

DRIVING



SUSTAINABILITY
Sustainability Report
2021



FRASER AND NEAVE, LIMITED

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 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 Pacific, Europe and the USA, and employs over 6,900 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 Values • Caring for Stakeholders

Our Reporting Suite

Our annual reporting suite comprises two reports – the Annual Report 2021 and Sustainability Report 2021. Each includes content tailored to its specific audience and cross-references to the other reports where relevant.



F&N Annual Report 2021 is the primary report to our stakeholders, detailing our strategies and business activities, as well as initiatives toward sustainable value creation.



The Sustainability Report 2021 carries an assurance statement by LRQA on selected indicators. Prepared in accordance with the GRI Standards (Core), 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 2021 can be downloaded at www.fraserandneave.com/investor-relations/corporate-sustainability



#GOPAPERLESS

- 1 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 2021 is available on Fraser and Neave, Limited's website (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), e-mail (ir@fraserandneave.com) or telephone ((65) 6318 9393). Our Sustainability Report 2021 is only available in electronic version, and can be downloaded at www.fraserandneave.com/investor-relations/corporate-sustainability.
- 2 These reports cover the period from 01 October 2020 to 30 September 2021, unless otherwise stated.
- 3 Unless specifically stated otherwise, all figures in these reports are quoted in Singapore Dollars.
- 4 Due to rounding, numbers and percentages in these documents may not always add up precisely to the totals or absolute figures stated.

SUSTAINABILITY



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Board Statement

The Group is proud of its sustainability efforts over the past years. To drive progress, we have defined specific mid-terms targets, built on previous milestones, for each of our key material topics to be achieved by 2025.

OVERVIEW OF F&N SUSTAINABILITY REPORT 2021

The Board is pleased to present the F&N Sustainability Report ("Report") for the Financial Year ("FY") covering the period from 1 October 2020 to 30 September 2021. The Report provides an overview of the key Environmental, Social and Governance ("ESG") topics performance of the Group for the year. Through this Report, we demonstrate our unwavering commitment to incorporate sustainable practices into our business and show our leadership in addressing critical sustainability challenges through offering stakeholders an insight into the Group's business model, strategies and values, as well as providing key financial and operating information in an open and balanced manner.

This Report is prepared in accordance with the internationally recognised Global Reporting Initiative ("GRI") Standards (Core) which is in compliance with the Singapore Exchange's ("SGX") Listing Rules 711A and 711B. The report covers activities of the Group's operations, including 13 manufacturing sites in Singapore, Malaysia and Thailand. The detailed reporting scope is explained on pages 10 and 11 of this Report.

SUSTAINABILITY GOVERNANCE

The Board has overall responsibility for sustainability – from strategy to implementation and monitoring of performance – and have 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. Lee Meng Tat, Chief Executive Officer for Non-Alcoholic Beverages, which monitors the progress of the Group's sustainability priorities. To ensure a holistic management of sustainability across the material ESG topics across the Group, 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.

RENEWED SUSTAINABILITY STRATEGY AND AMBITIONS AT F&N

The Board is responsible for ensuring that the ESG topics remains relevant and are considered and integrated in the formulation of F&N's strategy. We oversaw the process to review the material ESG topics and refresh the F&N materiality matrix in 2020 and update the sustainability framework in 2021. The updated sustainability framework focuses on the material ESG topics

that are perceived by internal and external stakeholders to be important to F&N. F&N has also defined new 2025 sustainability goals for the 12 most important ESG topics, in alignment with the refreshed materiality matrix, marking the path for our sustainability roadmap for the next 5 years.

The 2025 sustainability targets, reviewed by the SDC, were approved by the Board as important sustainability topics that may potentially impact F&N's long-term financial and non-financial goals. Full details on the new 2025 sustainability targets and updated sustainability framework can be found on pages 21 to 23 of this Report. The Group will continue to engage our stakeholders, evolve our sustainability framework and action programs to create sustainable value for people, the planet and the future viability of our businesses.

PURSuing SUSTAINABILITY EXCELLENCE AMIDST CHALLENGING TIMES

The COVID-19 pandemic has presented new challenges to many businesses worldwide, including F&N. This year, as the more infectious Delta variant spreads through Southeast Asia, we adapted and implemented the COVID-19 Business Continuity Plan ("BCP") to ensure that our systems and procedures were implemented to minimise business operational risks and more importantly, to protect the health and safety of our staff and customers.

Despite these difficult times, advancing sustainability and making positive impacts on the material ESG topics remain a core focus for F&N. This year, we stepped up our goals for the future with new milestones to actively contribute, positively, to climate protection, a circular economy and social progress.

We are pleased that our support of sustainable palm oil has been recognised by WWF, the world's leading independent conservation organisation. In the recently released 2021 WWF Palm Oil Buyers Scorecard ("**POBS**"), F&N had the best score out of the 46 Asian companies invited to participate. This is an important recognition and a great encouragement as we progress on our sustainable journey.

F&N is also pleased that its subsidiary, Fraser & Neave Holdings Bhd ("**F&NHB**"), has been recognised for excellence in sustainability and strong ESG practices by being included as one of the constituents of the newly launched FTSE4Good Bursa Malaysia Shariah

("F4GBMS") index. It has maintained its position as a constituent of the FTSE4Good Bursa Malaysia Index ("**F4GBM**") for the third year running; and was invited to participate in the S&P Global 2020 Corporate Sustainability Assessment ("**CSA**"), for inclusion in the S&P ESG Index. These inclusions stand testament to F&N's sustainability performance and strong ESG practices.

CLOSING REMARKS

The Group is proud of its sustainability efforts over the past years. To drive progress, we have defined specific mid-terms targets, built on previous milestones, for each of our key material topics to be achieved by 2025. These milestones will support our progress toward a sustainable business model based on the principles of circular economy.



Message from Chairman of SDC



Mr Lee Meng Tat
Chief Executive Officer,
Non-Alcoholic Beverages

This year, we have scaled up the success of our previous initiatives, while implementing new activities to continue pursuing sustainability excellence.

OVERVIEW OF F&N SUSTAINABILITY REPORT 2021

This Report has been prepared in accordance with the GRI Standards (Core), which represent the global best practice in sustainability reporting. By adhering to the GRI 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.

As Thai Beverage Public Company Limited ("**ThaiBev**"), F&N's parent company, has demonstrated its sustainability excellence by being awarded the S&P Global Gold Class, for being ranked as the top 1% of companies in the Beverages industry participating in the S&P Global 2020 CSA, in the S&P Global Sustainability Yearbook 2021, F&N has chosen to align and integrate our data collection processes with ThaiBev's reporting parameters. With a systematic approach to sustainability reporting, F&N aims to provide consistent information disclosure and benchmark its performance against industry leaders to improve through best practice sharing and knowledge transfer.

THE YEAR IN REVIEW

This year, we have scaled up the success of our previous initiatives, while implementing new activities to continue

pursuing sustainability excellence. In particular, we would like to highlight the following initiatives, where we have demonstrated commitment to sustainability performance through cross-function collaboration.

2025 sustainability targets, 2021 materiality matrix and sustainability framework

In 2020, F&N conducted a comprehensive materiality assessment to refresh the materiality matrix for 2021. External and internal stakeholders were consulted, and the input received were considered. We identified and prioritised topics that were most material to our businesses and stakeholders, and set 2025 sustainability targets on them. The F&N 2021 materiality matrix and 2025 sustainability targets were reviewed and finalised by the SDC, endorsed by the SRMC and approved by the Board. The sustainability framework was updated in 2021 to incorporate the material topics determined in the materiality assessment. Details of the Group's materiality assessment, 2021 materiality matrix and sustainability framework, and 2025 sustainability targets can be found in the 'Our Sustainability Approach' section on pages 18 to 23 of this Report.

Healthier products for consumers

Nutrition is placed at the core of F&N's sustainability strategy. We constantly review our portfolio and work at increasing the nutrient profile of our products, as well as innovate with new

and nutritious offerings. This year, we continued to rollout a number of healthy beverages such as the F&N *FRUIT TREE FRESH* No Sugar Added Prune & Mixed Fruit Juice Drink, F&N *NUTRISOY* Fresh Soya Milk infused with Ondeh Ondeh flavour, F&N *NUTRIWELL* Roselle, etc. The F&N *FRUIT TREE FRESH* No Sugar Added Prune & Mixed Fruit Juice Drink, for instance, is a health-forward beverage that is not only low in sugar, but also contains health-specific ingredients – vitamin C and fibre-rich. To encourage reduced sugar intake, >60% 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 Due Diligence

A robust Human Rights Due Diligence ("**HRDD**") process has been conducted this year to identify and mitigate Human Rights risks along F&N's value chain. The scope of the HRDD process is aligned with this Report's scope and involves a Human Rights Risk Assessment exercise for material F&N operations in Singapore, Malaysia and Thailand. Developed as part of the HRDD process, we have formulated our Human Rights Policy in accordance with related Human Rights principles under key international standards and frameworks. The F&N Human Rights Salient Issue risk matrix, illustrating key Human Rights salient issues identified throughout our value chain, has also been disclosed. More details can be found in the 'Human Rights' section on pages 55 to 61 of this Report.

Environmentally friendly packaging

Integral to our circular transition is the reduction in packaging material usage and waste. To reduce our environmental impacts, we design new packaging solutions to ensure that they can be recycled, reused or composted. F&N *ICE MOUNTAIN* has added a new sustainable and recyclable pack format to its drinking water range. Available in 300ml cans, the new packaging is made from aluminium that is fully recyclable. Consumers now have the additional option of purchasing F&N *ICE MOUNTAIN* Drinking Water in an eco-friendly recyclable aluminium packaging.

F&NHB joined nine other companies to form the Malaysia Recycling Alliance (“**MAREA**”) in January 2021. The alliance is an industry-led, pioneering initiative towards circular economy solutions with goals that focus on improving collection and recycling of post-consumer packaging, encouraging the use of recycled and renewable materials as well as reducing post-consumer packaging leakage into the environment for a greener Malaysia.

World Wide Fund for Nature (“WWF”) Palm Oil Buyers Scorecard (“POBS”) 2021

F&N’s efforts in the sourcing of Roundtable on Sustainable Palm Oil (“**RSPO**”) certified sustainable palm oil, over the past few years, have been recognised in the 2021 WWF POBS where F&N scored the highest amongst the 12 participating Asian companies. However, F&N recognises that there is still more work to be done and has begun taking steps regarding this aspect. For example, this year, F&NHB has released a biodiversity statement committing to avoid deforestation and protect high biodiversity value areas through stakeholder engagements in order to preserve biodiversity and conserve natural ecosystems for sustainable development.

F&N RESPONSE TO COVID-19

It has been more than a year since the pandemic began, the world is still grappling with surging infection rates and its damaging impact on society and businesses. The instability of the global situation has reiterated the interconnectedness of Environmental and Social topics. The COVID-19 pandemic also highlights the importance of managing economic and social risks and opportunities, especially in Nutrition, Employee Health, Safety and Well-being, Community Development and Inclusive Growth, and Supply Chain Stewardship. F&N remains committed to addressing our material sustainability topics with our key stakeholders, such as employees, suppliers, customers and the community, in order to build resilience.

Safeguarding Our People

F&N continued to support our employees’ adjustment to remote working environments through increased adoption of digital tools, such as videoconferencing software like Zoom and Microsoft Teams, to reduce business travel and replace physical meetings. Flexible working arrangements and social distancing measures also ensured safe distancing in the physical interactions between employees. These measures safeguard employees’ health by minimising the potential exposure to COVID-19 at the workplace. F&N employees are the heart of its business operations and to safeguard them would ensure the continuity of business operations.

Supporting Our Suppliers and Customers

F&N ensures minimal disruptions during this period by having regular engagements with suppliers and working with them to ensure healthy inventory levels.

To engage our customers, F&N taps into social media and online platforms, in addition to traditional media, to introduce the latest F&N products. E-commerce platforms, such as Lazada, are some of the alternate methods through which F&N provided customers with access to our products from the convenience and safety of their homes.

Encouraging the Vulnerable Communities and Frontline Workers

F&N continued to support the vulnerable in our communities through outreach programs during this period of uncertainty.

To also show appreciation and gratitude to the frontline healthcare workers who have been serving the people and communities most affected by the COVID-19 pandemic, F&N has also donated products to help keep them hydrated and energised.

TOWARDS F&N’S 2025 SUSTAINABILITY AMBITIONS

As F&N progresses on its sustainability journey, we continue to identify areas where we can make a positive impact. We look forward to further expand our positive contribution to sustainable development and play our part in addressing the complex and interconnected challenges of sustainability.

During 2021, the Group has examined strategies and planned initiatives to be undertaken in the next few years in order to progressively work toward the 2025 sustainability targets. The 2025 sustainability targets will drive F&N’s sustainability performance throughout the business and strengthen the commitment to create long-term value for key F&N stakeholders.

Mr Lee Meng Tat

Chairman of Sustainability Development Committee

At a Glance: 2020 - 2021 Highlights

Sustainability at F&N



5th consecutive stand-alone sustainability report

New sustainability strategy, including refreshed materiality matrix, new targets and new ESG framework



Met 50% of our 2020 sustainability targets

External assurance

F&N is the highest scoring Asian company in WWF Palm Oil Buyers Scorecard 2021

F&NHB, our subsidiary, continues to be included as a constituent of the F4GBM for the third year running, with improved rating to 4.1 from 4.0 in 2020 for ESG practices

F&NHB was selected to be a constituent of the newly launched FTSE4good Bursa Malaysia Shariah Index



F&NHB is recognised for environmental excellence with these awards

2019/20 Prime Minister's Hibiscus Award

Sarawak Chief Minister's Environmental Award 2019/2020

Prime Minister Best Industry Award 2020

Better Business



Responsible Product Stewardship

82% of plants and production processes are certified with the Food Safety System Certification ("FSSC") scheme 22000 and Halal Standard (or equivalent)

NEW

40+ new products introduced

Healthier products were launched, including:

Reducing sugar content

Offering zero-sugar beverages

Catering to customers with dietary restrictions and preferences



Responsible Supply Chain

67% of active key suppliers has accepted and is complying with F&N's Supplier Code of Practice by 2025

9% of product innovation for commercialised F&N products

Engagement with over 4,000 global and local suppliers



Purchased physical RSPO Certified Sustainable Palm Oil ("CSPO") and RSPO Credits

to cover 100% of annual palm oil usage

F&N engages public and private 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

F&NHB successful engagements with upstream vendors redirected two vendors to now supply F&N with specific products that adhere to stringent halal standards



Better Society



Creating Value for Society

62% of products in compliance with Nutritional Guidelines¹ are healthier options with less sugar

59% 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

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

100% of material F&N operations in Singapore, Malaysia and Thailand have been subjected to human rights reviews or impact assessments



F&N stood in solidarity with local communities during the COVID-19 pandemic. Some key initiatives included:

Actively ensuring appropriate safety measures are in place;

Keeping frontline workers and vaccine recipients at vaccination centres hydrated and energised through pop-up 100PLUS hydration booths; and

Supporting underprivileged communities



Empowering Our People

Over 6,900 employees



38% female representation in total workforce

43% female representation in managerial positions



26.51 training hours per employee in the executive category and

11.94 training hours per employee for the non-executive category

67% reduction in Lost Time Injury Frequency Rate

Better Planet



Operational Eco-efficiency

Reduced total solid waste generated by 6%; however total solid waste sent to landfill increased by 3% from a 2020 baseline

F&NHB is one of the ten founding members of the MAREA – a voluntary, industry-led extended producer responsibility group of companies to drive circular economy initiatives

COVID-19 has resulted in lower production volume at our plants and hence energy and water efficiency has dipped slightly

Reduced the Group's Greenhouse Gas ("GHG") emissions by 1% from a 2020 baseline; however, energy intensity ratio increased by 1% from a 2020 baseline

Group's water intensity ratio increased by 1% from a 2020 baseline

Ground-up initiatives from plant employees for energy and water continues to be suggested and implemented at the plants. This includes enhancing energy or water consumption efficiency of equipment, increasing renewable energy sourcing and implementing zero-discharge initiatives

100% of all plants implemented energy, water and/or waste reduction initiatives



Value Chain Impacts

22% of beverage and dairy packaging contains recycled materials

99% of packaging that is recyclable

F&NHB published a biodiversity statement – commitment to avoid deforestation and protect high biodiversity value areas through stakeholder engagements

¹ % of beverage (excluding Cordial) and dairy (excluding Canned Milk) products (based on formulation) are in compliance with Nutritional Guidelines

Supporting COVID-19 Recovery

Since the COVID-19 outbreak, the world has been grappling with the pandemic's damaging effects on people and businesses. F&N remains cautious of local and global uncertainties as the COVID-19 pandemic situation has not yet stabilised. Despite this uncertainty, F&N remains committed to pursuing sustainable and inclusive growth with our employees, business partners and the community.

The ability to weather challenges and navigate safely through the uncertainty is the result of initiatives to ensure resiliency of our business and stakeholders. Safeguarding the health and well-being of our people remains pivotal while ensuring continued availability and accessibility of F&N's products in the market. We will continue to closely monitor the situation and local regulatory guidelines in our key markets to ensure timely and appropriate mitigation measures.

