented grievance channels through which employees are able to report alleged incidents of harassment and discrimination.

Through the informal grievance procedure, employees can raise their grievances to their immediate superior who will attempt to identify possible resolution methods with the employees. If the matter is unable to be resolved, the case would be escalated to the formal grievance procedure.

In the formal grievance procedure, employees will submit an official report to their superior or the head of Group HR. A grievance manager will conduct the investigations and close them only when the matter has been resolved, or if employees decide to withdraw the grievance. Employees are allowed to appeal against the decision if they feel that the matter has not been sufficiently resolved.

COMMITMENT

Food Empire is committed to creating a fair and inclusive working environment for our employees and workers.

INITIATIVES AND PERFORMANCE
Profile of our Workforce [GRI 102-8]

In FY2020, Food Empire had a total of 1,942 employees in Singapore, Russia and Vietnam.
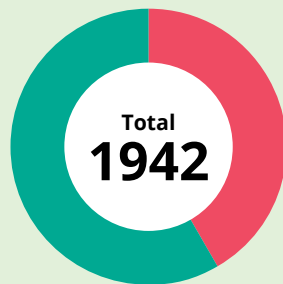
Total 1942

GROUP EMPLOYEES PROFILE BY GENDER AND EMPLOYMENT CONTRACT

Male
1138 | 58.6%

Female
804 | 41.4%

Full-Time
Male: 1136 | 58.5%
Female: 801 | 41.2%
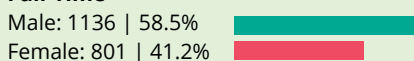
Part-Time
Male: 2 | 0.1%
Female: 3 | 0.2%

In Singapore, where our headquarters are located, the number of employees in 2020 remained relatively stable through the year at 46 permanent employees, or 2.4% of our total workforce. The majority of employees in Singapore are working in corporate support functions.

Vietnam accounted for 59.2% of the total workforce. The number of employees remained relatively stable through the year at 1,150 permanent employees. The majority of employees in Vietnam are working in sales and production to support business growth.

Russia accounted for 38.4% of our total workforce, with 746 permanent employees. The majority of employees in Russia are involved in production. Due to manpower shortages in Russia, it is the industry practice for manufacturing companies to employ temporary workers. As at 31 December 2020, there were 149 temporary employees. All our temporary employees are entitled to a full-benefits package comparable to that of permanent employees. The entitlements include free meals, official transport, payment of primary and periodic medical examinations.
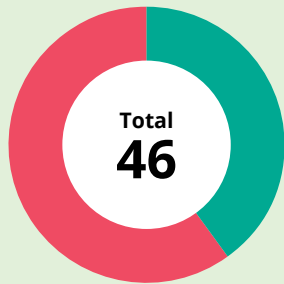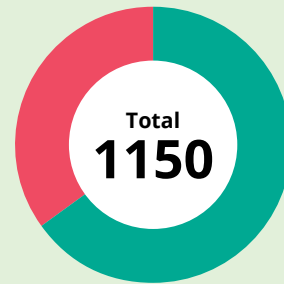
SINGAPORE
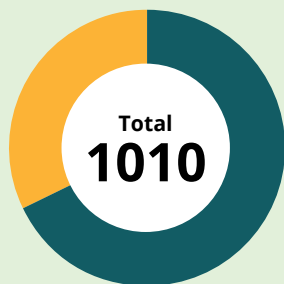**EMPLOYEES PROFILE BY GENDER AND EMPLOYMENT CONTRACT**

Total **46**

Male 18 | 39.1% **Female** 28 | 60.9%
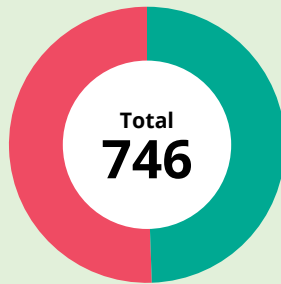
RUSSIA
EMPLOYEES PROFILE BY GENDER AND EMPLOYMENT CONTRACT

Total **746**

Male 370 | 49.6% **Female** 376 | 50.4%

VIETNAM
EMPLOYEES PROFILE BY GENDER AND EMPLOYMENT CONTRACT

Total **1150**

Male 750 | 65.2% **Female** 400 | 34.8%

Total **1010**

GROUP EMPLOYEES PROFILE BY GENDER AND EMPLOYMENT CONTRACT

Male 686 | 67.9% **Female** 324 | 32.1%

< 30 years old
Male: 328 | 32.5%
Female: 146 | 14.5%

30 - 50 years old
Male: 342 | 33.9%
Female: 168 | 16.6%
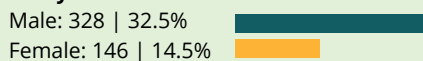
> 50 years old
Male: 16 | 1.6%
Female: 10 | 1.0%
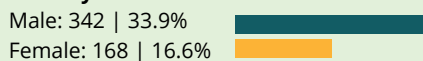
New Hires and Turnovers[2] [GRI 102-8]

In this reporting period, there were 1,010 new employees across our operations, translating to a hiring rate of 52.0% (FY2019: 52.5%).

Conversely, Food Empire also saw a turnover of 1,015 employees across our operations, translating to a turnover rate of 52.3% (FY2019: 53.5%).

Vietnam accounted for most of our new hires and turnovers in 2020. Most of these changes in our employees occurred within our sales division. As in previous years, it is an industry trend in Vietnam for sales jobs to have a high turnover rate due to the demographics of individuals. Sales jobs mainly attract young males, who have a higher tendency to value flexibility in their employment, and are more likely to change jobs. Like previous years, this trend accounts for both the new hire and turnover rates in 2020. Overall, the number of employees working for Food Empire in Vietnam has remained stable throughout the years.

Although our new hires and turnover rates are within the national industrial average of the respective countries, Food Empire is working on the opportunity to further improve talent retention within the company.

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[2] The number of new hires and turnovers in Russia does not include temporary foreign workers that need to leave the company to reapply for their permit, as this would distort turnover figures.