Looking forward, we are confident that our long-term strategies are well placed to manage the risk of the current landscape, while keeping the Group on track for a stronger future.

Safeguarding the health and well-being of our people remains pivotal while ensuring continued availability and accessibility of F&N's products in the market.

F&N COVID-19 RESPONSE AND LEARNINGS

To manage the changing external landscape, F&N aims to adapt its business through ensuring the safety of employees, suppliers, and the communities it operates in. To ensure business continuity throughout the COVID-19 pandemic, F&N has adapted to working remotely and works closely with suppliers to manage uncertainties in commodity supplies.

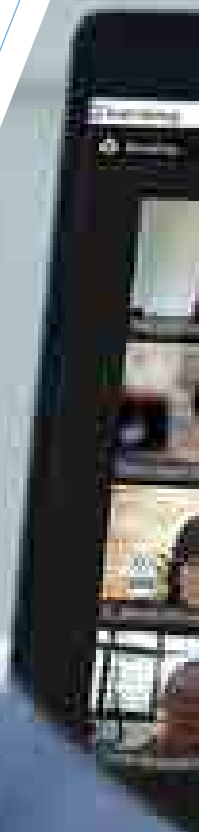
As a primary F&B manufacturer, F&N has been working closely with relevant government agencies to expedite the vaccination process for its employees. As of September 2021, in Malaysia, F&NHB's vaccination rate is at 96%. F&N continues to extend our support towards the respective nation's COVID-19 immunisation programme, in the countries the Group operates in.

We continue to enhance safety measures, including regular COVID-19 testing in our plants, to alleviate infection risks and ensure minimal impact to operations. Maintaining the highest levels of hygiene through regular cleaning and sanitising has always been, and will continue to be, a top priority at all the Group's premises. In 2021, F&N remains dedicated in protecting our employees across all working levels. Annual health and safety training sessions on work hazards were conducted virtually and credible information on COVID-19 related risks were provided.

Since the start of the pandemic, F&N has extended its support to the frontline workers, vulnerable communities and vaccination centres in Singapore, Malaysia and Thailand. To date, over 2 million F&B products have been distributed directly or through

Non-Government Organisations ("NGOs")/community groups to beneficiaries.

To ensure business continuity, our employees are fully supported as they adjust to working remotely. F&N has increased adoption of digital tools and technologies to replace physical meetings and reduce business travel. Employees are also encouraged to reskill and upskill with training and development courses to enhance their remote working capabilities. No roles were made redundant due to COVID-19. Our employees are kept up to date on internal company news and relevant COVID-19 advice through our internal mobile application (at F&NHB) and email advisories. Additionally, F&N works closely with suppliers to build resiliency and ensure minimal disruption to the Group's supply chain. This has so far helped F&N to ensure healthy inventory levels throughout the COVID-19 pandemic.



To ensure business continuity throughout the COVID-19 pandemic, F&N has adapted to working remotely and works closely with suppliers to manage uncertainties in commodity supplies.



About This Report

THE MANAGEMENT FOCUS FOR SR2021

GRI Index: GRI 102-15

This Report aims to provide our stakeholders with a concise, material and clear assessment of how F&N creates value over time.

The Report reviews our strategy and business model, risks and opportunities, and operational and governance performance focusing on three primary themes of sustainable value creation:



The Report is best read together with the F&N 2021 Annual Report. This Report gives a comprehensive overview on how F&N integrates financial goals with social and environmental imperatives. F&N is pleased to take this opportunity to share its commitments and progress in creating value for our stakeholders and conducting our business in an environmentally and socially responsible manner.

REPORTING PERIOD AND SCOPE

GRI Index: GRI 102-45, GRI 102-48, GRI 102-49, GRI 102-50, GRI 102-51, GRI 102-52, GRI 102-54

Reporting Period and Basis of Scope

This is F&N's fifth annual stand-alone sustainability report. The reporting period of this Report is from 1 October 2020 to 30 September 2021.

- ▶ 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.



Singapore



F&N Foods Ptd Ltd ("FNFS")

F&N Interflavine Ptd Ltd

F&N Treasury Ptd Ltd

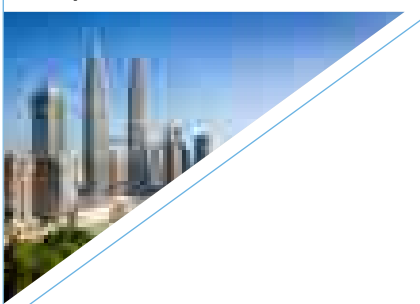
F&N Global Marketing Ptd Ltd

F&N Creameries (S) Pte. Ltd.

Times Publishing Group

- Times Printers Pte Ltd ("TP")

Malaysia



Fraser & Neave Holdings Bhd ("F&NHB")

- 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

F&N Creameries (M) Sdn Bhd ("F&NCM")

Times Publishing Group

- Times Offset (Malaysia) Sdn Bhd ("TOM")

Thailand



Fraser & Neave Holdings Bhd ("F&NHB")

- F&N Dairies (Thailand) Limited ("F&NDT")

F&N United Limited ("F&NUL")

Reporting Framework and Indices

This Report is prepared in accordance with the internationally recognised GRI Standards 'Core Option' and SGX Listing Rules 711A and 711B. Information and initiatives on F&N's most important sustainability topics are included in the report. F&N looks to address the gaps in its sustainability performance by referring to the S&P Global CSA criteria and benchmarking against industry leaders, such as ThaiBev.

F&N's subsidiary, F&NHB, continues to be included as a constituent of the F4GBM for the third year running. In June 2021, F&NHB was also selected as one of the 54 constituents in a newly launched F4GBMS index. F&NHB was invited to submit its response to S&P Global CSA for inclusion in the S&P ESG Index.

F&N MATERIAL SUSTAINABILITY MATTERS

In 2020, F&N reached a key milestone in its sustainability journey. This year, we are excited to introduce a refreshed materiality matrix and a new set of sustainability targets for 2025.

F&N conducted a materiality assessment exercise in 2020 to determine the 2021 materiality matrix and 2025 sustainability targets that will guide the next phase of its sustainability journey. This year, F&N will focus its sustainability efforts and disclosures on the material topics outlined below:

 Economic ▶ Governance and Ethics ▶ Policy and Regulation ▶ Economic Performance ▶ Product Quality and Safety* ▶ Product and Service Labelling ▶ Innovation* ▶ Supply Chain Stewardship*	 Environment ▶ Packaging* ▶ Water Stewardship* ▶ Energy* ▶ Climate Change* ▶ Waste Management* ▶ Biodiversity	 Social ▶ Nutrition* ▶ Community Development and Inclusive Growth* ▶ Human Capital Development* ▶ Employee Health and Safety* ▶ Human Rights
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* Material topics with 2025 targets

More information on the refreshed materiality assessment and the 2025 targets can be found in Chapter 5 of this Report.

ASSURANCE STATEMENT

GRI Index: GRI 102-56

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.

This year will be the third consecutive year of obtaining external assurance on the sustainability data disclosed in this report. Lloyd's Register Quality Assurance ("LRQA") has conducted an external assurance on selected Health, Safety and Environment disclosures. 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 94 and 95 of this Report.

CONTACT DETAILS

GRI Index: GRI 102-53

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:

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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.

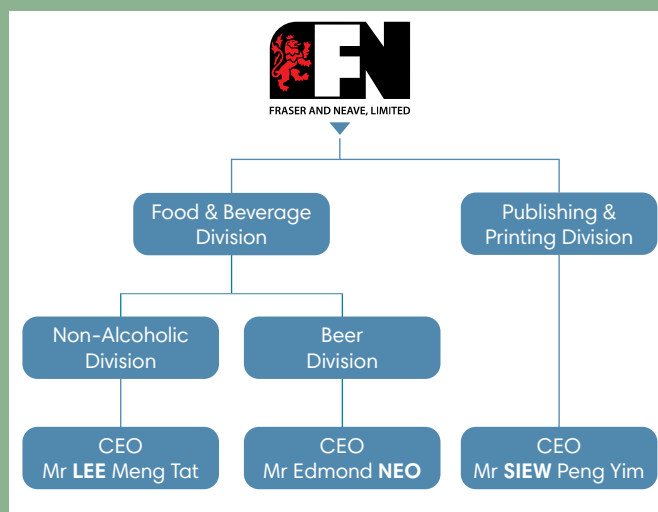
The entrepreneurial spirit, embodied by our founders, remains in today's F&N. As a soft drink company, F&N seized the opportunity and ventured into the beer brewing business in 1931 in partnership with The Heineken Company and built a very successful beer empire in Asia Pacific – through its joint venture 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.

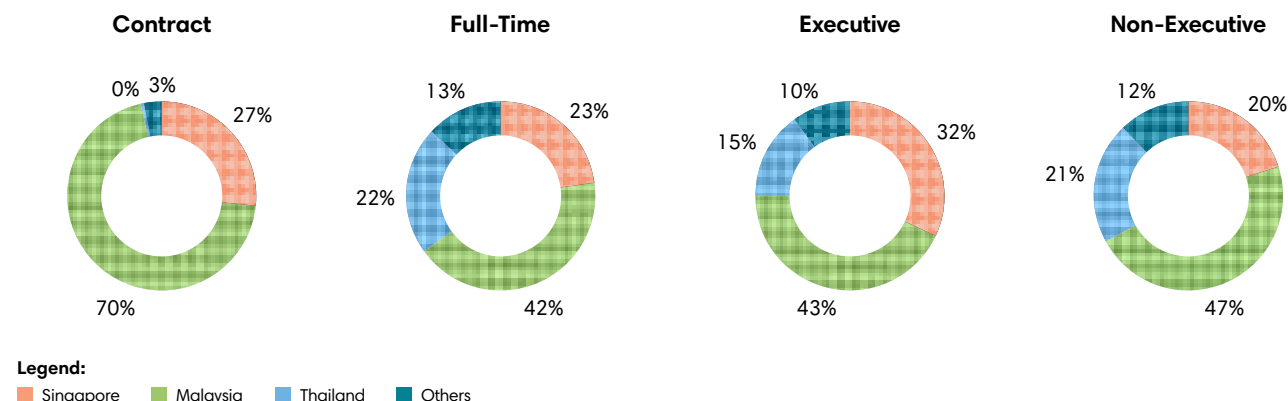
In 2012, F&N divested its equity stake in APB to realise a substantial value for shareholders. In 2014, the Group demerged FCL through a listing on the Singapore Stock Exchange, thereby transferring value to shareholders.

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 Pacific, Europe and the USA, and employs over 6,900 people worldwide.



Employee Breakdown



FY2021 Revenue
\$1,879m

530m+
consumers in SEA

140+
export markets

50+
Food & Beverage and
Publishing & Printing
brands

FY2021 PBIT
\$262m

Employees
6,900+

 Female **38%**
 Male **62%**

60+
manufacturing and
warehousing facilities
in 11 countries

FY2021 Total Assets
\$4,921m

FY2021 APBFE
\$145m



SINGAPORE

Revenue **\$422m**
PBIT **\$11m**
APBFE **(\$20m)**
Total Assets **\$568m**

 **F&N HQ**



MALAYSIA

Revenue **\$666m**
PBIT **\$36m**
APBFE **\$12m**
Total Assets **\$895m**



THAILAND

Revenue **\$666m**
PBIT **\$112m**
APBFE **\$49m**
Total Assets **\$565m**



VIETNAM

Revenue **\$0m**
PBIT **\$111m**
APBFE **\$111m**
Total Assets **\$2,685m**



OTHER COUNTRIES

Revenue **\$125m**
PBIT **(\$9m)**
APBFE **(\$7m)**
Total Assets **\$208m**

Brunei



Chile



China



Hong Kong



Dubai



Indonesia



Myanmar



USA



Legend:

Manufacturing Plants

 Dairies  Soft Drinks  Beer  Publishing & Printing

Offices

 Dairies  Soft Drinks  Beer  Publishing & Printing

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 FY2021, the Group engaged with over 4,000 global and local suppliers across its supply chain including manufacturers, wholesalers, retailers, importers/merchants, contractors, and professional services providers and spent about SGD1.3 billion on products and services.



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

F&N BUSINESS MODEL

Key Risk Categories:



WHAT WE DEPEND ON



Human

Over 6,900 talented people across the Group

By Geography

Singapore	24%
Malaysia	46%
Thailand	19%
Others	11%



Social & Relationship

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

We collaborate with over 4,000 suppliers to produce products



Intellectual

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

- 30+ brands in 16 beverage categories
- Internally developed systems, customised customer solutions and manufacturing processes



Manufactured

We operate 12 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 \$859m
- Equity \$3,451m
- Debt Capital \$927m



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
BRANDS

Winning in
MARKETPLACE

Winning with
INNOVATIONS

Winning with
PEOPLE

Our Values



Collaboration



Creating Values



Caring for Stakeholders



Primary



Secondary



2025 Sustainability Targets¹

Environment	Social	Economic
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	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. 2/3 of F&B products to comply with Nutritional Guidelines 9. Increase community engagement programs by 10%	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

Note:

¹ Refer to Sustainability Report 2021 for details

Creating Shared Value

Understanding societal needs and stakeholder expectations

Communicating through stakeholder engagement

Reputational

Strategic

Currency

Operational

Country

VALUE CHAIN

STAKEHOLDERS

THE VALUE WE CREATE

UPSTREAM

ACTIVITIES

FOCUS AREAS

Innovation



Our Marketing & 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

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

DOWNSTREAM



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



Human

- Paid \$255m in remuneration in FY2021
- Female representation:
 - 25% of Board
 - 38% of total employee
 - 43% of total managerial positions
- Supported employees growth by providing >72,000 training hours



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 FY2021 to meet the needs of consumers
- Excited consumers with the rollout of various limited edition beverages



Social & Relationship

- Upheld strong human rights practices in our operations and supply chain
- 91% of our suppliers are local
- \$1.3b paid to suppliers; close to 70% local purchase value
- 67% active suppliers who accepted F&N's Supplier Code of Practice
- About 1,500 suppliers were screened using new social criteria



Natural

- Adhered to sustainable practices to protect stakeholders
- Received several environmental excellence recognition
- Total production volume of 1.1m MT



Manufactured

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

Financial Outcomes



\$1,879m
Revenue



\$73m
Dividends



\$145m
APBFE



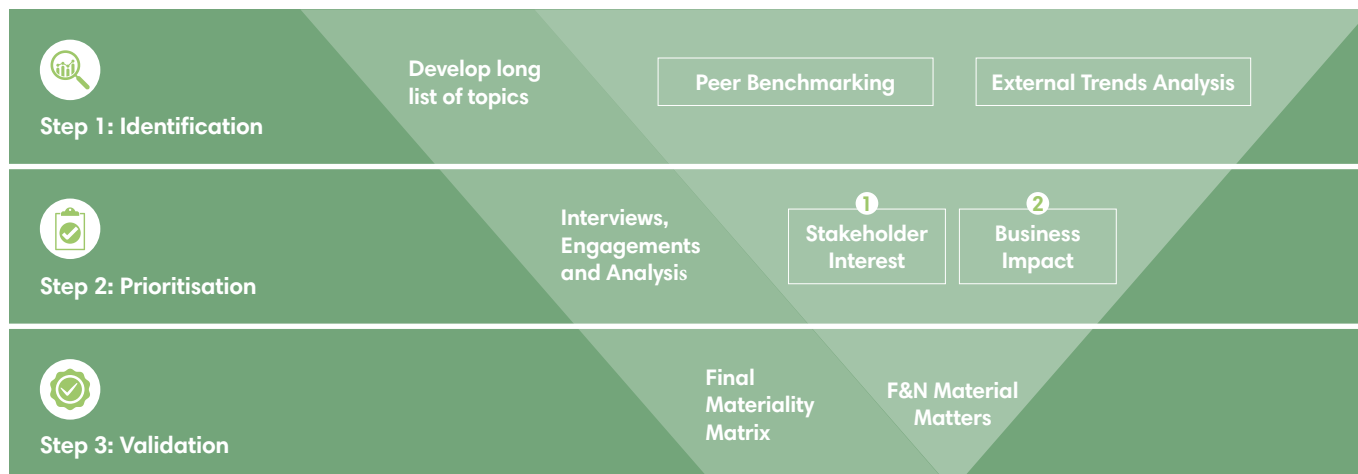
\$220m
Economic
Value Retained



Our Sustainability Approach

F&N SUSTAINABILITY PRIORITIES – MATERIALITY ASSESSMENT METHODOLOGY

In 2020, F&N conducted a robust materiality assessment with support from an independent consultant.



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.