SINGAPORE NEW HIRES

Total
1
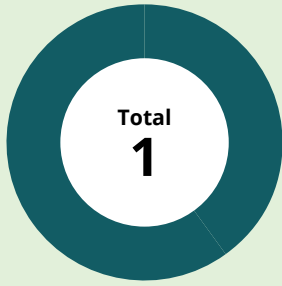
Male
1 | 100%

Female
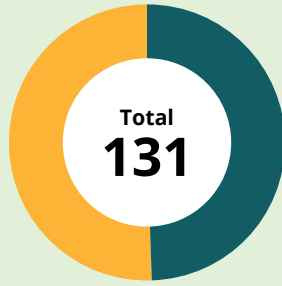0 | 0%

< 30 years old
Male: 0 | 0%
Female: 0 | 0%

30 - 50 years old
Male: 1 | 100%
Female: 0 | 0%

> 50 years old
Male: 0 |0%
Female: 0 | 0%

RUSSIA NEW HIRES

Total
131

Male
65 | 49.6%

Female
66 | 50.4%

< 30 years old
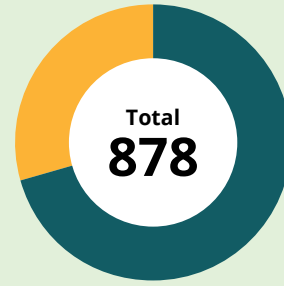Male: 14 | 10.7%
Female: 14 | 10.7%

30 - 50 years old
Male: 43 | 32.8%
Female: 42 | 32.1%

> 50 years old
Male: 8 | 6.1%
Female: 10 | 7.6%

VIETNAM NEW HIRES

Total
878
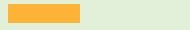
Male
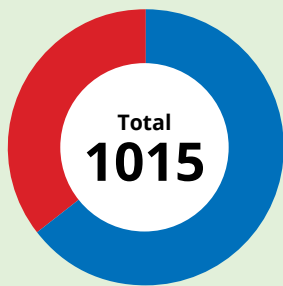620 | 70.6%

Female
258 | 29.4%

< 30 years old
Male: 314 | 35.8%
Female: 132 | 15.0%

30 - 50 years old
Male: 298 | 33.9%
Female: 126 | 14.4%

> 50 years old
Male: 8 | 1.0%
Female: 0 | 0.0%

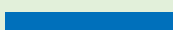
Total
1015

GROUP TURNOVER

Male
655 | 64.5%

Female
360 | 35.5%

< 30 years old
Male: 301 | 29.7%
Female: 153 | 15.1%

30 - 50 years old
Male: 342 | 33.7%
Female: 198 | 19.5%

> 50 years old
Male: 12 | 1.2%
Female: 9 | 0.9%

Employment Benefits [GRI 401-2]

Over the years, the Group has provided all necessary employment and welfare benefits to our dedicated employees. In all our operations, we provide employees with medical insurance and healthcare benefits. All employees are entitled to annual paid leave, parental leave and statutory retirement provision. Other benefits include transport reimbursements, recreation activities, mobile phone subscription reimbursements, parental benefit-related gifts, overtime meal allowance and service awards.

Our benefit schedules comply with local laws and regulations where applicable. For example, in Vietnam, we comply with the Internal Labour Regulations which was set based on the Labour Code of 2012 regarding minimum annual leave, working hours, and types and formats of leave of absence.

SINGAPORE TURNOVER

**Total
2**
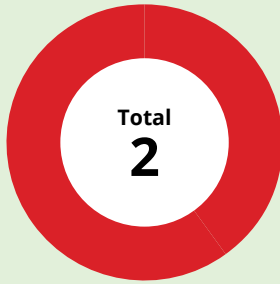
👨 **Male**
0 | 0.0%

👩 **Female**
2 | 100%

< 30 years old
Male: 0 | 0%
Female: 0 | 0%

30 - 50 years old
Male: 0 | 0%
Female: 1 | 50%

> 50 years old
Male: 0 |0%
Female: 1 | 50%

RUSSIA TURNOVER

**Total
184**
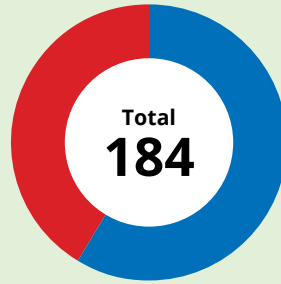
👨 **Male**
108 | 58.7%

👩 **Female**
76 | 41.3%

< 30 years old
Male: 20 | 10.9%
Female: 14 | 7.6%

30 - 50 years old
Male: 80 | 43.5%
Female: 54 | 29.4%

> 50 years old
Male: 8 | 4.4%
Female: 8 | 4.4%

VIETNAM TURNOVER
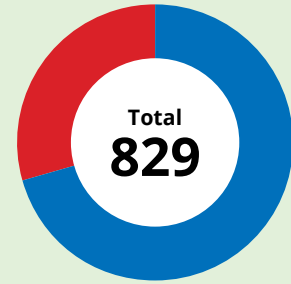
**Total
829**

👨 **Male**
620 | 70.6%

👩 **Female**
258 | 29.4%

< 30 years old
Male: 314 | 35.8%
Female: 132 | 15.0%

30 - 50 years old
Male: 298 | 33.9%
Female: 126 |14.4%

> 50 years old
Male: 8 | 1.0%
Female: 0 | 0.0%

CASE STUDY
Supporting Employee Well-Being through COVID-19

We care deeply for our employees and are committed to supporting them and protecting their livelihoods. Since the pandemic, we have not conducted any COVID-19 retrenchment exercises and are still paying employees their full salaries, even when they were not able to fully execute their job roles due to COVID-19 measures.

In Russia, where the effects of the pandemic were severe, we continued to engage our employees actively, and promoted a supportive organisational culture that was also conducive to productivity. To achieve this, we organised optional informal online activities, and encouraged employees to participate in these events that focused on building social connection.

One such activity was an online flash mob "MacCoffee-Russia on isolation", which was launched as an opportunity to bring employees together virtually through creative photo collages that showed the spirit of collaboration and cooperation despite the remote work.

OCCUPATIONAL HEALTH AND SAFETY

WHY IS OCCUPATIONAL HEALTH AND SAFETY (OHS) IMPORTANT TO FOOD EMPIRE?

[GRI 103-1]

The pandemic has made health and safety a top concern for many businesses. During these challenging times, Food Empire has implemented new measures informed by the best practices and advisories from the local governments to ensure that we reduce the risk of our employees being exposed to COVID-19 during the course of their work. As our employees spend a significant portion of their day on our premises, we understand that we have a central responsibility to allay any health and safety concerns they may have while working.

POLICY

MANAGEMENT APPROACH [GRI 403-1]

The safety of our staff remains our top priority. We are committed to working towards our goal of zero work-related fatalities, with a workforce that always puts safety first. To achieve this goal, we have introduced several policies as summarised in the table below.

Policies and procedures	Coverage of Policies	Summary
Accident management procedures	**Group-wide**	This procedure outlines the steps that need to be taken when an accident occurs, which includes accident reporting process.
Emergency response procedures	**Group-wide**	This procedure provides the appropriate protocols that should be followed in the case that there are emergencies occur.
Safety, health, and environment ("SHE") policy	**Vietnam**	This policy serves as a framework to protect the safety and health of our employees and outlines the company's principle "all occupational accident, disease, and environmental incident shall be prevented"
Labour Safety Management System	**Russia**	This policy aligns our Safety, health, and environment ("SHE") policies with regulations in Russia. This policy outlines roles, responsibilities and procedures to ensure that there is a high standard of safety in our Russian operations

Each operating country has its own health and safety management system and dedicated committees to oversee its implementation and the management of the health and safety of our workforce. Country-specific safety management systems and committees are established to provide greater flexibility in responding to different regulations on health and safety in every country in which we operate.

TARGETS

Target	FY2020 performance
Perpetual target of zero confirmed work-related fatalities in all our operations	🟢 Achieved
Achieve zero work-related injuries lost day by 2021	🟢 Achieved
100% of workers receive at least one safety training annually	🟢 Achieved

INITIATIVES AND PERFORMANCE
[GRI 403-1] [403-2][403-3][403-4] [403-5][403-6] [403-7][403-9]

RUSSIA
In Russia, we have developed our Labour Safety Management System (LSMS) in accordance with the Labour Code of the Russian Federation and other federal laws concerning workforce safety. We have obtained the following external certifications for our LSMS.

Standards-certified	Description of standard
GOST 12.0.230-2007 [3] Occupational safety standards system	This standard outlines the general requirements of the occupational safety and health management system.
GOST R 12.0.007-2009 Labor protection management systems in organisations	This standard sets out the requirements for the development and implementation of safety management system and its audit and improvement plan.

The LSMS provides guidance on the implementation of our safety management systems in Russia. A safety committee oversees the application of the LSMS. This committee meets up regularly to conduct safety inspections and discuss potential areas of improvement when safety breaches are identified.

To ensure that all employees have the necessary knowledge to carry out their work in a safe manner, Food Empire has established an annual training program for our employees. All employees undergo mandatory safety training sessions. Instances of unsafe practices at work are communicated and highlighted to our employees during routine pre-work briefings. Employees are also provided annual health screenings while working for Food Empire Russia.

This year, we have focused a great deal of our health and safety efforts towards preventing the spread of the COVID-19 virus. We have taken every effort to comply with all health and safety directives that the Russian government has put out.

CASE STUDY
Managing COVID-19 in Russia

Russia was one of the countries most severely impacted by the pandemic. As at December 2020, there were more than 2 million individuals affected by COVID-19. As such, introducing measures to reduce the spread of the virus amongst our worker population has been a key priority of Food Empire Russia. In the past year, we have continuously updated our response to the virus based on safety advisories by the government, industry best practices as well as our internal analysis of practices that we can adopt to reduce transmission. Examples of our measures include:

1. Safe working environment
- Monthly maintenance of ventilation system and installation of recirculators to disinfect the air in spaces where there is heavy traffic of people
- Disinfection of working area at least twice every shift
- Disinfection in bus compartment which transports employees after each trip
- Availability of hand sanitisers in every office, in workshops, in warehouses, in washrooms, there are skin antiseptics for hand disinfection;

2. Personal Protective Equipment (PPE)
- Each employee is given 12 reusable masks (masks are washed and disinfected for reuse) to be worn at the factory and outside operational areas.
- Organising washing of reusable masks at the factory and their disinfection
- Periodic replenishment of protective masks, gloves, disinfectants

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[3] Gosudarstvennyy Standart (GOST) refers to a set of technical state standards maintained by the Euro-Asian Council for Standardisation, Metrology and Certification (EASC), a regional standards organisation operating under the auspices of the CIS. These state standards are an analogue of the corresponding International Organisation for Standardisation (ISO) standards.

CASE STUDY
Managing COVID-19 in Russia

3. Safety and Hygiene awareness
- All employees of the plant are trained on the rules of personal and public hygiene.
- Selected employees are appointed as health and safety stewards to control the implementation of antiviral measures by the employees

4. Safe distancing measures
- Cancelling of all public events
- Increasing the availability of transport buses and ensuring minimum safe distance for each bus trip to transport employees
- Introducing teleconference for meetings and work from home arrangements for office workers
- Introducing staggered timings for lunch and visits to the canteen
- Markings and signs are applied, defining the social distance of 1.5 meters. The markup is updated periodically.

5. Coronavirus detection and testing
- Every two weeks, 10% of the total number of employees are tested for coronavirus infection
- Conducting test for individuals who have travelled outside Moscow before they return to work
- Taking the temperature of employees before they enter office premises, and at least every two hours during the working day
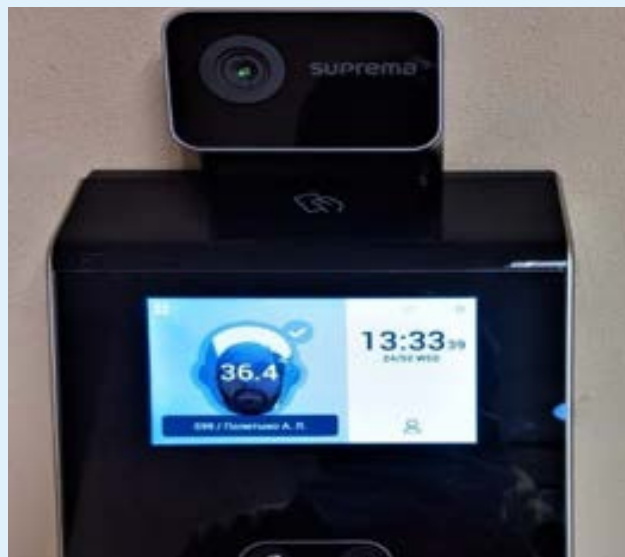
Our measures ensure that the risk of transmission is minimal when our employees are working with us.

VIETNAM

In Vietnam, all employees are covered by a Safety, Health and Environment ("SHE") policy.

A health and safety committee oversees the implementation of the SHE. Consisting of members from various departments, the SHE committee is responsible for planning, implementing and reporting any safety issues within their respective departments. Committee meetings are held monthly to discuss potential areas for improvement, as well as to highlight any unsafe practices that could potentially cause harm to our employees. The committee took an active role during the pandemic to ensure that appropriate safety measures were put in place to prevent the spread of the virus and to comply with new laws and regulations with respect to safety.