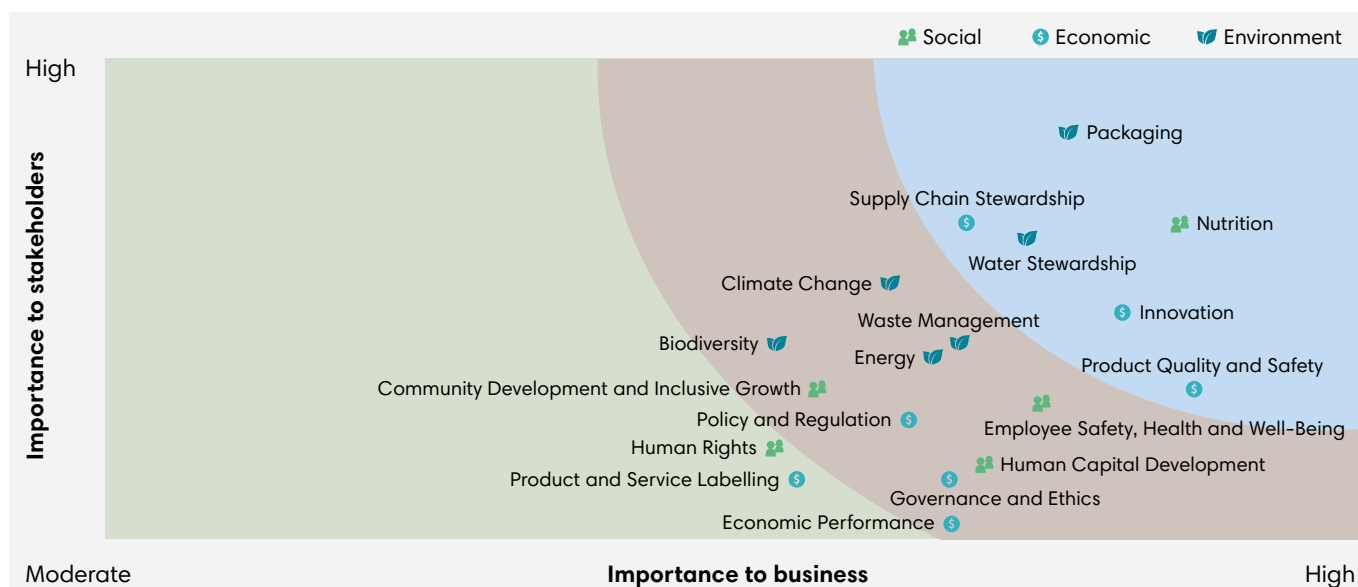
Step 2 – Prioritisation: Internal and external stakeholders were engaged to prioritise the 18 material sustainability topics. This ensures that our ESG materiality assessment takes into consideration relevance to the business, strategy, business model and key stakeholders across the value chain.

- ▶ 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.

We will continue to monitor sustainability trends and review our material topics annually.



Material Issues and Associated ESG Risks and Opportunities

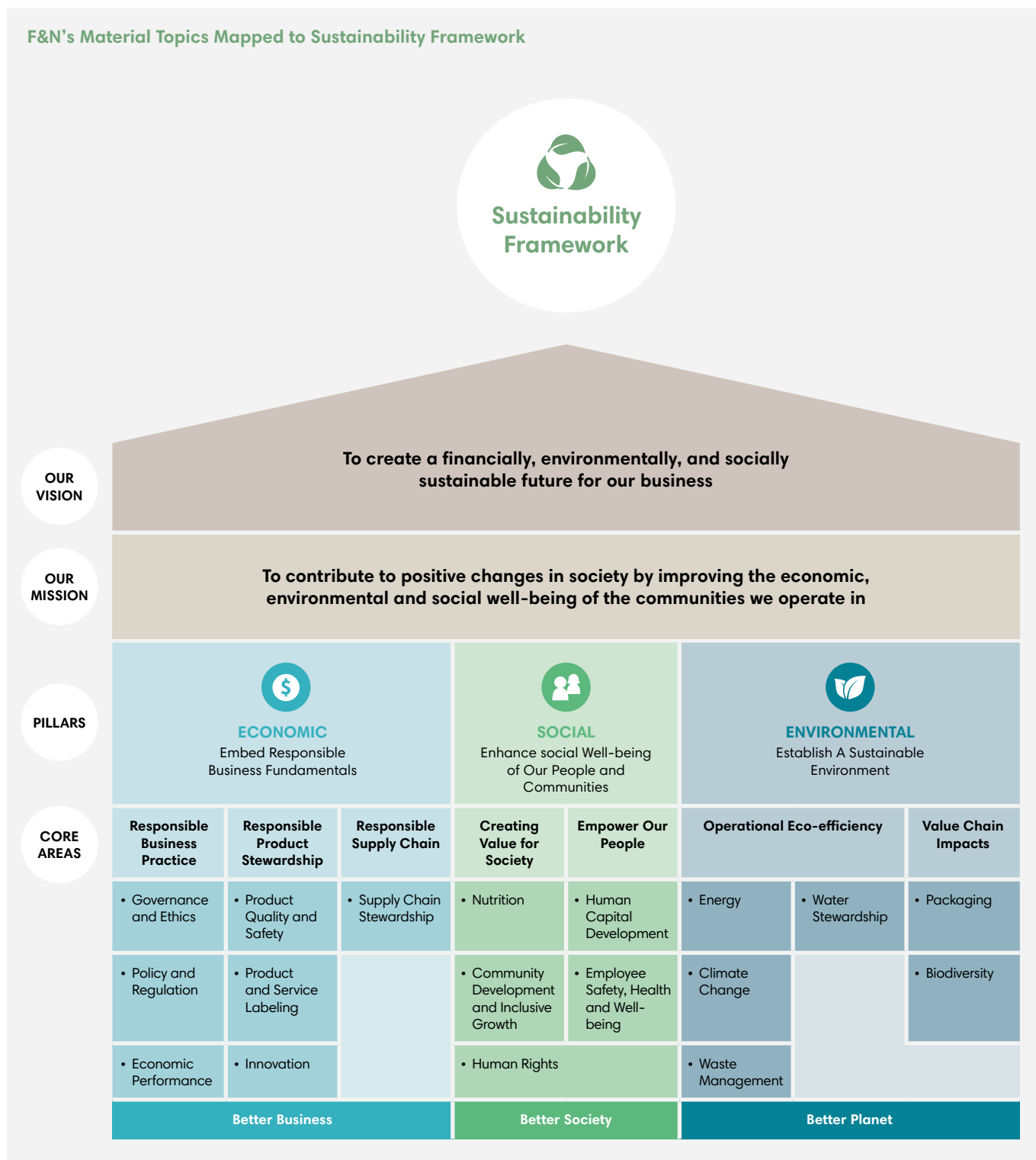
Material Issues of F&N	Opportunities for F&N If issue is addressed	Potential Risks for F&N If issue is not addressed
Better Business		
Governance and Ethics <i>Business policies and practices to ensure ethical, transparent and responsible governance.</i>	Upholding F&N reputation as a responsible business maintains trust amongst all stakeholders	Failing to put in place a transparent and sound governance runs a reputational risk
Policy and Regulation <i>Regulatory compliance across our operations and engaging with policymakers in a responsible and transparent manner.</i>	- Engaging with regulators allows F&N to prepare for emerging legislation and ensure compliance - Operational cost savings	- A risk of being unprepared when needed to comply with emerging regulations - Failing to put in place a transparent and sound governance runs a reputational risk
Economic Performance <i>Financial performance to deliver shareholder value and secure long-term viability of the company.</i>	Sustainable financial performance creates long-term value for all stakeholders	Hinder business continuity
Product Quality and Safety <i>Delivering products to consumers which meet the highest quality and safety standards.</i>	- Deliver F&N brand promise to consumers through product excellence - Retain and increase market share through product range expansion and portfolio diversity	- Reputational risk from supply chain disruption or compromised products - Specific regulatory changes that may affect F&N product recipe and/or packaging
Product and Service Labelling <i>Labelling our products and services in a responsible and transparent way for consumers.</i>	- Meet regulatory requirements - Meet consumer expectations relating to product and ingredient communication	Failure to meet stakeholders' expectations for product transparency
Innovation <i>Building competitive advantage through innovative products and solutions to meet consumer and societal needs.</i>	- Meet customer and consumer demands and stay relevant - Adoption of emerging and disruptive technologies increases competitive edge	- Future high R&D and equipment cost with uncertain commercial returns - Risk losing market share by changing consumer preferences and/or being outcompeted
Supply Chain Stewardship <i>Procurement policies, contractor management and supplier relationships which address material issues across the value chain.</i>	- Elevate vendors' productivity and performance in sustainability practices and compliance with food safety standards - Cost savings with stronger collaboration - Establish robust policies and systems to ensure competitive pricing and safeguard vendors from corruption and malpractice	- Many ESG risks are present in F&N supply chain (e.g. human rights, product quality); unethical practice leads to regulatory violations, monetary fines and reputational risk - Disruption to operations - Price fluctuation as a result of global economic performance and foreign exchange exposure
Better Society		
Nutrition <i>Helping consumers' lead healthy lives by developing nutritious and accessible products.</i>	- Innovation opportunity to meet customer and consumer demands - Offer healthier options that contribute to consumers' well-being	Regulatory risks (e.g. sugar tax) in markets F&N operate in
Community Development and Inclusive Growth <i>Supporting economic development and creating positive social impact for communities connected to our business activities.</i>	- Investing in communities supports social and economic development and ensures F&N grows alongside the society we operate in - Working with communities strengthens our relationships, credibility and presence	- Impacts F&N reputation as a corporate citizen and may affect employees' morale - Potential financial implications when there are imbalance social, economic and environmental needs

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
Human Rights <i>Upholding strong human rights practices in our operations and supply chain.</i>	- Proactively identify and address human rights risks to create a safe workforce in F&N operations and supply chain - Reduce inequalities (e.g. gender inequality) - Improve productivity and resource efficiency	- Human rights violations in operations and supply chain leads to monetary penalties and reputational risks - Disruption to operations - Unmotivated and unproductive workforce
Human Capital Development <i>Attracting, developing, and retaining high-performing employees, creating an inclusive and diverse culture.</i>	- Remain competitive with skilled and diverse employees - A high-performance culture through effective training and upskilling programmes - Provide job opportunities for the local communities where we operate	- Challenge to attract and retain talent - Financial implications when F&N workforce is not developed to meet the evolving market demands
Employee Health and Safety <i>Improving and maintaining the health, safety and wellbeing of our employees.</i>	- Increased productivity in F&N operations - Improvements in talent acquisition and retention - Positive employer branding	Injuries, occupational hazards, lost days and fatalities will result in productivity loss and reputational risk that affects the company's license to operate
Better Planet		
Packaging <i>Developing sustainable packaging solutions to reduce the impact of packaging on the environment.</i>	- Meeting customer and consumer demands for sustainable packaging - Improve packaging resource efficiency and saves cost - Reduce reliance on virgin materials	- Failure to meet stakeholders' expectations in managing packaging pose reputational risks - Losing market share and relevance if F&N is outcompeted
Energy <i>Minimising GHG emissions and energy use in our operations in line with global climate goals.</i>	- Reduce energy usage and emissions which saves costs - Pre-empt future regulation (e.g. carbon tax) - Align with targets of governments and customers	- Public pressure - Rise in operational costs with stricter regulations and energy sourcing changes
Climate Change <i>Adapting our business model to ensure resiliency to climate-related risks.</i>	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	- Costly damages on F&N physical assets from extreme weather events due to climate change - Failure to meet stakeholders' expectations in managing climate change
Water Stewardship <i>Protecting and preserving shared water resources.</i>	- Cost saving opportunities with efficient water management - Enhance water security for suppliers, increasing supply chain resilience	- A direct impact on F&N as water is a key resource for our operations - Regulatory risks around water as an important national resource
Waste Management <i>Minimising waste and safely disposing of hazardous materials.</i>	- Reducing and reusing waste supports operational efficiency, which is cost saving - Inculcate sustainable practices and values in employees and communities	Reputational risk from the failure to meet stakeholders' expectations in managing our waste
Biodiversity <i>Sourcing raw materials responsibly, protecting biodiversity and eliminating deforestation from our supply chain.</i>	- Mitigate reputational risks of negative environmental practices, particularly in our supply chain - Create a sustainable business operation without exploitative processes	Reputational risk from the failure to meet stakeholders' expectations

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.



In 2020, F&N had set sustainability performance targets to be achieved by 2025. The targets are focused on the 12 highest priority material topics, which drives the Group's sustainability performance throughout our business and strengthen our commitment to create long-term value for our stakeholders. The links between our business strategy, sustainability strategy and targets set to manage and monitor performance is illustrated in the F&N Business Model.

Our Sustainability Approach

F&N's Material Topics

Material Issue	Target	Progress						
Supply Chain Stewardship	100% of active key suppliers accept and comply with F&N's Supplier Code of Practice ("SCOP") by 2025	Active Key Suppliers Accepting and Complying with F&N SCOP <table><tr><td>2020</td><td>2021</td><td>Target for 2025</td></tr><tr><td></td><td>67%</td><td>100%</td></tr></table>	2020	2021	Target for 2025		67%	100%
2020	2021	Target for 2025						
	67%	100%						
Innovation	10% product innovation for commercialised F&N products by 2025	Product Innovation for Commercialised F&N Products <table><tr><td>2020</td><td>2021</td><td>Target for 2025</td></tr><tr><td>12%</td><td>9%</td><td>10%</td></tr></table>	2020	2021	Target for 2025	12%	9%	10%
2020	2021	Target for 2025						
12%	9%	10%						
Product Quality and Safety	100% of plants and production processes certified with the FSSC scheme 22000 and Halal Standard (or equivalent) by 2025	Plants and Production Processes Certified with FSSC 22000 and Halal Standard (or equivalent) <table><tr><td>2020</td><td>2021</td><td>Target for 2025</td></tr><tr><td>82%</td><td>82%</td><td>100%</td></tr></table>	2020	2021	Target for 2025	82%	82%	100%
2020	2021	Target for 2025						
82%	82%	100%						
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	Average Training Hours Per Employee by Employee Category <table><tr><td>2020</td><td>2021</td><td>Target for 2025</td></tr><tr><td>12.57 26.23</td><td>11.94 26.51</td><td>11.00 18.00</td></tr></table> ExecutiveNon-executive	2020	2021	Target for 2025	12.57 26.23	11.94 26.51	11.00 18.00
2020	2021	Target for 2025						
12.57 26.23	11.94 26.51	11.00 18.00						
Employee Safety, Health and Well-being	Reduce the Lost Time Injury Frequency Rate ("LTIFR") to 0	Lost Time Frequency Rate Per Million Working Hours <table><tr><td>2020</td><td>2021</td><td>Target for 2025</td></tr><tr><td>3.34</td><td>1.10</td><td>0.00</td></tr></table>	2020	2021	Target for 2025	3.34	1.10	0.00
2020	2021	Target for 2025						
3.34	1.10	0.00						
Nutrition	67% of beverage and dairy products ² comply with the Nutritional Guidelines by 2025	Beverage and Dairy Products (based on formulation in compliance with Nutritional Guidelines) <table><tr><td>2020</td><td>2021</td><td>Target for 2025</td></tr><tr><td>25%</td><td>62%</td><td>67%</td></tr></table>	2020	2021	Target for 2025	25%	62%	67%
2020	2021	Target for 2025						
25%	62%	67%						

2 Based on formulation, excluding canned milk and cordials

Material Issue	Target	Progress
Community Development and Inclusive Growth	10% increase in the number of community programmes offered (from a 2020 baseline) by 2025	Community Programs Carried Out for the Financial Year 24 24 27 20202021Target for 2025
Waste Management	Reduce the solid waste sent to landfill (from a 2020 baseline) by 30% by 2025	Solid Waste to Landfill ('000 kg) 1,549.23 1,601.09 1,084.46 20202021Target for 2025
Energy	Reduce the Group's energy intensity ratio at our plants (from a 2020 baseline) by 8% by 2025	Energy Intensity Ratio (MJ/MT) 1,091.63 1,101.78 1,004.3 20202021Target for 2025
Climate Change	Reduce the Group's GHG emissions intensity ratio at our plants (from a 2020 baseline) by 8% by 2025	GHG Emissions Intensity Ratio (MT CO₂e/MT) 0.105 0.105 0.097 20202021Target for 2025
Packaging	25% of beverage and dairy packaging to contain recycled materials by 2025	Beverage and Dairy Packaging Containing Recycled Materials 20% 22% 25% 20202021Target for 2025
Water Stewardship	Reduce the Group's water intensity ratio at our plants (from a 2020 baseline) by 8% by 2025	Water Intensity Ratio (m³/MT) 2.80 2.83 2.58 20202021Target for 2025

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							
SDG 2							
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						
SDG 8							
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						
SDG 9							
9.2	Promote inclusive and sustainable industrialisation						
9.4	Promote the use of sustainable industrial processes						
SDG 12							
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							
SDG 1							
1.4	Promote equal rights to ownership, basic services, technology and economic resources						
SDG 3							
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							
SDG 4							
4.4	Promote relevant skills development						
4.7	Promote sustainable development education and global citizenship						
4.B	Expand higher education scholarships for developing countries						
SDG 5							
5.5	Ensure women's full participation in leadership and decision-making						
SDG 6							
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						
SDG 7							
7.2	Increase use of renewable energy						
7.3	Improve energy efficiency						
SDG 10							
10.2	Promote universal social, economic and political inclusion						
SDG 15							
15.2	Promote sustainable forest management						
15.5	Protect biodiversity and natural habitats						
SDG 16							
16.5	Substantially reduce corruption and bribery						
16.6	Develop effective, accountable and transparent institutions						
SDG 17							
17.6	Knowledge sharing and cooperation for access to science, technology and innovation						

[illegible]

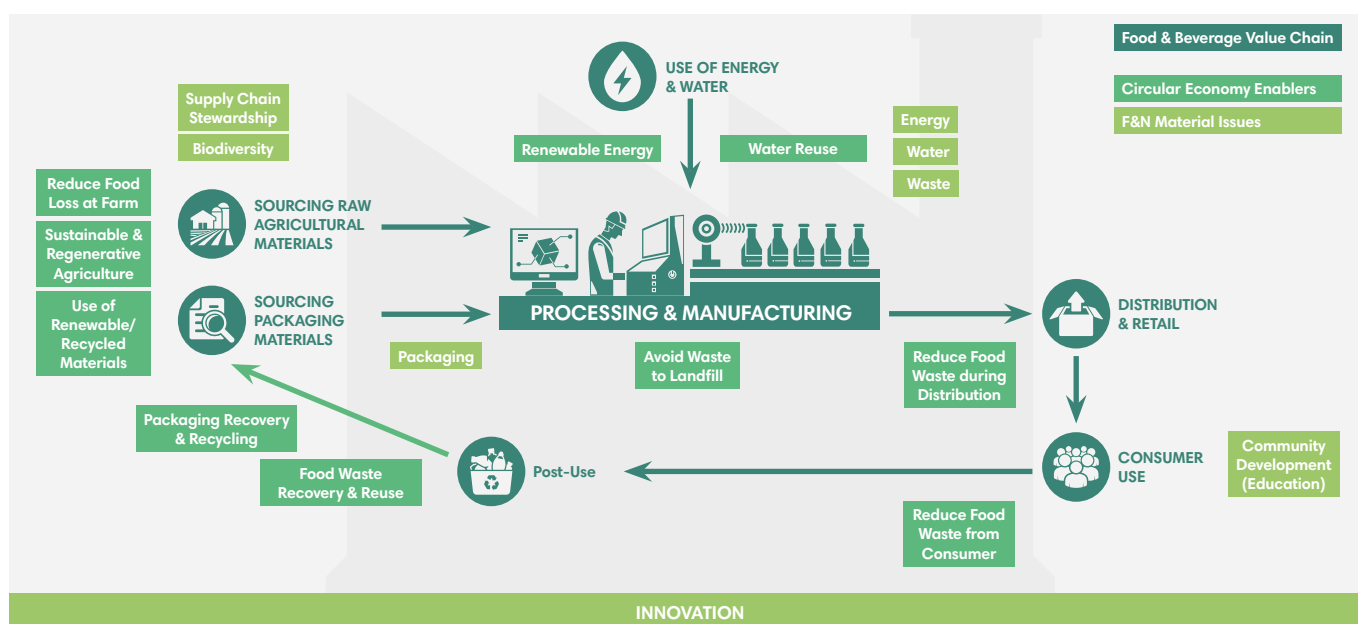
Our Sustainability Approach

CIRCULAR ECONOMY

A circular business model can be defined as the way an organisation creates, delivers and captures value with, and within, closed material loops and chains.

The shift to a circular economy underpins progress on many of F&N's material topics. F&N is committed to work toward a circular economy through the following principles:

- ▶ Prioritising renewable inputs
- ▶ Efficient use of products and materials
- ▶ Recovering by-products and waste



Innovation

We tap into process innovation to improve resource efficiency and the reduction of raw material waste. Our product packaging designs and materials are reconsidered to enhance recyclability.

→ Refer to the 'Innovation' section of the Report for more information.

Supply Chain Stewardship

We encourage our suppliers to follow circular economy principles in the production of raw materials – namely, designing out waste and pollution in production processes, keeping materials in use for as long as possible, and regenerating natural ecosystems – where possible.

→ Refer to the 'Supply Chain Stewardship' section of the Report for more information.

Packaging

We proactively innovate and source sustainable packaging solutions that can be easily recycled, reused or composted. F&N has a long-term target to increase the percentage of recycled materials used in our packaging.

→ Refer to the 'Packaging' section of the Report for more information.

Energy

We reduce our energy demands, extract energy from renewable sources and/or recover energy from our operations. F&N has taken these steps by exploring the installation of solar panels for manufacturing plants in Singapore, Malaysia and Thailand.

→ Refer to the 'Energy and Climate Change' section of the Report for more information.

Water Stewardship

We manage our water usage through monitoring with appropriate tools and conducting water assessments. F&N has implemented a water tracking system to calculate daily water consumption

and effluent quality. Ways to recycle wastewater for cleaning or cooling purposes are being explored.

→ Refer to the 'Water Stewardship' section of the Report for more information.

Waste Management

F&N is committed to our zero-landfill target and does so by minimising waste in production. We work with our stakeholders to explore ways to reduce costs for them, by creating by-products from residual liquid or solid waste, where possible.

→ Refer to the 'Waste Management' section of the Report for more information.

Community Development and Inclusive Growth

To raise awareness of circular economy and promote behavioural change, we conducted school education programmes in Malaysia and Thailand to promote good waste management practices.

→ Refer to the 'Community Development and Inclusive Growth' section of the Report for more information.

STAKEHOLDER ENGAGEMENT

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. Our stakeholders are engaged in various ways where they can participate in conversations and voice their opinions. Stakeholder engagement is critical to our strategy for sustainable value creation.

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
Investment Community	▶ General meetings of Shareholders (AGM & EGM) ▶ Regular face-to-face meetings & conference calls ▶ Office/plant visits, as and when required ▶ Investor days/briefing ▶ Website and SGXNET announcements, presentations, press releases ▶ Annual reports	▶ Transparent & accurate disclosure ▶ Return on investment ▶ Disclosure on relevant information to shareholders	▶ Managing resources effectively to maximise profits ▶ Maintaining a strong balance sheet Relevant sections: Governance & Ethics Economic Performance
Employees	▶ Biennial employee engagement survey ▶ Robust compensation and benefits framework ▶ Annual CEO town hall/roadshow ▶ Annual gatherings ▶ Sports tournaments ▶ Communicate, iConnect (intranet), F&N BITES (news update), monthly email news highlights, digital TV, Fraserians Connect (mobile app), F&N Voice WhatsApp channel	▶ Engagement with employees ▶ Learning & development opportunities ▶ Equitable rewards & recognition ▶ Safe and healthy work environment	▶ Career advancement and ability to reach individual potential ▶ Boosting earning potential of employees with training and development ▶ Strict hygiene practices and sanitary environment in the workplace Relevant sections: Human Capital Development, Employee Safety, Health and Well-being, Human Rights
Distributors & Trade Customers	▶ Annual customer meetings ▶ Annual factory visits ▶ Annual business planning ▶ Regular business development activities ▶ Joint supply chain meetings ▶ Quarterly business reviews ▶ Customer appreciation events	▶ Latest consumer & shopper trends ▶ Product innovation ▶ Customer relationship management ▶ Shopper loyalty programmes ▶ Improving customer service level ▶ Business practices & ethics ▶ Efficient delivery systems ▶ COVID-19 related payment challenges	▶ Partnering with retailers on shared opportunities ▶ Source of income and job creation at our distributors ▶ Case-to-case flexible payment method, if necessary Relevant sections: Innovation, Nutrition, Product Quality & Safety, Product Labelling

Our Sustainability Approach

	Engagement Channels	Key Concerns	How F&N Creates Value for this Stakeholder
Consumers	▶ Marketing & sales promotions ▶ Brand communication through advertising ▶ On-going social media interactions ▶ On-ground events & activities ▶ Dedicated consumer hotline	▶ Product quality & safety ▶ Consumer health & safety ▶ Fair & reasonable product pricing ▶ Social & community engagement ▶ Environmentally friendly packaging	▶ Launching innovative products ▶ Fulfilling consumers' demand for safe and quality products ▶ Providing accessible products through an extensive distribution network coverage Relevant sections: Innovation, Nutrition, Product Quality & Safety, Product Labelling
Communities	▶ Collaborations & partnerships ▶ Outreach programmes ▶ Meetings/dialogues with community representatives ▶ Leadership programmes ▶ Sponsorship of sporting events ▶ Donation of food and beverages to the less privileged and elderly	▶ Social & environmental responsibility ▶ Job opportunities for locals ▶ Promotion of good health & quality of life ▶ Skill development in sports & leadership ▶ Stimulating local economies	▶ Social investment in community projects ▶ Advocating active lifestyles via sports events and activities ▶ Supporting beneficiaries from vulnerable communities Relevant sections: Community Development and Inclusive Growth, Human Rights
Regulators	▶ Active collaborations e.g. Singapore's Health Promotion Board; Federation of Malaysian Manufacturers ▶ Meetings with government agencies and statutory bodies ▶ Collaboration & partnerships with local councils	▶ Good governance ▶ Fair labour practices ▶ Safety at work ▶ Compliance with laws & regulations ▶ Water & waste management ▶ Environmentally friendly labelling & packaging ▶ Greenhouse gas emissions ▶ Recycling awareness ▶ COVID-19 standard operating procedures	▶ Compliance with regulation to mitigate against systemic risks ▶ Adhering to sustainable practices to protect stakeholders ▶ Active industry collaboration and knowledge exchange ▶ Adhering to COVID-19 guidelines and social distancing measures Relevant sections: Policy & Regulation
Suppliers	▶ Supplier meetings ▶ Annual audits ▶ Tender Management System	▶ Fair & robust procurement system ▶ Support of local businesses ▶ Social & environmental responsibility ▶ Ethics - anti-bribery & corruption	▶ Working with local suppliers ▶ Partnering with suppliers on shared opportunities Relevant sections: Supply Chain Stewardship, Biodiversity

OUR KEY PARTNERSHIPS AND COLLABORATIONS

GRI Index: GRI 102-12 (External Initiatives), GRI 102-13 (Membership of Associations)

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, Support Asia 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 SDGs, GRI and the International Integrated Reporting Council.

EXTERNAL RECOGNITION

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



2019/20 Prime Minister's Hibiscus Award

The award is the premier private sector environmental award for business and industry in Malaysia. F&NHB received three awards – two for F&N Dairies Manufacturing Sdn Bhd and one for F&N Beverages Manufacturing Sdn Bhd.



Sarawak Chief Minister's Environmental Award 2019/2020

Kuching Plant in Malaysia earned an accolade – Merit Award under the Medium Enterprise Category (Manufacturing sector) at the 9th Sarawak Chief Minister's Environmental Award 2019/2020. This prestigious award recognises the environmental effort and commitment of industries, local authorities, and individuals.



Prime Minister ("PM") Best Industry Award 2020

Each year, only one selected company, from amongst all the qualifying companies from the different industries, would be presented with the PM Best Industry Award. To qualify for the PM Best Industry Award, companies will need to have previously received a minimum of at least three PM Awards (from among the nine PM Award categories). The eligible companies will then be further evaluated and scored based on the six criteria of the PM Best Industry Award. F&NDT had previously received 3 PM Awards for Productivity, Energy and Environment in 2014, 2015 and 2016, respectively, thereby meeting the requirement to be considered for the PM Best Industry Award. Based on the score received for the six criteria of the PM Best Industry Award, on 14 December 2020, F&NDT was recognised for its excellent performance and awarded with the PM Best Industry Award.



National Annual Corporate Report Awards ("NACRA") 2020

Acknowledged for our excellence in corporate reporting, F&HB received the Silver Award for Best Sustainability Reporting at the NACRA 2020 for F&NHB 2019 Sustainability Report.

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 the S&P Global CSA for the first time in 2021.
- ▶ F&NHB received the FTSE4Good rating for another consecutive year, with an improved scoring of 4.1 from 4.0 in September 2021.
- ▶ F&NHB was included in the FTSE4Good Bursa Malaysia index and newly introduced FTSE4Good Bursa Malaysia Shariah index.

Better Business: Responsible Business Fundamentals

As a prominent F&B organisation in Southeast Asia, F&N recognises the scale of the impact our business has on the societies and environments in which we operate. It is our responsibility to make informed decisions by balancing 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

RESPONSIBLE



Targets for Better Business

Material Topic	Target
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	2 ZERO HUNGER 	8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 		
	3 GOOD HEALTH AND WELL-BEING 	6 CLEAN WATER AND SANITATION 	7 AFFORDABLE AND CLEAN ENERGY 	15 LIFE ON LAND 	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	17 PARTNERSHIPS FOR THE GOALS
Secondary						

Responsible Business Practice

Responsible business practice is the foundation of F&N's business and is critical in maintaining trust with stakeholders. We manage business practices through transparent communication of robust governance policies and standards of ethical behaviour. 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 will elaborate on how we ensure responsible business practices in the following sections:

- ▶ Governance and Ethics
- ▶ Policy and Regulation
- ▶ Economic Performance

GOVERNANCE AND ETHICS

GRI Index: GRI 102-16, GRI 205-3

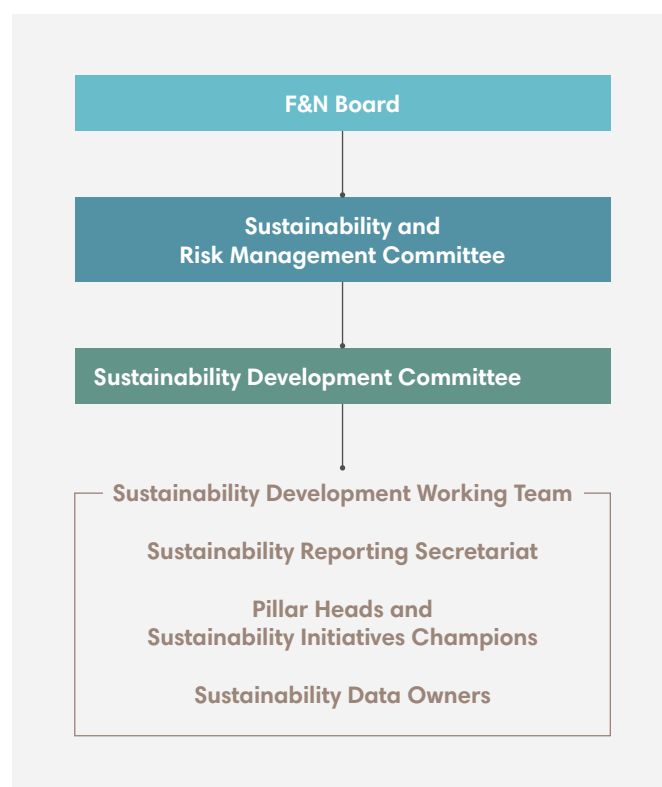
SDG:



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 FY2021, the SRMC convened on sustainability matters three times, and the SDC three times.



Sustainability Development Committee

Lee Meng Tat (Chairman)
Chief Executive Officer, Non-Alcoholic Beverages, F&N

Lim Yew Hoe
Chief Executive Officer, F&NHB

Siew Peng Yim
Chief Executive Officer, Times Publishing Group

Hui Choon Kit
Chief Financial Officer & Group Company Secretary, 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, F&NNT

Celine Tan*
Director, Marketing (Beverages), F&N

* Pillar Heads in the Sustainability Development Working Team

Responsible Business Practice

APPROACH

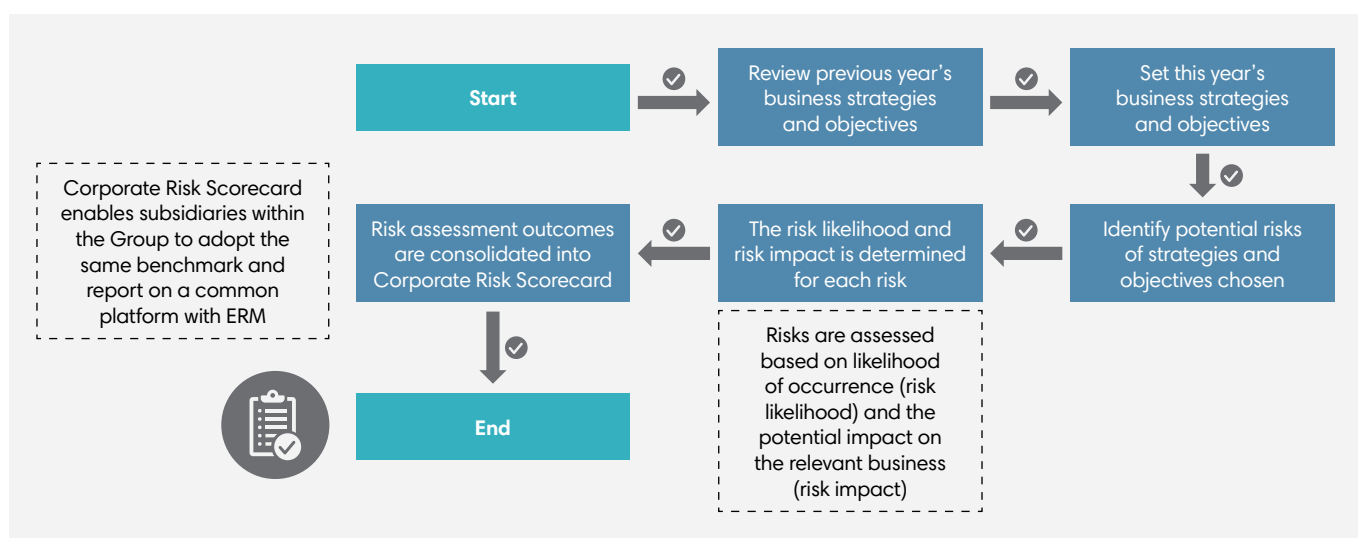
Risk Management

F&N integrates material sustainability topics into our overall Risk Management framework by identifying specific risks, opportunities, and key priorities to drive our strategic decisions.