In the event that there is an incident, corrective actions are discussed by the committee and measures will be taken, using the hierarchy of control, to reduce the risk of such incidents from occurring again. Vietnam's SHE policy is reviewed annually to ensure its continued relevance to our operations.

Employees play an active role in safety within Food Empire Vietnam. Through the Safety Training Observation Programme ("STOP"), employees are encouraged to identify and report unsafe actions in the workplace. Additionally, SHE talks are organised between management and employees to discuss safety best practices and increase the employees' awareness about potential hazards in the workplace.

Annually, all employees in Vietnam are required to attend general safety training and role-specific safety training. New employees are required to undergo an occupational health and safety orientation programme prior to the start of their duties. Employees are also provided with an annual health check and health insurance while working for Food Empire.

The SHE policy also applies to all contractors who operate within Food Empire premises. Health and safety briefing are provided to contractors prior to work on site. Food Empire also ensures that all safety documents are in order before contractors can work on site.

This year, there were no fatalities nor injuries that occurred in Russia and Vietnam. This is the first time that Food Empire has recorded zero injuries during the year. This is a testament to the continual improvement to our health and safety practices across both countries. We will continue to improve our system to ensure that we continue to maintain our health and safety performance.

In Vietnam, measures were also implemented to manage the COVID-19 situation. This includes the implementation of a temperature taking schedule, requirements for employees to wear face masks within our premises and the introduction of work from home and teleconferencing arrangements for office staff. The measures introduced were in line with guidance and advisories issued by the Ministry of Health of Vietnam.

The table below provides a summary of the fatality rate, rates of high consequences injury and work-related injury rate in 2020 in Russian and Vietnam.

	2019		2020	
	RUSSIA	**VIETNAM**	**RUSSIA**	**VIETNAM**
Number of hours worked	1,441,302	2,657,392	1,416,144	2,443,525
Number of fatalities	0	0	0	0
Fatality rate	0	0	0	0
Number of high consequence injuries[4]	0	0	0	0
Rate of high consequence injuries	0	0	0	0
Number of work-related injuries	2	0	0	0
Work-related injury rate[5]	1.39	0.00	0.00	0.00

[4] Under GRI, high consequence injuries refers to injuries where the worker cannot, does not, or is not expected to fully recover to pre-injury health status within 6 months
[5] Work-injury is calculated based on the number of injuries per 1,000,000 hours worked

CONSUMER HEALTH AND SAFETY

WHY IS CONSUMER HEALTH AND SAFETY IMPORTANT TO FOOD EMPIRE?

[GRI 103-1]

As a food manufacturing business, the health and safety of our customers with respect to our products is key. A mismanagement of this issue can result in a loss of reputation, as well as potential fines for breaches of relevant product safety laws. We make all practicable efforts to ensure that the quality and safety of our products adhere to local laws and meet the expectations of our consumers.

Currently, no evidence suggests that people can catch COVID-19 from food or food packaging[6]. However, to minimise any possibility of transmission, we have taken every practicable step to ensure a safe working environment for our employees. These measures have been introduced in addition to our existing food safety policies to ensure that our customers are only provided high quality and safe products for consumption.

POLICY

MANAGEMENT APPROACH [GRI 103-2]

Our food safety and quality policies are constantly reviewed to ensure that they satisfy new regulatory requirements and customer preferences. These policies ensure that we continue to produce products of the highest quality, and are implemented at country level to ensure compliance with local regulations. The table below outlines the policies set out in both of our operations.

RUSSIA

Policies and procedures	Summary
Quality and Food Safety	• Manufacture products that meet or exceeds our quality and food safety standards and statutory and regulatory requirements • Develop and implement the Quality Management System and Product Safety System and validate their effectiveness through internal and external verification processes • Engage with vendors on their quality systems and specifications for inspection, handling, storage, and despatch of raw materials and packaging materials • Communicate with consumers on product storage and other consumer guidelines

VIETNAM

Policies and procedures	Summary
Food Safety Policy	• Outline food safety and quality management system and guidelines to meet the food safety standard
Quality manual	• Set out the key steps in quality control procedures
Good manufacturing practices ("GMP") manual	• Provide guidance on best practices in manufacturing process to ensure the health and safety of our product
Supplier control manual	• Outline the controls to ensure the quality of the supply
Warehouse standard manual	• Set out the requirements for safe storage; for example; hygiene practices, humidity level and temperature.
Transportation manual	• Provide guidelines to our drivers on how to maintain the quality of our supply and product during transportation

TARGETS

Target	FY2020 performance
Zero confirmed incidents of non-compliance with all applicable laws and regulations concerning consumer health and safety.	🟢 Achieved

[6] World Health Organisation: Coronavirus disease (COVID-19): Food safety for consumers - https://www.who.int/news-room/q-a-detail/coronavirus-disease-covid-19-food-safety-for-consumers

INITIATIVES AND PERFORMANCE
[GRI 103-3] [416-1] [416-2] [417-2]

RUSSIA

In Russia, our Food Safety and Quality Management system is certified by the GOST standards. These standards are a regulatory requirement for food manufacturers in Russia. The table below summarises our current food safety and quality certifications[7].

Standards-certified	Description of standard
GOST[8] R ISO 22000-2019 (ISO 22000: 2018) Food Safety Management Systems	This standard sets out the requirements for a food safety management system and maps out what an organisation needs to do to demonstrate its ability to control food safety hazards and ensure food safety.
GOST ISO 9001-2015 (ISO 9001:2015) Quality Management Systems – Requirements	This standard sets out the criteria for an effective quality management system and it is designed to help organisations ensure that they meet the needs of stakeholders, and statutory requirements.

We assess the health and safety impact of our products across our lifecycle. This assessment is done through our management system and is done to ensure that we maintain zero non-compliance with all applicable laws and regulation concerning consumer health and safety in this reporting period. We constantly take feedback from our stakeholders and implement all practicable improvements to our manufacturing process to ensure its safety and quality.

VIETNAM

In Vietnam, our Food Safety and Quality Management system is certified and in accordance with the requirement prescribed in ISO 22000:2005. To ensure continued compliance with the standards, policies and practices in Vietnam have been updated to strengthen the quality control of products.

Standards-certified	Description of standard
ISO 22000: 2005 Food Safety and Quality Management Systems	This standard sets out the requirements for a food safety management system and maps out what an organisation needs to do to demonstrate its ability to control food safety hazards and ensure food safety.

An integrated team from the various operating units of Food Empire Vietnam is involved in ensuring compliance to the Group's food safety standards. The team is responsible for tracking and reviewing the performance in Vietnam to ensure that quality in our products is upheld. Relevant members of the team also undergo annual trainings such as ISO certification training, GMP training, and hazard analysis and critical control points ("HACCP") training.