Sustainability risks are considered from three perspective:

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

Risk appetite and risk tolerance statements are reviewed by the SRMC and approved by the Board annually. At the end of the financial year, the Board receives assurance from the CEO and Chief Financial Officer that the risk management and internal control system is adequate and effective to address the risks from key material topics identified by the Group.



Risks are identified through the Enterprise Risk Management ("ERM") Validation Report and Comfort Matrix, which assesses the likelihood of risk occurrence and potential impact on relevant business objectives. The outcomes of identified risks are consolidated in a Corporate Risk Scorecard as a reference for the rest of the Group.

Each business division has a dedicated risk coordinator to conduct risk analyses with management. Risk coordinators compile reports for timely submission to division heads and conduct briefings on risk policies and practices.

Examples of ESG-related risks considered F&N Key Risks include:

- ▶ 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

→ Read more about the risk management process in our Annual Report on page 60.

CORPORATE GOVERNANCE

Key policies

F&N's governance system is supported by policies and frameworks to ensure relevant controls and processes are in place.

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
- ▶ Environmental, Safety and Health Policy

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

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

F&N 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.

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.

During the reporting year, 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 FY2021, there were no substantiated bribery cases and 4 corruption cases. The 4 corruption cases took place in Thailand and involved sales staff who misappropriated payment from customers.

POLICY AND REGULATION

GRI Index: GRI 307-1, GRI 419-1

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. 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.

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.

Responsible Business Practice

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.

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.

ECONOMIC PERFORMANCE

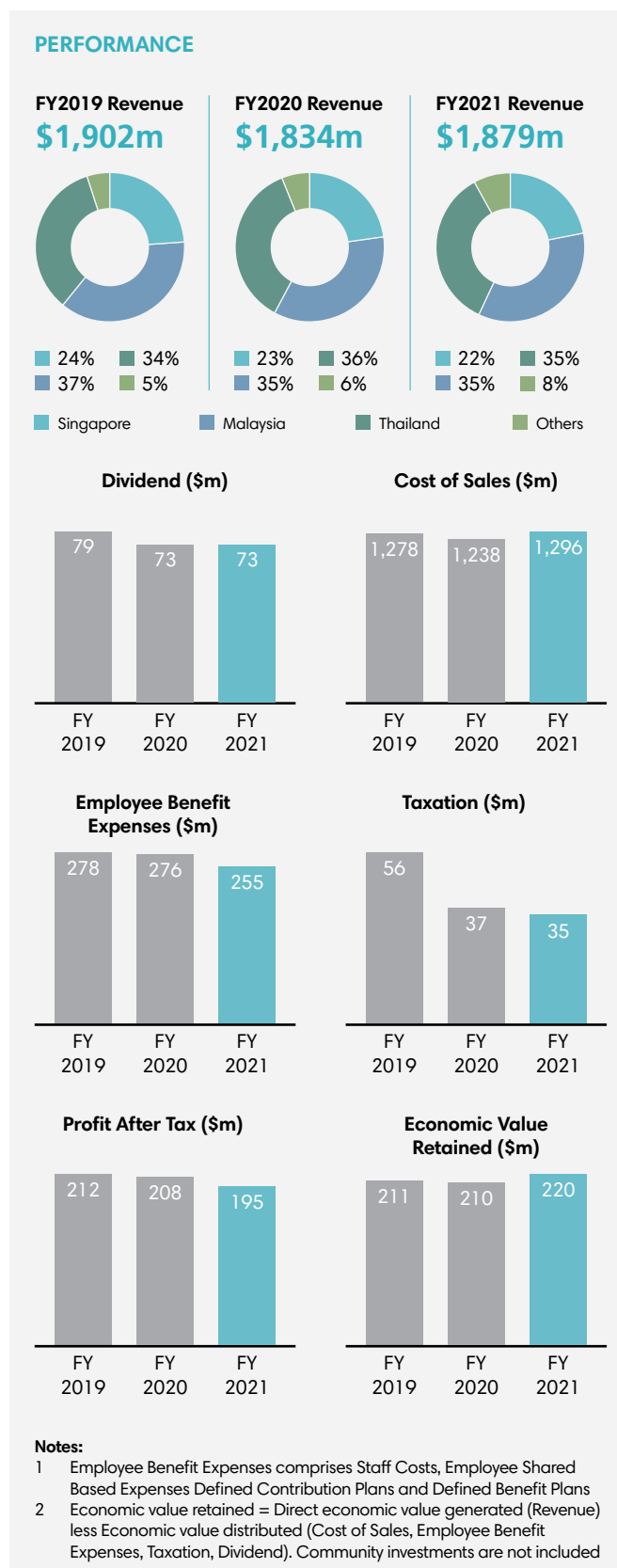
GRI Index: GRI 201-1

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 16 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 FY2021 Annual Report:

- ▶ Group Financial Highlights, pages 10 to 11
- ▶ Group Financial Statements, pages 88 to 189



Responsible Product Stewardship

We live by our brand promise 'Pure Enjoyment. Pure Goodness' – in other words, we commit to our consumers to deliver good quality products that meet safety standards. Our product decisions centres around our customers – F&N provides relevant product information, which our customers view as important, to enable them to make informed purchasing decisions. To meet the changing needs and wants of our customers, we also continuously find ways to innovate.

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
▶ ISO 22000:2005 0 Food Safety Management System ▶ FSSC 22000 – Food Safety System Certificate ▶ Halal certification	▶ ISO 22000:2005 0 Food Safety Management System ▶ FSSC 22000 – Food Safety System Certificate ▶ Halal certification	▶ ISO 22000:2005 0 Food Safety Management System ▶ FSSC 22000 – Food Safety System Certificate ▶ Halal certification	▶ FSSC 22000 – Food Safety System Certificate ▶ Halal certification ▶ Food Safety According to HACCP System MS 1480:2007
▶ Good Manufacturing Practice	▶ Food Safety According to Hazard Analysis and Critical Control Point (HACCP) System MS 1480:2007 ▶ Good Manufacturing Practice		▶ Veterinary Health Mark (VHM) Certification (required for the export of dairy products)

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 TARGETS

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 FY 2021, 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' section of the Report.

PERFORMANCE

GRI 416-2 (2016)

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

- ▶ 0 incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services.

PRODUCT AND SERVICE LABELLING

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

SDGs:



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



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.

Responsible Product Stewardship

INNOVATION

SDGs:



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 9% 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.

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

Our Innovative Framework

Priority Areas



Continuous improvement to deliver high-quality innovative beverage products to consumers.

More new products to expand our target consumer groups.

External Collaboration



Collaborate with authorities such as Singapore's Health Promotion Board, Singapore Food Agency ("SFA"), Ministry of Health ("MOH"), Federation of Malaysian Manufacturers and Thailand's Food and Drug Administration to adhere to food safety regulations and support national health priorities.

Collaborate with research institutes to access cutting-edge research and scientific studies to discern the efficacy of our products.

Innovation Culture



Develop products based on scientific research, consumer insights and tastes relevant to evolving Asian lifestyles.

Constantly refine our products to meet the changing needs of consumers and ensure consistent delivery of good taste and the right nutritional values.

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&NHB flagship online store – F&N Life, was launched in January 2020 in Malaysia 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 'Nutrition' section of the Report

Sustainability – Choosing materials sourced sustainably.

→ More details can be found in 'Supply Chain Stewardship' section of the Report

Innovative beverage and dairy products launched in Singapore, Malaysia and Thailand in FY2021

Singapore



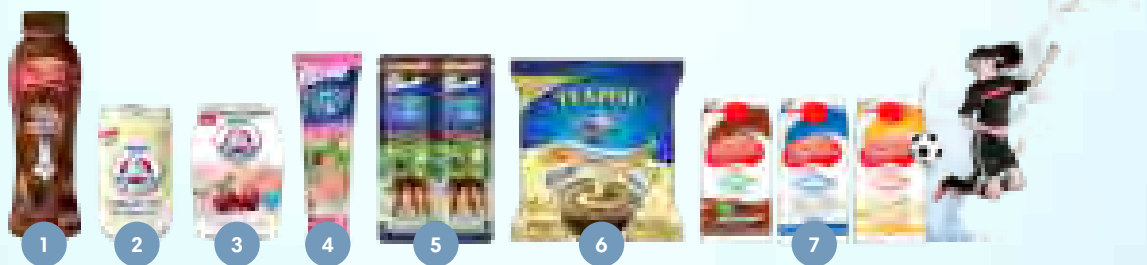
1. F&N FRUIT TREE FRESH Prune Mixed Fruit Juice
2. F&N ICE MOUNTAIN Drinking Water
3. FARMHOUSE Dark Chocolate Low Fat Flavoured Milk
4. F&N ICE MOUNTAIN Sparkling Water Yuzu Osmanthus
5. F&N MAGNOLIA Luscious Strawberry Low Fat Milk
6. F&N Ice Cream Soda Zero
7. F&N NUTRISOY Fresh Soya Milk infused with Ondeh Ondeh flavour
8. F&N NUTRIWELL Roselle

Malaysia



1. EST Cola Brown Sugar
2. F&N Bandung
3. F&N Sparkling – Apple Barley, Espresso, Honey Lemon
4. GOLD COIN Juara Condensed Milk
5. SUN VALLEY Cordial – Kurma and Madu, Mango
6. F&N ICE MOUNTAIN Mineral Water (6L)

Thailand



1. F&N MAGNOLIA Chocolate Malt reformulated with 50% less sucrose
2. BEAR BRAND Sterilised Milk (150ml)
3. BEAR BRAND GOLD Acerola Cherry (140ml)
4. TEAPOT SCM Squeeze Tube – Strawberry Yogurt (150g)
5. TEAPOT SCM Milk Duo Sachet (25g)
6. TEAPOT SCM Stand-up Pouch (500g)
7. F&N MAGNOLIA Lactose-free Single Serve Pack – Peppermint Brownie, Plain, Vanilla White Chocolate

Responsible Product Stewardship

F&N Innovative Products			
Product	New Product Type	Product with HCS/HCL	Product with New Packaging Format
Malaysia			
F&N Sparkling – Apple Barley, Espresso	✓	✓	
F&N Sparkling – Honey Lemon	✓		
EST Cola Brown Sugar	✓	✓	
F&N ICE MOUNTAIN Mineral Water (6L)		✓	✓
F&N Bandung	✓	✓	
GOLD COIN Juara Condensed Milk	✓		
SUN VALLEY Cordial – Kurma and Madu, Mango	✓		
Thailand			
TEAPOT SCM Stand-up Pouch (500g)			✓
TEAPOT SCM Milk Duo Sachet (25g)			✓
TEAPOT SCM Squeeze Tube – Strawberry Yogurt (150g)	✓		
F&N MAGNOLIA Lactose-free Single Serve Pack – Plain (180ml)			✓
F&N MAGNOLIA Lactose-free Single Serve Pack – Vanilla White Chocolate, Peppermint Brownie (170ml)			✓
BEAR BRAND GOLD Acerola Cherry (140ml)	✓	✓	
BEAR BRAND Sterilised Milk (150ml)			✓
F&N MAGNOLIA Chocolate Malt reformulated with 50% less sucrose	✓		
Singapore			
F&N ICE MOUNTAIN Drinking Water (300ml)		✓	✓
F&N ICE MOUNTAIN Sparkling Water Yuzu Osmanthus	✓	✓	
FARMHOUSE Dark Chocolate Low Fat Flavoured Milk	✓	✓	
F&N NUTRIWELL Roselle	✓	✓	
F&N NUTRISOY Fresh Soya Milk infused with Ondeh Ondeh flavour	✓	✓	
F&N FRUIT TREE FRESH No Sugar Added Prune & Mixed Fruit Juice Drink	✓	✓	
F&N MAGNOLIA Luscious Strawberry Low Fat Milk	✓	✓	

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 the ‘Energy and Climate Change’ and ‘Water Stewardship’ sections 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 have contributed to F&N’s innovation efforts through our flagship Way of Work (“WOW”) Award – an innovation competition organised for employees.

WOW Award

Organised by ThaiBev, F&N’s parent company, the WOW Award competition encourages employees to present new concepts, business models, or processes that will support the organisation in cost reductions and efficiency gains. F&N employees participated in the competition to drive process innovation within the organisation. The outcomes were two notable projects – TEAPOT Duo Sachet, increase convenience for our consumers, and an operational efficiency initiative that improves nutrition in fresh milk (details can be found in the ‘Nutrition’ section of the Report).

The TEAPOT Duo Sachet is a new portable packaging that increases convenience for our consumers. The working team called “X men double sachet” devised the idea and was the runner up in the WOW Award competition. They developed the TEAPOT Duo Sachet from a F&N existing tube machine that was modified and resulted in cost savings of about THB 3 million (about SGD 122,000) for F&NHB.



Responsible Supply Chain

In today's world, a resilient supply chain is key to ensuring business success. F&N collaborates with our partners upstream of the supply chain to mitigate supply chain risks. In the following chapter, we elaborate on how we engage and work with our suppliers to reduce environmental and social impacts of F&N products.

SUPPLY CHAIN STEWARDSHIP

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

SDGs:



The COVID-19 pandemic has caused massive disruptions to global supply chain. 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.

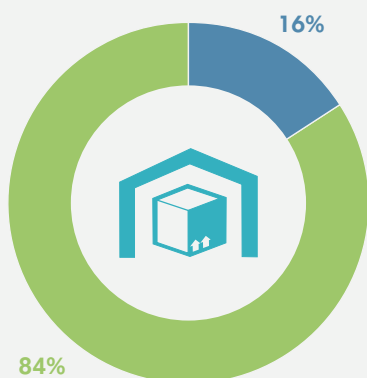
The cornerstones to our Supply Chain Stewardship are as follows:

- ▶ 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

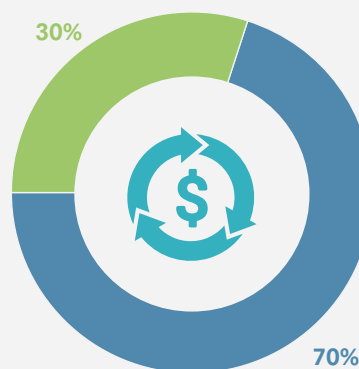
- ▶ 100% of active key suppliers accept and comply with F&N's SCOP by 2025.
 - As at September 2021, 67% of suppliers have accepted and complied with F&N's SCOP

Group Suppliers by Supplier Category



■ % of direct material suppliers
■ % of indirect material suppliers

Proportion of Spending on Materials



■ % of purchase value spent on direct material
■ % of purchase value not spent on indirect material

PERFORMANCE

GRI 204-1 (2016) Proportion of spending on local suppliers	▶ F&N works with about 91% local suppliers where possible, representing almost 70% of our purchase value expenditures.
GRI 308-1 (2016) New suppliers that were screened using environmental criteria	▶ Over the year, a total of over 1,500 suppliers were screened using the new environmental criteria.
GRI 414-1 (2016) New suppliers that were screened using social criteria	▶ Over the year, a total of over 1,500 suppliers were screened using the new social criteria.

INITIATIVES



Sustainable Sourcing

As a F&B business, we are dependent on the supply of raw materials including sugar, palm oil, aluminium and resin for production operations. We aim to source raw materials certified with eco-credentials, including RSPO, VIVE, BONSUCRO 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. 20% of the RSPO CSPO is physical while 80% is offset by RSPO credits. Out of the 227 global companies which had participated in the WWF POBS 2021, F&N was ranked 46. This puts us in the top 25% across all manufacturers/retailers/hospitality companies which were invited to participate, and the highest scoring amongst the Asian companies.

→ For more information on F&N Group's ranking in the palm oil buyers score card, visit this site: <https://palmoilscorecard.panda.org/#/scores/46>



Sustainable Sugar

Sugar is a critical raw material for F&N's products. We procure sustainable sugar under the guidance of the VIVE sugar certification programme.³ F&N is also exploring the possibility of using BONSUCRO certified sugar products for our operations in Thailand. This year, F&N has procured 24,000 metric tonnes of VIVE certified sustainable sugar. This is the second year that F&N has purchased VIVE-certified sustainable sugar.



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.

While 100% of our paper products used in carton packaging carry the FSC certification.

³ VIVE is a voluntary, continuous improvement sustainability programme for ingredient supply chains, covering all operations and activities for producers through to end users that have a bearing on sustainability.

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 FY2021, 67% are compliant with the F&N SCOP.

Our SCOP includes the following requirements: business ethics,⁴ 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 Management System

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.

Supplier Capacity Building and Partnerships

In the past year, we have engaged with over 4,000 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 this year is 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&NNT with fresh milk. Our efforts last year focused on Nakhorn Ratchasima Province reaching to 2,000 farmers. This year, we channelled our efforts to Chaiyaphum Province.