Furthermore, we conduct supplier audits annually to review the food safety performance of our suppliers. This allows us to maintain our high standards of food safety management across our entire supply chain. A comprehensive assessment was performed to identify operational prerequisite programmes ("ORP") and critical control point ("CCP") in our key processing steps. Robust monitoring procedures are implemented in these ORPs and CCPs to maintain the highest standards of our products.

There were no cases of non-compliance with all applicable laws and regulations concerning consumer health and safety in Vietnam.

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[7] These certifications relate to the entity FES Products LLC in Russia, whose principal activities include the manufacturing and distribution of our products.

OUR COMMUNITY

CSR ACTIVITIES IN SINGAPORE

Food Empire
16 hrs ago · 🌐

Food Empire Celebrates Hari Raya in Singapore During Circuit Breaker With Klassno and MacTea

26th May 2020, Singapore – Food Empire shares the joy and convenience of our instant beverages, such as Klassno Cappuccino coffee and MacTea, in bags of essentials that were distributed to needy residents in Singapore as we celebrate Hari Raya during the circuit breaker. We hope to bring a little smile to these families!

👍 9K   53 Comments   91 Shares

👍 Like   💬 Comment   ↪ Share   ⚫▾

Food Empire
13 hrs ago · 🌐

Food Empire Supports Performing Arts Award at Woodgrove Secondary School's Speech Day 2020 in Singapore

3rd September 2020, Singapore – Food Empire is pleased to support the Performing Arts Award once again at Woodgrove Secondary School's Speech Day 2020. We are heartened that with safe distancing measures in place, Woodgrove Secondary students can continue to receive their awards and be recognised for their outstanding performances this year. Congratulations all award winners!

👍 3.4K   14 Comments   259 Shares

👍 Like   💬 Comment   ↪ Share   ⚫▾

CSR ACTIVITIES IN RUSSIA

MacCoffee
18 hrs ago · 🌐

MacCoffee Thank All Frontliners in Moscow Fighting COVID-19

10th April 2020, Russia – This is a difficult period for the world and we thank all frontliners for their sacrifice and tireless efforts to save lives and keep things going. As a way of saying a huge thank you, Food Empire's Russia team distributed MacCoffee to four hospitals in Moscow to provide all staff one of the simple pleasures in life amidst their busy work schedule – having a cup of coffee during their break time.

👍 33K   213 Comments   562 Shares

👍 Like   💬 Comment   ↪ Share   ⚫▾

CSR ACTIVITIES IN VIETNAM

CaféPHO
20 hrs ago · 🌐

Café PHO Serving With a Smile

4th May 2020, Vietnam – With a high demand for masks in Vietnam amidst the COVID-19 pandemic, Food Empire's Vietnam team has created masks with Café PHO logo and a happy "smile" design for our sales team to wear while visiting provision shops where our products are selling, as well as provide these masks to shop owners to keep them safe.

👍 39.2K   104 Comments   543 Shares

👍 Like   💬 Comment   ↪ Share   ⚫▾

PLANET

In the past decade, interest in environmental sustainability has soared. In particular,
a growing awareness of climate change and its potentially devastating impacts on
the economy has caused more businesses to focus on reducing their energy use and
emissions. As a business, Food Empire recognises that it has a key role to play in improving
our resource use efficiency and reducing emissions throughout our operations.

OUR ENVIRONMENT

WHY IS THE MANAGEMENT OF ENERGY USE AND EMISSIONS IMPORTANT TO FOOD EMPIRE? [GRI 103-1]

The pandemic has made many businesses aware of their vulnerability to risks arising from the natural world. While managing COVID-19 is the immediate priority, we believe that there is still a need for businesses to focus on future business risks such as those arising from climate change. Climate change can significantly disrupt our supply chain. The coffee plant is particularly affected by climate change as yields can be impacted by the direct increase in temperatures, instability in precipitation as well as increases in pests in the regions where coffee is grown. Food Empire is fully aware of the detrimental effects of climate change and remains committed to improving our environmental performance.

MANAGEMENT APPROACH [GRI 103-2]

POLICY

In an effort to manage our operations' carbon footprint, Food Empire implemented various energy conservation initiatives at facility-level across our operations. We always strive to align our energy and emissions management with the various country-specific energy regulations and policies.

RUSSIA

In Russia, the "Federal Law on Energy Conservation and Energy Efficiency" outlines the requirement to reduce the intensity of companies' electricity, heat, water, and gas consumption. As at end-2020 we have completed the replacement of our light sources to more efficient LED bulbs. We are currently exploring more opportunities to introduce new production equipment that is significantly more efficient in energy usage. With the modernization of our equipment, we are able to better manage our energy consumption and greenhouse gas (GHG) emissions.

VIETNAM

Over the years, we have introduced gradual upgrades to our infrastructure to improve the energy efficiency of our buildings and production equipment. In addition to infrastructural changes, Vietnam also promotes a culture of energy-saving among its employees. This is done by closely monitoring the amount of electric consumption monthly and setting specific energy efficiency targets as part of our production's key performance indicators. This has encouraged the adoption of many new electricity-saving initiatives by both production and office staff.

INITIATIVES AND PERFORMANCE
[GRI 103-3] [416-1] [416-2] [417-2]

During the reporting period, changes to operations as a result of the pandemic had a significant impact on energy use in Russia and Vietnam. As such, the environmental performance of Food Empire in 2020 may not be reflective of the typical environmental performance of Food Empire's operations. Moving forward, Food Empire will continue to monitor its environmental performance closely and continue to introduce initiatives to reduce its environmental impact.

RUSSIA

In FY2020, our operations in Russia consumed a total of 2,173 MWh of electrical energy resulting in 1,343 tonnes of CO_2 produced (FY2019: 2,294 MWh of electrical energy resulting in 1,418 tonnes of CO_2 produced). This translates to a 5% decrease in the amount of energy used when compared to FY2019, attributable to the disruptions in production faced by Russia during the pandemic. However, the marginal increase in electrical energy intensity by 7% suggests that the decrease in energy use was not proportionate to the sharp decrease in production, due to fixed energy consumption needs in powering our production facilities.

Additionally, we use liquefied petroleum gases (LPG) and motor gasoline to fuel our forklifts and company vehicles. In FY2020, our operations in Russia consumed a total of 1,764 Gigajoules (GJ) of direct energy from fuels resulting in 126 tonnes of CO_2 produced (FY2019: 1,791 GJ of direct energy from fuels resulting in 128 tonnes of CO_2 produced[8]). This was an increase in direct energy intensity by 11% resulting from an increase in the use of diesel in non-production activities such as buses to transport employees to reduce their exposure to COVID-19 risks.
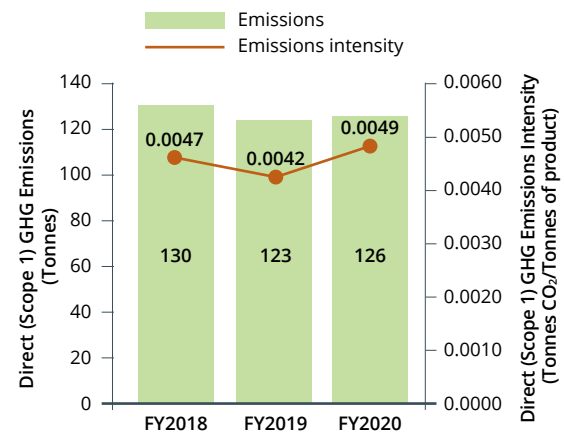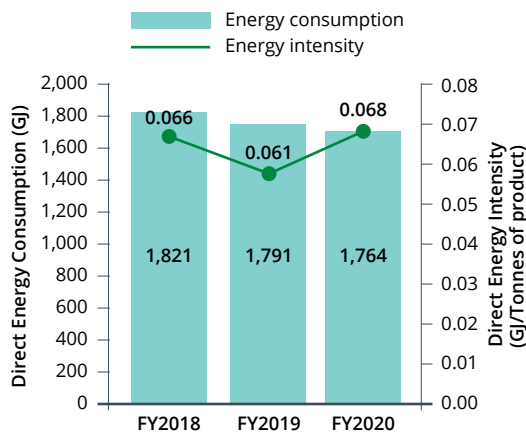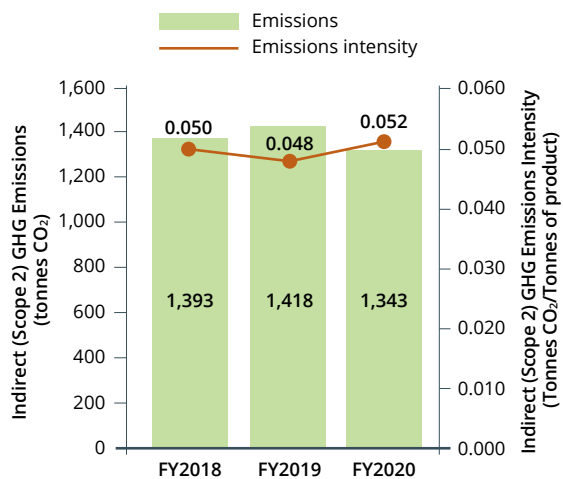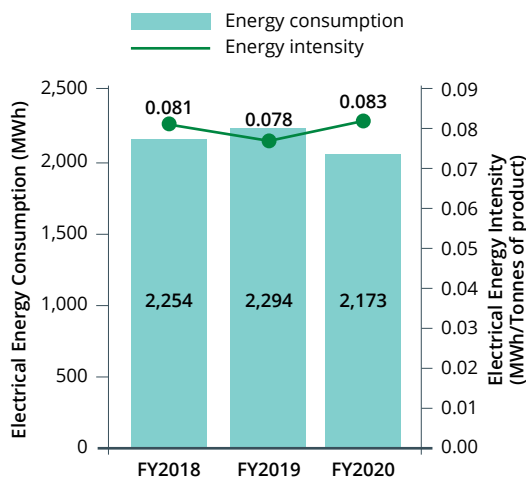

[8]   In the FY2019 report, FY2019 direct energy consumption and its corresponding emissions for our operations in Russia were misprinted as 1,722 GJ of direct energy and 129 tonnes of CO_2. We have corrected the misprint in this FY2020 report.

VIETNAM

For electrical energy, in FY2020, our operations in Vietnam consumed a total of 999 MWh of energy resulting in 777 tonnes of CO_2 produced (FY2019: 1,049 MWh of energy resulting in 816 tonnes of CO_2 produced). The total electrical energy consumption decreased by 5% while electrical energy intensity increased by 7% when compared to FY2019. The observed trend is a result of decreased production activities during the reporting period due to disruptions caused by the pandemic.

The direct energy consumed was 356 GJ resulting in 22 tonnes of CO_2 emissions in FY2020 (FY2019: 898 GJ direct energy consumed resulting in 59 tonnes of CO_2 emissions). This was a significant decrease of 60% in direct energy consumed compared to the previous reporting period. The decrease was due to a change in forklift equipment from diesel-based machines to electricity-based machines in April 2020. As forklifts were the primary source of fuel use within Food Empire factories, the change had a significant impact on fuel use during the reporting period.
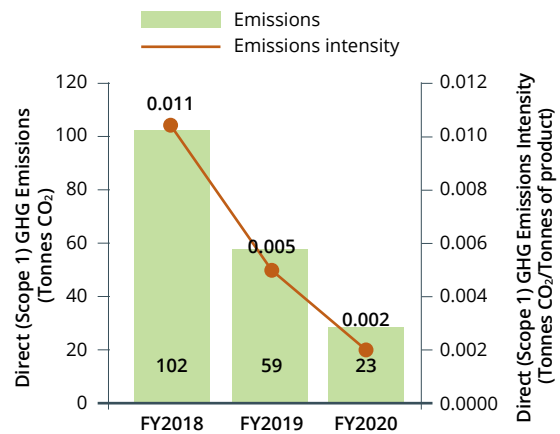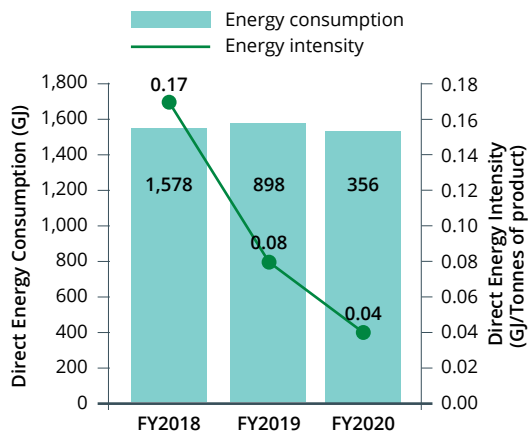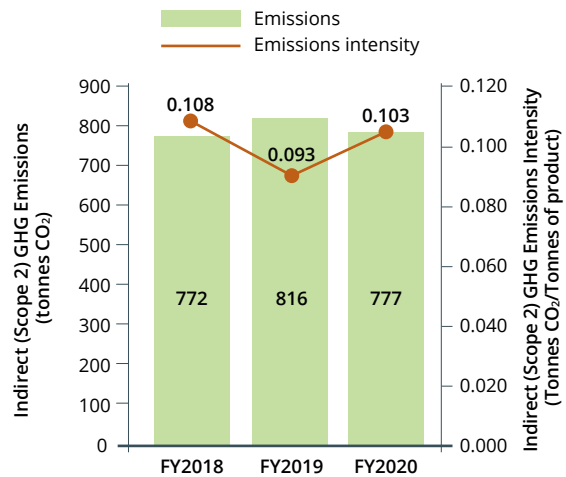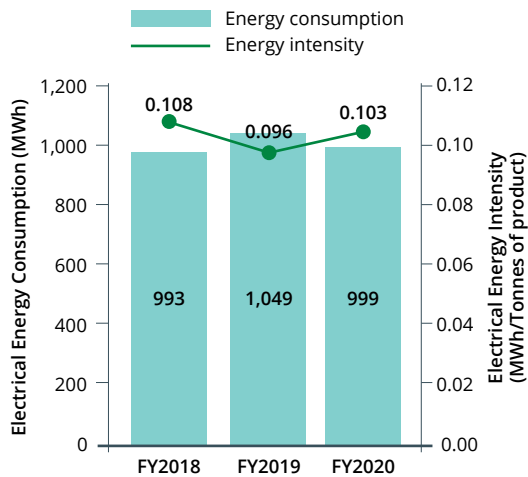
ABOUT OUR REPORT