Supplier engagement at F&NNT takes a ground-up and collaborative approach. Understanding the challenges brought about by weather and climate change, from the dairy farmers, F&NNT installed a large water storage tank to increase water security. This minimises the need to travel long distances to access reservoirs and water resources, especially during times of droughts. This THB 460,000 (about SGD 18,700) investment is able to supply 1.68 million litres of water every month for up to 180 households across communities in Chaiyaphum Province. This provides a sufficient water supply for up to 24 farms, consisting of over 950 cattle, to minimise disruptions from droughts and ensure farmers can continue their farming operations sustainably, and enhance the supply chain resilience of F&NNT.

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 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 SOCIETY

F&N understands that our success over the last 138 years were made possible through the commitment of our people, the contributions of our consumers, and the support of communities in which we operate. We recognise the importance of building relationships with these stakeholders based on collaborative relationships. F&N does this 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 creating rewarding work environments, and respecting the human rights of all stakeholders.

This section further elaborates on our approach, performance, and initiatives to create a Better Society, including:

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

WELL-BEING



Targets for Better Society

Material Topic	Target
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



Creating Value for Society

As an industry leader in the F&B sector, F&N believes it is our role as a corporate citizen to create value for our consumers, and the communities in our operational markets. We have created value through offering healthy products to 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

SDGs:



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.

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

- ▶ Principles of the Nutrition Charter:



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.

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' section of the Report.

2025 TARGET

67% of beverage (excluding Cordial) and dairy (excluding Canned Milk) products (based on formulation) in compliance with Nutritional Guidelines.

- ▶ In 2021, 62% of beverage (excluding Cordial) and dairy (excluding Canned Milk) products (based on formulation) are in compliance with Nutritional Guidelines.

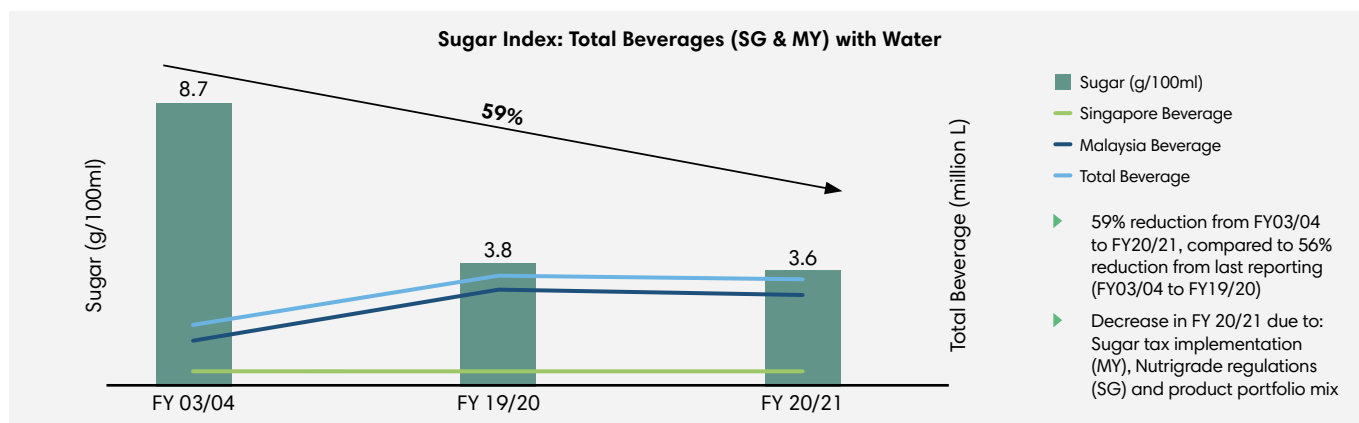
PERFORMANCE

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 FY2021, 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 60% 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 reduction of 5% in the sugar index (grams of sugar content per 100ml) across our range of RTD 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. We are exploring new product categories, such as plant-based milk, which F&NHB intends to launch next year.

F&N increased its products with HCS/HCL from around 50 in FY2020 to over 140 in FY2021.

WOW Project

The delivery of high-quality fresh milk to our consumers meets many challenges from production to logistics. The greatest obstacle in producing fresh milk is the wait at the farm before it is collected for delivery to the factory – risking contamination of the milk from microbial growth. Prioritising the safety of the product, fresh milk typically undergoes high heat treatment. However, this affects the quality of fresh milk with nutrient loss and increases the cost of production.

As part of the WOW Project – an internal innovation challenge (details in 'Innovation' section of the Report), F&N employees developed two alternative solutions that maintain high nutrition value and increase efficiency:

- ▶ A digital platform to encourage traceability throughout the supply chain that support the farmers and distributors to improve fresh milk quality. The implementation of this solution reduced the time of receiving fresh milk by 70%.
- ▶ A new transportation method for fresh milk, with the use of route planning to reduce transportation time required. The solution involves active real time monitoring of the fresh milk during transit.

Creating Value for Society

COMMUNITY DEVELOPMENT AND INCLUSIVE GROWTH

GRI Index: GRI 413-1

SDGs:



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 developed five thematic areas to focus our community endeavours on.

Offering COVID-19 Relief



Offering COVID-19 Relief

Healthcare workers and resources around the world were stretched thin as the world grapples with the influx of COVID-19 patients. F&N showed our support and appreciation for the healthcare workers in Malaysia with our beverages to keep them hydrated and energised. As part of our ongoing commitment to support Malaysians during the COVID-19 pandemic, a 100PLUS hydration booth was set up at vaccination centres for vaccine recipients and front-line medical staff. F&NHB also provided logistical support through the #HidratkanDiriSihatkanBadan campaign, to raise public awareness on the importance of maintaining optimal hydration levels during post-vaccination.

In Thailand, F&N products were donated to Uthai Community Hospital, Uthai Hospital, and Phra Nakhon Si Ayutthaya Hospital. F&N stands in solidarity with and support the communities where we operate.

In Singapore, F&N partnered with other non-profit and government agencies to work with the Ministry of Culture, Community and Youth to donate products to frontline workers – estate cleaners, safety management officers, and healthcare workers, to show our support for the local communities.

Strengthening Vulnerable Groups



As the COVID-19 pandemic prolongs, so will the devastating effects on the vulnerable and marginalised groups. The toll from the pandemic 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

To tackle this issue, F&N focused its efforts on supporting underprivileged children through investing in educational programmes.

Since 2010, F&NHB had invested a total of RM200,000 (about SGD 64,900) for the F&NHB ICDL Annual Programme. The funds have equipped three F&NHB IT Corners in Malaysia with basic electronic equipment and funded the ICDL vocational programme. To date, 585 children have excelled and graduated with the ICDL certification. ICDL is the world's leading computer skills certification.



Singapore: Supporting Vulnerable Groups

F&N supported other initiatives in Singapore:

- ▶ Donations to the President's Challenge 2021 (SGD 20,000) and TOUCH Young Arrows Bursary Awards (SGD 15,000) to benefit the vulnerable in the community and underprivileged children, respectively
- ▶ FairPrice Walk for Rice to raise food (rice) for needy families in the South East district of Singapore
- ▶ Book donations to children from lower income families through Care Corner Singapore
- ▶ Sponsorship of stationaries to underprivileged children through Care Community Service Organisation
- ▶ Collection of food items for distribution to those in need with Food Bank

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.



Encouraging Recycling through Collaboration with Government and Schools



Malaysia and Thailand: F&NHB School Recycling Program

Since 2007, F&NHB has partnered with schools across Malaysia to educate the next generation on the importance of environmental conservation. The number of schools participating in this programme have grown from 360 in 2019 to 961 schools in 2021.

The Waste Bank and Recycling Project was set up in two local schools in Thailand, approximately THB 150,000 (about SGD 6,100) 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 over 3.3 million aluminium cans and 4.8 million PET bottles for recycling. More details can be found in the 'Packaging' section of this Report on pages 82 and 83.

Creating Value for Society

Rehabilitating Reefs in Malaysia since 2011



Malaysia – F&N Save Our Seas Programme

From 2011–2013, F&NHB collaborated with Reef Check Malaysia, Marine Park Terengganu and DM Scuba to rehabilitate coral reefs and encourage responsible behaviour on the beach among communities and tourists at Redang Island. The F&NHB team and partners conducted reef rehabilitation initiatives by collecting coral fragments and planting them in nursery sites, then transplanting them to permanent sites at Paku Kecil and Terumbu Kiri.

Since then, F&NHB internal dive team and partners perform regular checks and maintenance on the man-made reefs. Now there is a promising rejuvenation of corals in different colonies on the reefs.



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 Chinese New Year with Underprivileged

F&NHB reached out to underprivileged families across Malaysia to celebrate Chinese New Year. Much-needed provisions – diapers, toiletries, F&N beverages and milk powder, were shared with the families.





Malaysia: Keberkatan Plus Plus Programme

F&NHB fostered the spirit of Ramadan by contributing 'F&N Pek Penyayang' Care Packages worth over MYR 1 million (over SGD 325,000) to 840 families, frontline workers and NGOs. As part of the programme, 'Squad Keberkatan 100PLUS' delivered supplies to frontline workers in hospitals, police stations and fire stations.



Singapore: Distribution of Hari Raya Haji 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 Green Tea and F&N SEASONS Ice Peach Tea for including in the festive hampers. Festive hampers were distributed to over 100 underprivileged households in Singapore.



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.

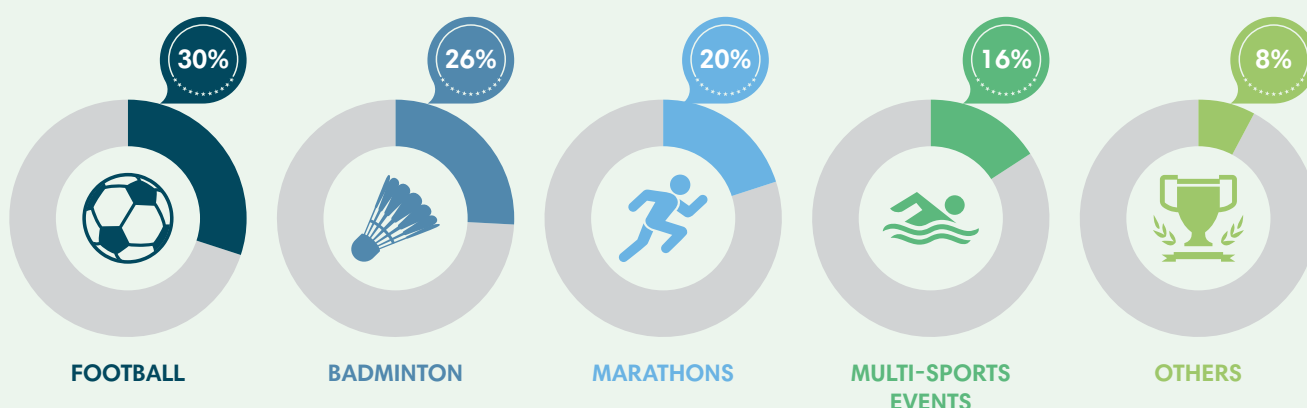


Creating Value for Society

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:



Supporting F&N Sport Ambassadors



A proud advocate of sports development, F&NHB recognises Malaysia's sports personalities through the annual Sportswriters Association of Malaysia – 100PLUS Awards. The award recognises local sports personalities and their achievements. F&N has been the main sponsor of the award since 2006.

Advocating for Healthy and Active Lifestyle



In the past year of managing COVID-19 with lockdowns and physical restrictions, F&N continued to encourage our consumers to lead a healthy and active lifestyle even as they stayed home. 100PLUS hosted a series of virtual workout sessions by professional trainers and sports enthusiasts to encourage our Singapore and Malaysia consumers to stay active while at home. We organised virtual fitness challenges to keep our consumers motivated.

In Thailand, F&NHB tapped into social media platforms for the same purpose. Additionally, healthy recipes, cooking tips, and information on managing a healthy diet were shared with our consumers.

F&N also supported major virtual marathons like the Kuala Lumpur Standard Chartered Marathon, World Vision 2021 Virtual #RunforChildren, and Penang Bridge International Marathon Virtual Run 2020.

2025 TARGET

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

- ▶ 24 community programmes were conducted this FY.

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

HUMAN RIGHTS

GRI Index: GRI 412-1

SDGs:



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.

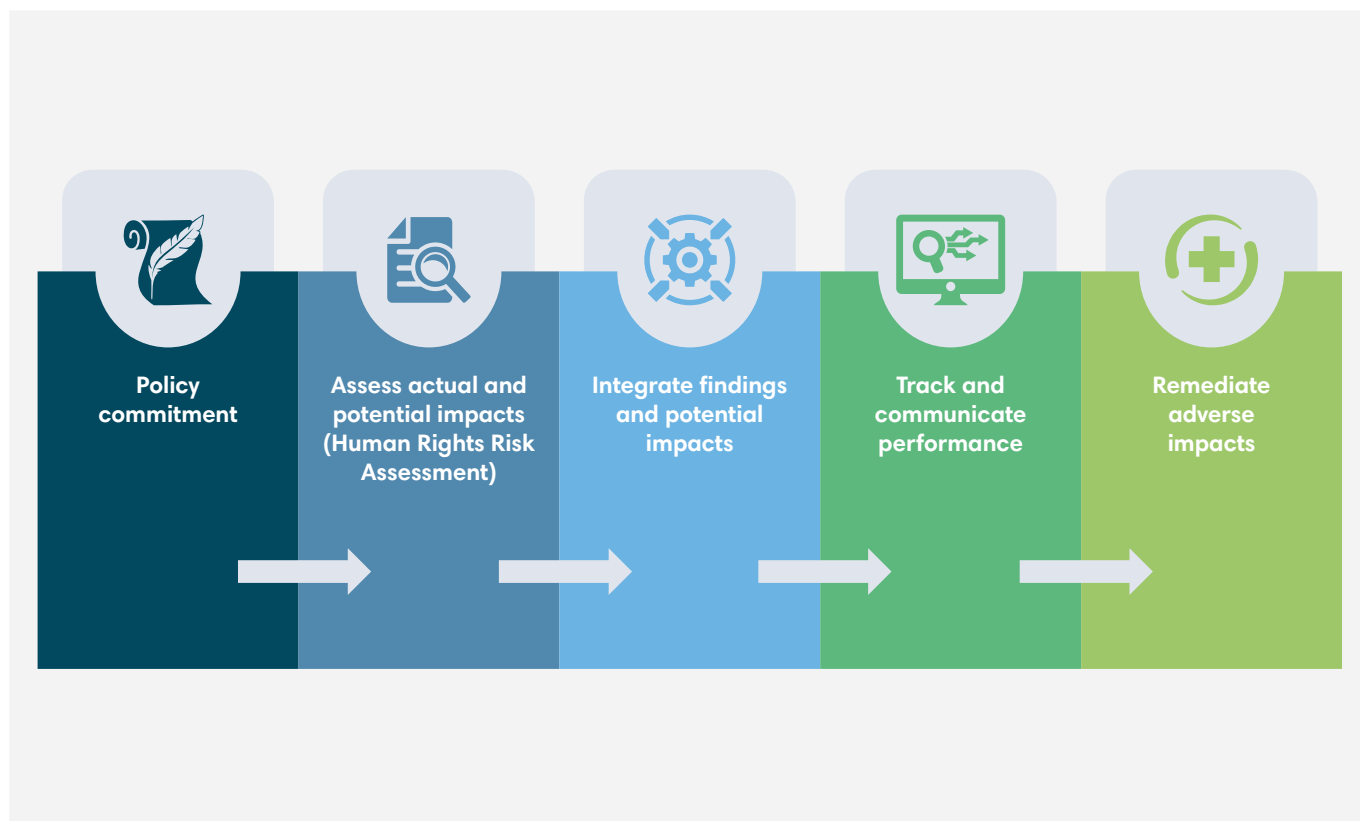
It is fundamental for our business to respect and promote the human rights of our stakeholders. We continuously work to improve their health and well-being and treat all our stakeholders with dignity, respect, and fairness.

F&N's Human Rights Policy was developed in accordance with related human rights principles under key international standards and frameworks. We expanded our efforts undertaking a HRDD and Risk Assessment for the first time for all material F&N business operations in Singapore, Malaysia and Thailand.

APPROACH

Human Rights Due Diligence Process

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



Creating Value for Society

Policy Commitment

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.



HUMAN RIGHTS POLICY

Principles and Rationales

Fraser and Neave, Limited ("F&N") and its subsidiaries (the "Group") operate their business with integrity, honesty, fairness and full compliance with all applicable laws. The Group adheres to the principles and provisions of the Code of Corporate Governance 2018 as well as to the Group's "Code of Business Conduct". We are committed to taking responsibility for our impact on society and treating all of our stakeholders with dignity, respect, fairness without discrimination, and consideration for their human rights. Our stakeholders include employees, business partners, suppliers and communities throughout our value chain. We believe that to enhance our business sustainably and to contribute positively to the society, it is crucial to respect the human rights and the relevant principles of all stakeholders in our value chain.

To promote and respect the rights of all stakeholder groups, we established the Group's Human Rights Policy that upholds under domestic and international laws, rules, and regulations. The Human Rights Policy was developed to align with the related human rights principles under the international standards, including the United Nations Universal Declaration of Human Rights, as well as the United Nations Guiding Principles on Business and Human Rights ("UNGP"), United Nations Global Compact, and the International Bill of Human Rights and The International Labor Organization's Declaration on Fundamental Principles and Rights at Work.