REPORTING FRAMEWORK

This report was prepared in compliance with SGX-ST Listing Rule 711A and the primary components of Sustainability Reporting as set out in Listing Rule 711B. The Sustainability Reporting Framework applied is the Global Reporting Initiatives (GRI) Standards: Core option. We have chosen to report using the GRI Standards for its universally recognised and standardised approach in disclosing material sustainability matters. Reference has also been drawn from the SGX's Practice Note 7.6 Sustainability Reporting Guide.

REPORTING PERIOD & SCOPE

The report covers information on our sustainability performance from 1 January 2020 to 31 December 2020 ("FY2020"), with performance from the prior years ("FY2019" and "FY2018") included for comparison where possible.

This year, the reporting scope includes our key operations in Vietnam and Russia, and our headquarters in Singapore. The following table summarises the entities included in this 4th sustainability report.

Country	Entities and Activities
Singapore	**Future Enterprises Pte Ltd** Sales and marketing of instant food and beverages
Russia	**FES Products LLC ("FESP")** Manufacturing and distribution of instant food and beverages
	FES Impex LLC Import/Export and trading activities in Russia
Vietnam	**FES (Vietnam) Co., Ltd** Manufacturing and distribution of instant food and beverages

As we gradually mature and progress along our Sustainability Reporting journey, we will periodically review and reassess for the inclusion of more of our operations in our future editions. The ultimate goal is for us to eventually publish a comprehensive Sustainability Report that covers the full spectrum of Food Empire operations.

INDEPENDENT ASSURANCE

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

FEEDBACK

Food Empire is fully committed to all our stakeholders. We welcome all feedback, views and comments to improve our sustainability practices and reporting process. Please address your views and suggestions to corporate@foodempire.com.

APPENDIX A: ENVIRONMENT DATA REPORTING METHODOLOGY

This section explains the boundaries and calculation methodologies used in the computation of Food Empire's energy and greenhouse gas (GHG) emissions data.

REPORTING BOUNDARY

Operations in Vietnam and Russia has been included in the scope for environmental performance. As the headquarters in Singapore is limited to corporate support function, they were deemed to be insignificant and are excluded from the reporting boundary.

APPROACH

Food Empire adopts the Operational Control Approach, as outlined in the GHG Protocol Corporate Standard, to determine organisational boundaries. This attributes accountability for the GHG emissions from operations over which the organisation has control.

ENERGY CONSUMPTION

Energy consumption within Food Empire includes both fuel (including LPG, Diesel and Gasoline) and use of electricity from the grid.

For fuel use, energy consumption is expressed in Gigajoules (GJ). Energy use is calculated using the Net Calorific Value as prescribed by IPCC Guidelines for National Greenhouse Gas Inventory (2006).

a. Diesel – 43 Terajoules/Gigagrams
b. Motor Gasoline – 44.3 Terajoules/Gigagrams
c. Liquid Petroleum Gas – 47.3 Terajoules/Gigagrams

For purchased electrical energy use, energy consumption is expressed in Megawatt hours (MWh) and values are obtained directly from invoices.

Intensity metrics are expressed as Gigajoules per tonnes of product and Megawatts per tonnes of product.

GHG EMISSIONS

Scope 1 emissions are calculated from the direct consumption of LPG and diesel in Vietnam, and consumption of gasoline and diesel in Russia, expressed in tonnes of CO_2.

Scope 1 emissions were calculated using the CO_2 emission factors as prescribed by IPCC Guidelines for National Greenhouse Gas Inventory (2006).

a. Diesel – 74.1 Tonnes of CO_2/ Terajoules
b. Motor Gasoline – 69.3 Tonnes of CO_2/ Terajoules
c. Liquid Petroleum Gas – 63.1 Tonnes of CO_2/ Terajoules

Scope 2 emissions are calculated from the consumption of grid electricity in Vietnam and Russia, expressed in tonnes of CO_2.

Scope 2 emissions were calculated using the grid emissions factors as prescribed by the Institute of Global Environmental Strategies ("IGES") 2019; for Vietnam (0.777kg CO_2/kWh) and Russia (0.618kg CO_2/kWh)

Intensity metrics are expressed as tonnes of CO_2 per tonnes of product.