Definitions

The Group	Refers to Fraser & Neave Limited, or F&N, and subsidiaries where the Group holds more than 50% of their shares and has management control.
Employees	Refers to all employees who work under an employment contract with the Group, covering all positions.
Suppliers	Refers to contractors, sub-contractors, manufacturers, primary producers, importers/merchants, and professional service providers.
Business Partners	Refers to agents, joint venture partners and customers

Scope of the Policy

The Group's Human Rights Policy applies to all activities (i.e., direct activities, products, or services), as well as to all of F&N's directors, executive officers, employees, and all business operations and associated activities. The Group's suppliers and business partners are expected and strongly encouraged to support and align with our Human Rights Policy and commitments, where applicable.

Moreover, we extend these expectations and commitments throughout the Group's value chain, to all relevant stakeholders and affected rights holders, including: customers, local communities, the Group's indirect employees (i.e. third-party contracted labor) and vulnerable groups (i.e. women, pregnant women, children, Indigenous People, foreign/migrant workers, local communities, minority groups, refugees, stateless individuals, disabled people, elderly, and LGBTQ+ identifying individuals).

The Group's human rights commitments include:

- Prohibition of child labor, forced labor, human trafficking, and discrimination and harassment.
- Respecting and promoting fairness, diversity, the right to freedom of association and collective bargaining, and fair remuneration. Also, fair working conditions, addressing the elimination of excessive working hours and supporting the right to a minimum or living wage, where required by the country's regulation. We also respect and promote health and safety, data privacy and the environment of our stakeholders.

We expect all our stakeholders to be aware and align with these human rights commitments, where applicable.

Practices and Guidelines of the Policy

To meet our human rights commitment, the Group effectively oversees our human rights management, and performance through the Group's Human Rights Due Diligence ("HRDD"), which is in-line with UNGP's human rights framework. As part of the HRDD, we conduct a Human Rights Risk Assessment ("HRRRA") for all own operations in Singapore, Malaysia and Thailand and its associated activities in our value chain. The scope of the HRRRA aligns with the scope of the Group's Human Rights Policy. The risk assessment covers all previously mentioned stakeholders, rights holders, and vulnerable groups at risk of human rights violations, as well as, the human rights issues outlined in our commitments. Moving forward, we aim to progressively incorporate this to all of our existing operations.

1. Employee Practices

Our human rights commitments have been incorporated into all aspects of our Human Capital management. We ensure respect of human rights for all of our employees through incorporation of human rights aspects into our Code of Business Conduct. This includes respect for human dignity, human rights for every person, and zero tolerance for discrimination, whether due to differences in ethnicity, race, nationality, gender, language, age, skin color, physical status, religion, political view, education, social status, culture, tradition, union membership, gender identity or any other status which is considered to be a human right.

F&N Human Rights Policy was developed in accordance with related human rights principles under international standards – the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, United Nations 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.



The Group is committed to ensuring that all workers are treated fairly in hiring and other working practices, such as job applications, promotions, job assignments, training, wages, benefits, and termination. We are also committed to fostering, cultivating, and preserving the culture of diversity and inclusion across the businesses and in all working levels. We aim to attract and retain talent from all backgrounds.

The Group is committed to fair remuneration for all employees and to the right to freedom of association and collective bargaining. The Group is compliant with local laws and when applicable, meeting international standards, including the prohibition of child and forced labor, and other illegal forms of labor.

The Group sets high standards for safety, occupational health, and the working environment. The Group ensures effective health & safety policies are up-to-date and effective in order to prevent accidents, injuries, and work-related illnesses arising from business activities in accordance with the standards imposed by applicable laws and international standards.

The Group has established easily accessible reporting channels (as stated in the Whistle-Blowing Policy and Grievance Policy) for employees to report and feedback on issues. They are encouraged to report any form of human rights violations arising from F&N's business operation through those reporting channels. As specified in the F&N Whistle-Blowing Policy, F&N shall protect, support and treat any whistle-blower fairly.

The Group will establish awareness building and training to employees to understand their roles, duties, and responsibilities related to human rights and to perform their duties in accordance with our human rights commitments and guidelines.

2. Business Partner Practices

The Group commits to fair treatment for all business partners without discrimination. We expect our business partners to align with our Human Rights Policy, and any relevant human rights laws, practices, and standards, where applicable. We also encourage our business partners to apply our human rights commitments in their management approaches. We ensure that our customers receive products and services that are of good quality, safe, fair and equitable pricing and promote health and nutrition.

3. Supplier Practices

The Group commits to fair treatment for all suppliers without discrimination. We communicate and support suppliers and business partners to do business with ethics, respect for human rights of others and treating others fairly.

The Group expects and encourages all suppliers to conduct their business in accordance with our commitments on human rights, including promoting the right to freedom of association and collective bargaining, addressing the elimination of excessive working hours and supporting the right to a minimum or living wage, where required by the country's regulation, and animal welfare, and to adhere to the principles of fair and business ethics, as well as applicable laws and regulations. Child and forced labor, and other illegal forms of labor are strictly prohibited.

Our Sustainable Procurement Policy and sourcing practices cover our full commitment to standard principles of ethical business practices throughout the supply chain, and to adhere to guidelines and principles of fair play and transparency. Our sourcing

practices take into consideration environmental, social, governance, and economic factors in our suppliers' selections. We also focus on local sourcing to contribute to local economic development when applicable.

Our Supplier Code of Practice outlines our commitments and expectations for suppliers relating to business ethics, environmental management, health and safety, and human rights. We encourage and support our suppliers to have appropriate measures in place for preventing, mitigating, managing, and remedying the human rights violations potentially arising from their business operations. Any forms of human rights violations found shall be addressed and will not be ignored by the Group.

4. Community & Environmental Practices

The Group commits to ensuring that our operations and business activities produce no direct human rights violations for surrounding communities and the environment.

We operate our businesses responsibly through giving considerations towards potential impacts on communities and the surrounding environment. The Group has established an Environmental Policy as well as management guidelines for conducting business activities and minimizing environmental impacts as much as applicable. We aim to strengthen positive relationships with all stakeholders, and for fair and transparent treatment of stakeholders to prevent any violations of their human rights.

The Group continuously tracks, monitors, and assesses our human rights risks, and have developed whistleblowing and complaint/feedback channels where inputs on issues and concerns related to human rights violations can be submitted. We will communicate and educate employees on our human rights practices. We promote and support cooperation from all directors, executives, employees, and all groups of stakeholders within the business value chain in reporting on any forms of human rights suspicions, incidents, and violations arising from the business operations through the Group's established and dedicated channels.

The results from these channels will be used to consider any improvements, and to develop appropriate mitigation and remediation measures. We evaluate the implementation on human rights policies and mitigation measures, according to the tracking and monitoring processes. A person who has committed a violation of human rights will be subjected to the disciplinary action process, and punished according to the Conduct and Discipline section in the F&N Group Human Capital Handbook. If such violation is against the applicable laws, legal proceedings may also be initiated.

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 Performances will be reported annually in our Sustainability Report.

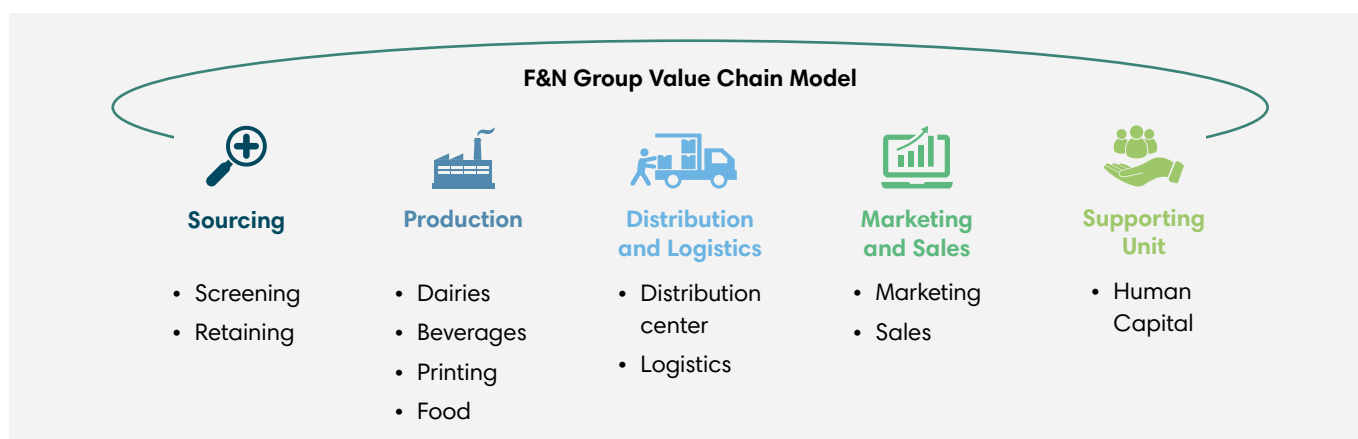
This Human Rights Policy Statement consolidates the existing human rights commitments reflected in our existing corporate commitments, control and procedures, processes, and management approaches.

Creating Value for Society

Human Rights Risk Assessment

Scope of Human Rights Risk Assessment

The scope of our Human Rights Risk Assessment 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 risk assessment 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/vulnerable groups:

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

Our newly acquired business, Sri Nona, has also undergone our Human Rights Risk Assessment. F&N will look into conducting assessments for new business relations (i.e. mergers, acquisitions, joint ventures), where possible, moving forward.

Methodology of Human Rights Risk Assessment

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.

Results of Human Rights Risk Assessment

As it is a newly acquired business, the mitigating measures implemented throughout the Group might not have had sufficient time to also be incorporated at Sri Nona. To provide a better illustration of the Group's Human Rights salient issues, Sri Nona's identified salient human rights issues have been excluded for this year.



9

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



Creating Value for Society

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.

Mitigating Issues Identified

Employee Health & Safety	
Actual Issues	Mitigation Measures
▶ Marketing & Sales: Client-focused departments have an increased risk of contracting the COVID-19 virus during work hours since they meet people in high frequencies ▶ Production + Human Capital: Minor work injuries and accidents ▶ Logistics: Road accidents during transportation, minor vehicle malfunction (e.g. flat tires)	▶ Compliance with Public Health Regulations on COVID-19 measures, e.g. face masks, hand sanitizers, temperature checks ▶ Approved paid leaves for vaccinations and launched a vaccination program for employees ▶ Track employees' vaccination progress ▶ Offer doctor consultations and in-house panel clinics in large-scale production plants ▶ Increased safety training and safety briefing to identify potential risks at the start of the workday
Community Health and Safety & Community Standard of Living	
Actual Issues	Mitigation Measures
▶ Marketing & Sales: Spread of COVID-19 virus from employees infecting members of the community, e.g. during large scale events ▶ Marketing & Sales: Road accidents will increase health and safety risks for community members ▶ Marketing & Sales: Reckless driving complaints of the distributor in the local area	▶ Compliance with Public Health Regulations ▶ Provide personal protective equipment (PPE), such as face masks, face shield, hand sanitisers, to employees ▶ Increased safety training and safety briefings to identify potential risks at the start of the workday ▶ F&N Voice channel available for employees to report on safety risks and concerns
Employee Discrimination	
Actual Issues	Mitigation Measures
▶ Human Capital: An employee felt uncomfortable to report a case of verbal harassment until after resigning from the company	▶ Inform employees the various channels and measures available to raise discrimination and harassment issues anonymously, e.g. welfare committee, reporting channel, mental health hotline ▶ Implement additional trainings for supervisors on preventing discrimination and harassment of employees
Customer/ Consumer Discrimination	
Potential Issue	Mitigation Measures
▶ Discrimination by prioritising against certain groups of customers/ consumers	▶ Ensure F&N's products are targeted to all consumers ▶ Marketing strategies are suitable for a multi-racial society and ensure no content are inappropriate or discriminatory against one's gender, race, culture, etc.

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. 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. F&N evaluates the implementation of human rights policies and mitigation measures by tracking and monitoring processes.
- ▶ We are determined to conduct the human rights due diligence 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 2020. 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 (2016)

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 401-1, GRI 401-2, GRI 401-3, GRI 404-1, GRI 404-2, GRI 404-3, GRI 405-1

SDGs:



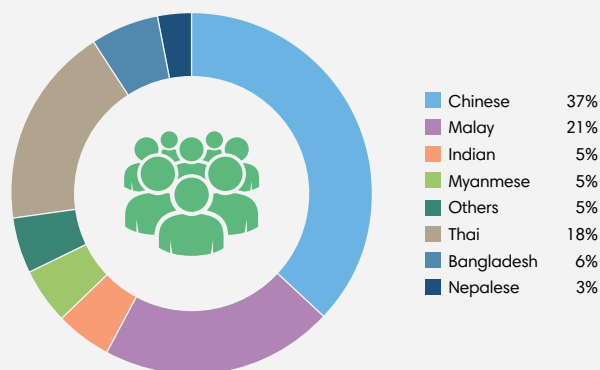
F&N empowers our employees by developing employment opportunities that are accessible to all. We keep our employees engaged and challenge them to perform at their highest potential, rewarding them fairly for their merits.

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 in all levels. We strive to offer equal opportunities for all regardless of race, religion, age, nationality, gender, political beliefs, marital status, disability, and any other unrelated criteria to employment requirements.

As of 30 Sep 2021, F&N has over 6,900 employees. Most employees work full-time, and about 13% of all hires are working under temporary contracts. About 32% of all F&N employees have been with the company for over a decade, and the employee turnover rate sits at about 27% this year.

In recent years, we made good progress towards gender equality in our workforce with females making up 38% of all employees at F&N. Within the ranks of management, 43% 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.

Employees By Race



For the 4th consecutive year, F&N was the proud recipient of the coveted Asia's Best Employer Brand Award 2020



Human Capital awards

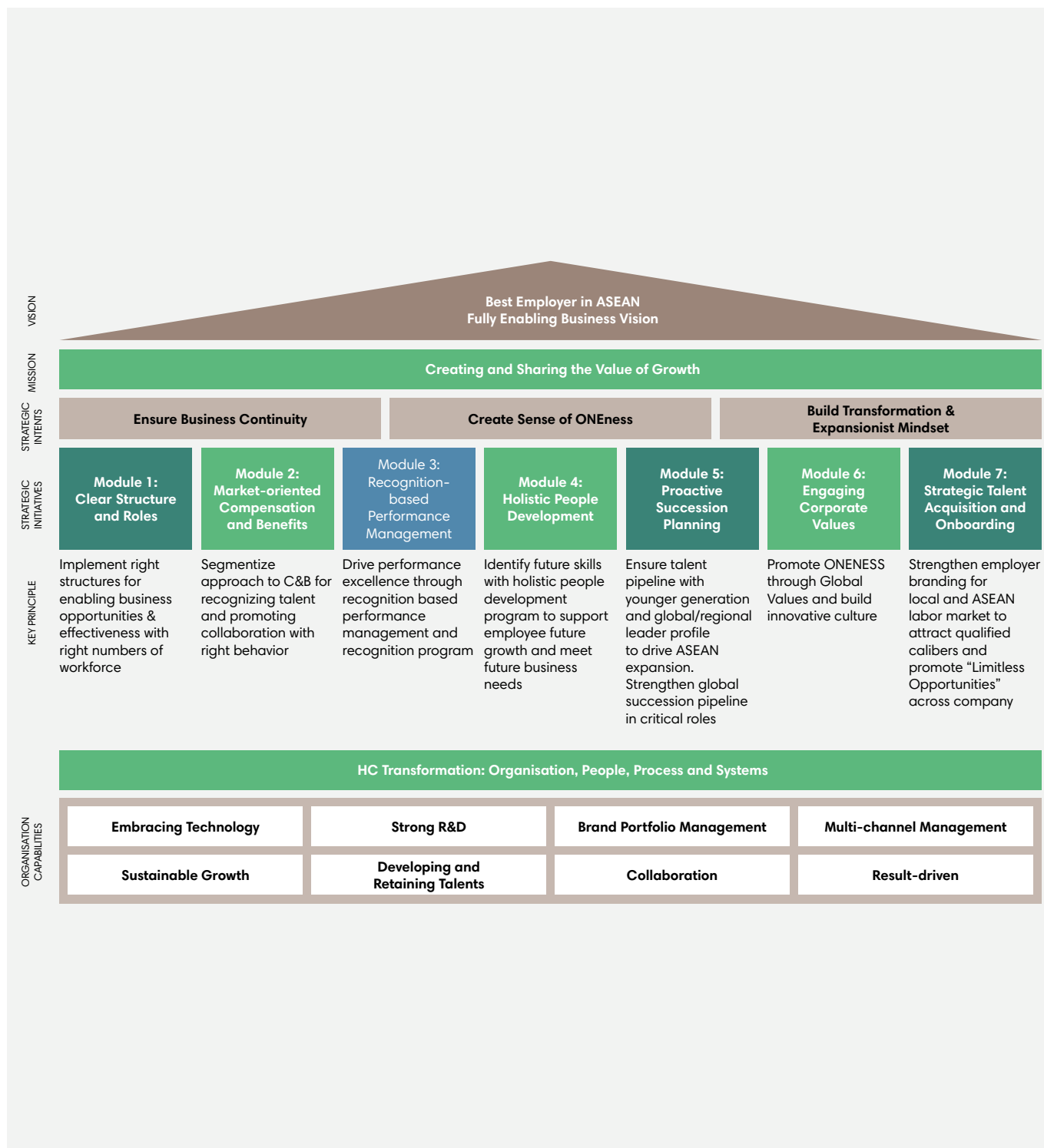
At F&N, our people are our greatest assets. We constantly strive to make F&N a great place to work at by creating a healthy and positive work environment for our employees. As a testament to our efforts, F&N was recognised when we were listed on the Forbes' 2020 list of 'World's Best Employers' (Ranked 188th globally and 2nd in Singapore).