APPENDIX B: GRI CONTENT INDEX

GRI Standards Disclosures		Reference(s)	Reasons for Omission	Page
General Disclosures				
Organisational Profile				
102-1	Name of the organisation	Board Statement	-	1
102-2	Activities, brands, products, and services	About Food Empire; About Our Report	-	3-5, 36
102-3	Location of headquarters	About Food Empire; About Our Report	-	3-5, 36
102-4	Location of operations	About Food Empire; About Our Report	-	3-5, 36
102-5	Ownership and legal form	-	Annual Report 2020	-
102-6	Markets served	About Our Business	-	3-5
102-7	Scale of the organisation	About Our Report	-	3-5
102-8	Information on employees and other workers	Our Employment Practices	-	16-17
102-9	Supply chain	Economic Resilience	-	7 – 8
102-10	Significant changes to the organisation and its supply chain	-	Annual Report 2020	-
102-11	Precautionary principle or approach	Precautionary approach is taken with regard to sustainability management and reporting.		
102-12	External initiatives	Our Community	-	28 – 31
102-13	Membership of associations	-	Not applicable	-

GRI Standards Disclosures		Reference(s)	Reasons for Omission	Page
Strategy				
102-14	Statement from senior decision-maker	Board Statement	-	1
Ethic and Integrity				
102-16	Values, principles, standards, and norms of behaviour	Our Business Ethics	-	13 - 14
102-17	Mechanisms for advice and concerns about ethics	Our Business Ethics	-	13 - 14
Governance				
102-18	Governance structure	Sustainability Governance	-	12
102-23	Chair of the highest governance body	Sustainability Governance	-	12
102-25	Conflicts of interest	-	Annual Report 2020	-
102-29	Identifying and managing economic, environmental, and social impacts	Sustainability Governance	-	12
102-32	Highest governance body's role in sustainability reporting	Sustainability Governance	-	12
Stakeholder Engagement				
102-40	List of stakeholder groups	Key Stakeholders	-	9 - 10
102-41	Collective bargaining agreements	-	Not Applicable	-
102-42	Identifying and selecting stakeholders	Key Stakeholders	-	9 - 10
102-43	Approach to stakeholder engagement	Key Stakeholders	-	9 - 10
102-44	Key topics and concerns raised	Key Stakeholders	-	9 - 10
Reporting Practice				
102-45	Entities included in the consolidated financial statements	-	Annual Report 2020	-
102-46	Defining report content and topic Boundaries	About Our Report	-	36
102-47	List of material topics	Materiality Assessment	-	10
102-48	Restatement of information	There has been a restatement in energy use and emissions data for Russia due to a misprint. See page 33 for more details.		
102-49	Changes in reporting	-	Not Applicable	-
102-50	Reporting period	-	1st January 2020 – 31st December 2020	-
102-51	Date of most recent report	-	May 2020	-
102-52	Reporting cycle	-	Annual	-
102-53	Contact point for questions regarding the report	Feedback	-	36
102-54	Claims of reporting in accordance with the GRI Standards	About Our Report	-	36
102-55	GRI content index	GRI Content Index	-	37 - 40
102-56	External assurance	About Our Report	Food Empire has not conducted external assurance for this year's report.	

GRI Standards Disclosures		Reference(s)	Reasons for Omission	Page
Material Topic: Anti-corruption				
Management Approach				
103-1	Explanation of the material topic and its boundary	Our Business Ethics	-	13 – 14
103-2	The management approach and its components	Our Business Ethics	-	13 – 14
103-3	Evaluation of the management approach	Our Business Ethics	-	13 – 14
Anti-corruption				
205-2	Communication and training about anti-corruption policies and procedures	Our Business Ethics	-	13 – 14
205-3	Confirmed incidents of corruption and actions taken	Our Business Ethics	-	13 – 14
Material Topic: Energy consumption and GHG emissions				
Management Approach				
103-1	Explanation of the material topic and its boundary	Our Environment	-	30
103-2	The management approach and its components	Our Environment	-	30
103-3	Evaluation of the management approach	Our Environment	-	30

GRI Standards Disclosures		Reference(s)	Reasons for Omission	Page
Energy				
302-1	Energy consumption within the organisation	Our Environment; Annex A: Environment Data Reporting Methodology	-	30 – 33; 35 – 36
302-3	Energy intensity	Our Environment; Annex A: Environment Data Reporting Methodology	-	30 – 33; 35 – 36
Emissions				
305-1	Direct (Scope 1) GHG emissions	Our Environment; Annex A: Environment Data Reporting Methodology	-	30 – 33; 35 – 36
305-2	Energy indirect (Scope 2) GHG emissions	Our Environment; Annex A: Environment Data Reporting Methodology	-	30 – 33; 35 – 36
305-4	GHG emissions intensity	Our Environment; Annex A: Environment Data Reporting Methodology	-	30 – 33; 35 – 36
Material Topic: Consumer health and safety				
Management Approach				
103-1	Explanation of the material topic and its boundary	Consumer Health and Safety	-	25 - 27
103-2	The management approach and its components	Consumer Health and Safety	-	25 - 27
103-3	Evaluation of the management approach	Consumer Health and Safety	-	25 - 27
Customer Health and Safety				
416-1	Assessment of the health and safety impacts of product and service categories	Consumer Health and Safety	-	25 - 27
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Consumer Health and Safety	-	25 - 27
Marketing and Labelling				
417-2	Incidents of non-compliance concerning product and service information and labelling	Consumer Health and Safety	-	25 - 27
Material Topic: Occupational health and safety				
Management Approach				
103-1	Explanation of the material topic and its boundary	Occupation Health and Safety	-	20 – 24
103-2	The management approach and its components	Occupation Health and Safety	-	20 – 24
103-3	Evaluation of the management approach	Occupation Health and Safety	-	20 – 24
Occupational Health and Safety				
403-1	Occupation health and safety management system	Our Workforce Health and Safety	-	20 – 24
403-2	Hazard identification, risk assessment and incident investigation	Our Workforce Health and Safety	-	20 – 24
403-3	Occupation health services	Our Workforce Health and Safety	-	20 – 24
403-4	Worker participation, consultation, and communication on occupational heatlh and safety	Our Workforce Health and Safety	-	20 – 24
403-5	Worker training on occupational health and safety	Our Workforce Health and Safety	-	20 – 24
403-6	Promotion of worker health	Our Workforce Health and Safety	-	20 – 24
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Our Workforce Health and Safety	-	20 – 24
403-9	Work-related injuries	Our Workforce Health and Safety		20 – 24
Material Topic: Employment Practices				
Management Approach				
103-1	Explanation of the material topic and its boundary	Our Employment Practices	-	15 - 19
103-2	The management approach and its components	Our Employment Practices	-	15 - 19
103-3	Evaluation of the management approach	Our Employment Practices	-	15 - 19
Employment				
401-1	New employee hires and turnover	Our Employment Practices	-	15 - 19
103-2	Benefits provided to full-time employees that are not provided to temporary or part-time employee	Our Employment Practices	-	15 - 19

FOOD EMPIRE HOLDINGS LIMITED

31 Harrison Road, #08-01, Food Empire Building, Singapore 369649
T (65) 6622 6900   F (65) 6744 8977
www.foodempire.com