F&N was included in Randstad's list of best companies in Singapore to work for, for the 2nd time since 2018. The 2020 list of 89 best companies in Singapore was based on Randstad's Employer Brand Research 2020. Being included in the list validates F&N's good human resource practices and talent management initiatives.

For the 4th consecutive year, F&N was the proud recipient of the coveted Asia's Best Employer Brand Award 2020 on 10 October 2020. This award bears testimony to the company's ability to embed good company culture and empowerment of our employees to achieve their career aspirations.

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.

Empowering Our People

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).

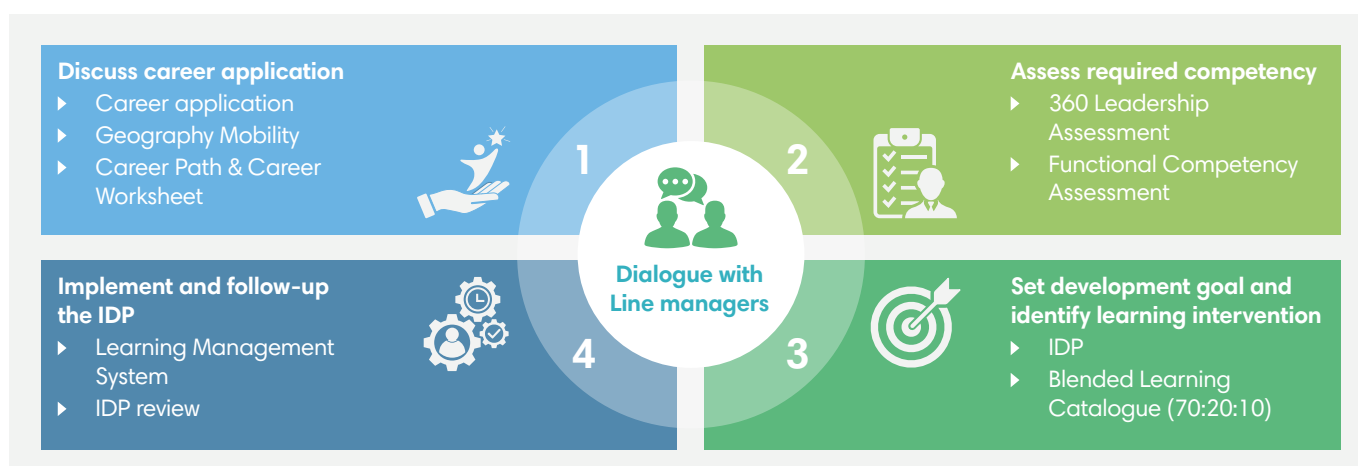


	Singapore	Malaysia	Thailand
Life insurance	Yes, by job level	Yes, by job grade	Yes, by job grade
Health care	Yes, by staff category and/or job level	Yes, by age, staff category and/or job grade	Yes, by age, staff category and/or job grade
Disability and invalidity coverage	Yes, by job level	Yes, by job grade	Yes, by job grade
Parental leave	Yes, to all eligible employees under the law	Yes, to all eligible employees under the law	Yes, to all eligible employees under the law
Retirement provision	No, (as per statutory requirements)	Yes, for certain categories of employees	Yes, for certain categories of employees
Stock ownership	Yes, for eligible executives only	Yes, by job grade	No
Others	1. Company product/allowance (Non-Executives only) 2. Long- Service Awards 3. Annual Membership Subscription to Professional Body (Executives Only) 4. Mobile Line Subsidy (selected departments / employees only)	1. Car Loan (Executives only) 2. Long Service Award (All employees) 3. Annual Membership Subscription to Professional Body (executives only) 4. Phone Subsidy (selected departments / employees only) 5. Festive Drinks (All departments)	1. Provident fund

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.

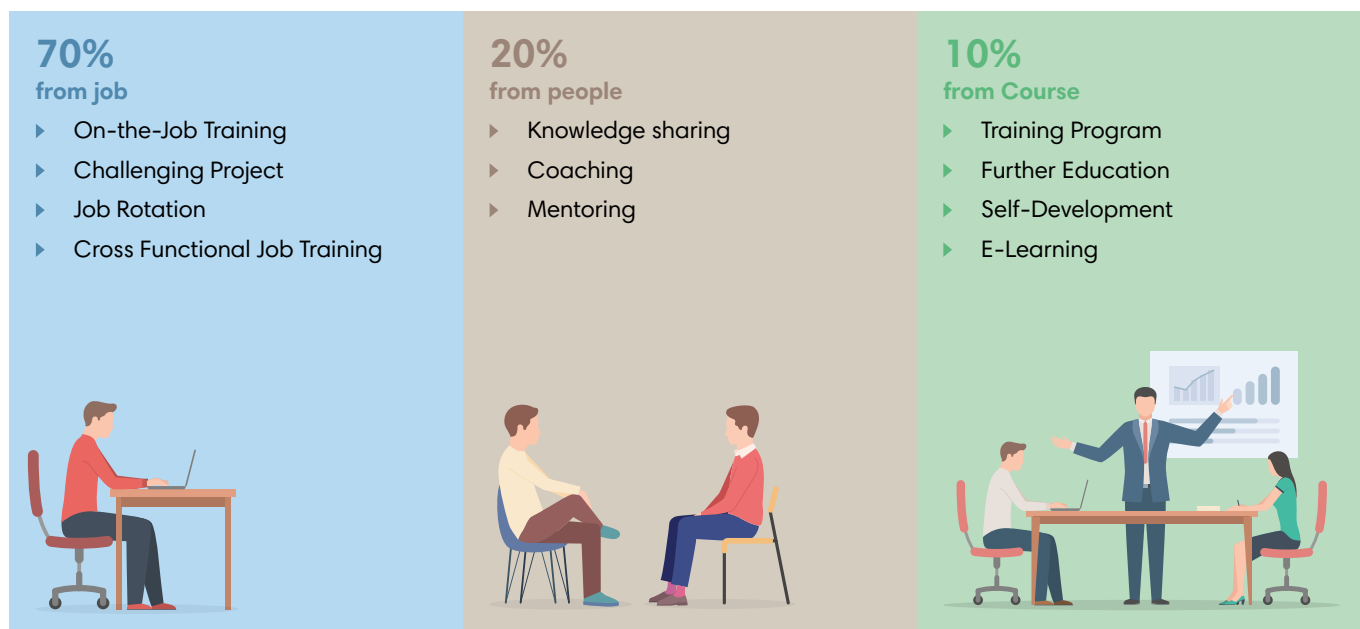
Our policy supports the provision of 'Limitless Opportunities' to employees from the moment they join F&N. Employees develop their Individual Development Plans ("IDP"), which has four stages:



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.

70/20/10 Learning model



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:

Key Training Courses

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
	Introduction to Robotic Process Automation	
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	

Empowering Our People

Proactive Succession and Workforce Planning

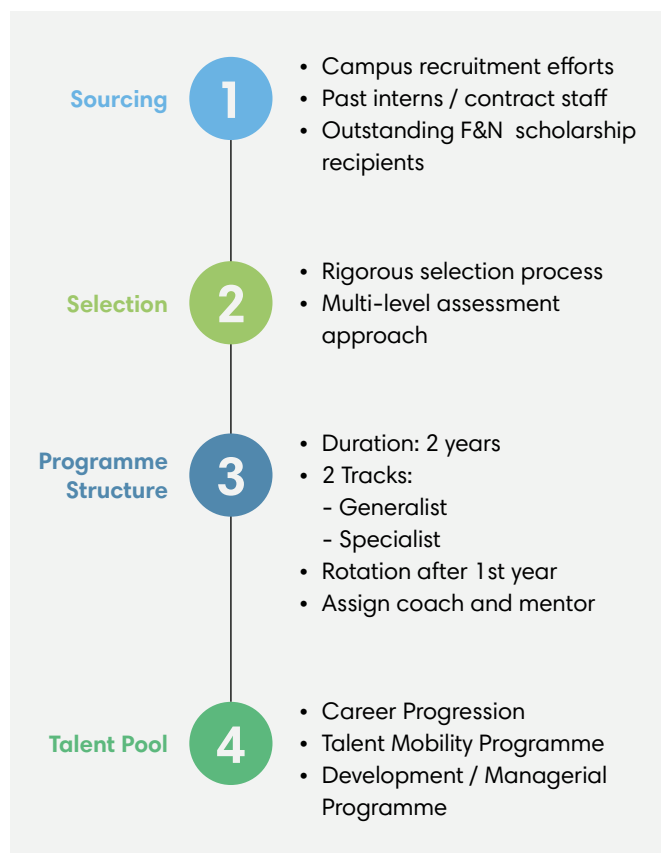
With the support of F&N's Talent Management Team, we groom employees identified with the potential to become future leaders at F&N. These employees gain access to opportunities, such as job rotations and transfers, to enhance their understanding of F&N's operations.

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 12.

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.

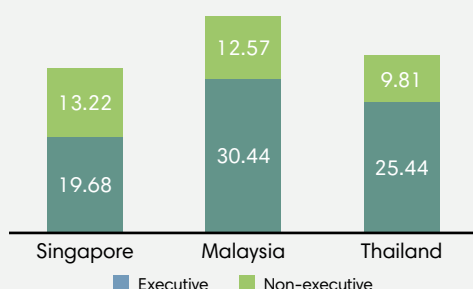


2025 TARGETS

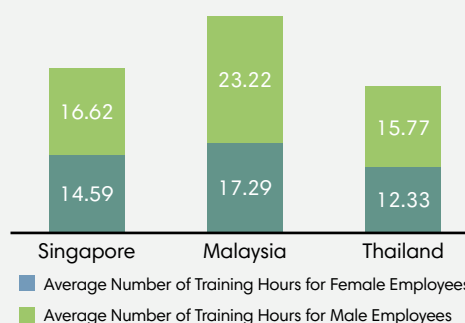
Provide an average of at least 18 hours of training to Executives and 11 hours of training to Non-Executives by 2025

► 26.51 training hours provided to Executives and 11.94 training hours provided to Non-Executives

Average Hours of Training Per Year
Per Employee by Category



Average Hours of Training Per Year
Per Employee by Gender



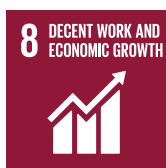
PERFORMANCE

GRI 401-1 (2016) New employee hires and employee turnover	▶ See section 'Performance Summary' on pages 86 and 87
GRI 401-2 (2016) Benefits provided to full time employees not provided to temporary or part-time employees	▶ See page 64
GRI 401-3 (2016) Parental Leave	▶ See section 'Performance Summary' on pages 86 and 87
GRI 404-1 (2016) Average hours of training per year per employee	▶ See section 'Performance Summary' on pages 88 and 89
GRI 404-2 (2016) Programmes for upgrading employee skills and transition assistance programmes	▶ See page 65
GRI 404-3 (2016) Percentage of employees receiving regular performance and career development reviews	▶ See section 'Performance Summary' on pages 88 and 89
GRI 405-1 (2016) Diversity of governance bodies and employees	▶ See section 'Performance Summary' 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

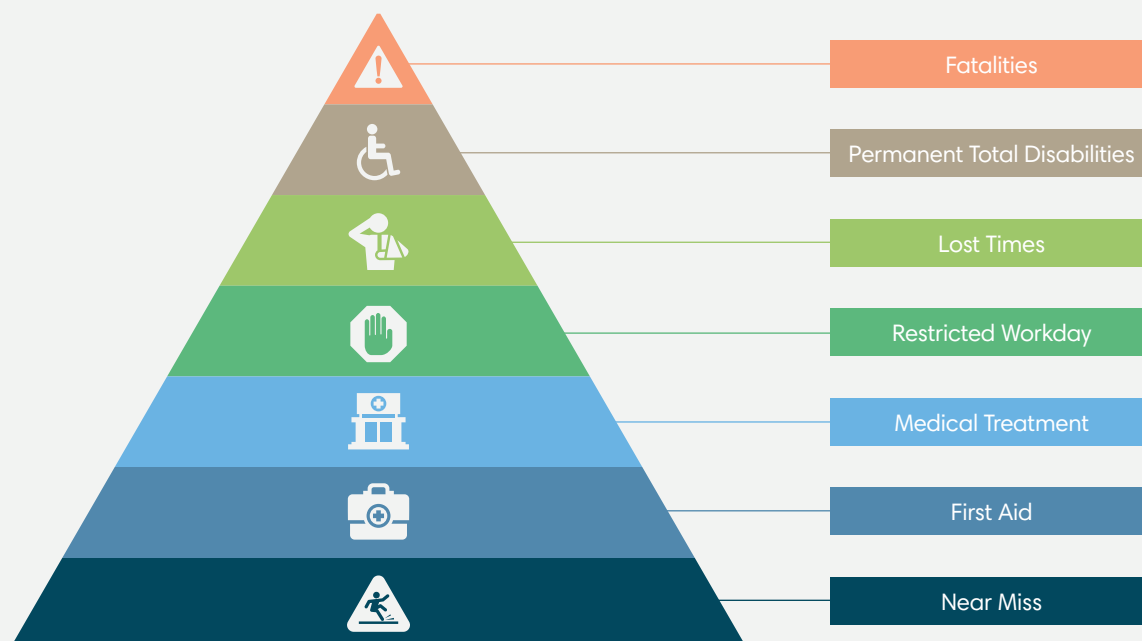
The safety of our people, and those who work with us, is one of our top priorities. To ensure our employees and contractors' employees carry out their functions aligned with F&N's safety protocols, various safety training programmes were conducted.

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

Empowering Our People

Safety Pyramid



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

Despite limitations due to COVID-19, this year, safety briefings were conducted in small groups during toolbox meetings at F&NHB. Five different safety briefings conducted for small groups, amounting to over 310 hours, were attended by over 120 employees.



Our safety trainings remained effective with over 1,450 employees participating in over 6,600 hours of safety trainings in Malaysia and over 410 employees participating in over 930 hours of training in Singapore. The safety topics our manufacturing staff covered in FY2021 included noise exposure and personal hearing protection, plant safety awareness, driving fire safety, chemical handling, first aid, ergonomics, breaking the chain of infections with vaccinations, 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. Additionally, employees that are unable to work from home due to the nature of their responsibilities are given COVID-19 self-test kits.

In Singapore, a driving safety training is conducted, in collaboration with Comfort Delgro, using the Cartrack system which facilitates the tracking of driving patterns. This includes tracking of driving speeds, location of vehicle, temperature of chill trucks, etc. The Cartrack system will be considered for route planning purposes in future to improve the safety of our drivers.

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.

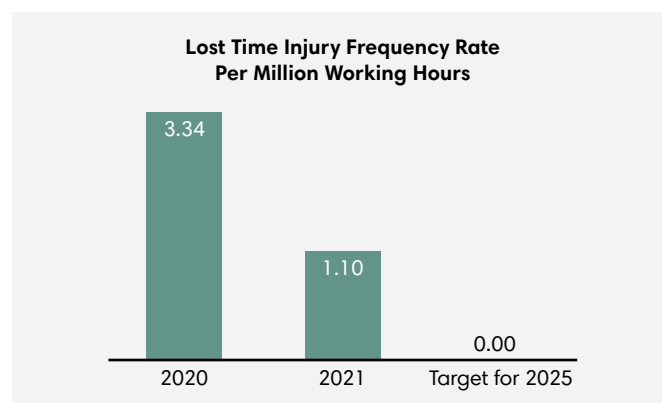
All employees and contractors have access to OHS services, including hygiene services, ergonomic tools, protective equipment, and first aid kits.

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 by 2025
 - 1.10 LTIFR in 2021



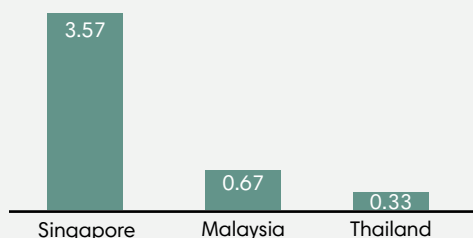
Empowering Our People

PERFORMANCE

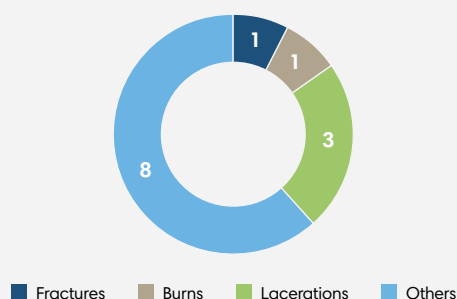
GRI 403-9 (2018)

Work-related injuries

Employment Work-related Injuries Rate



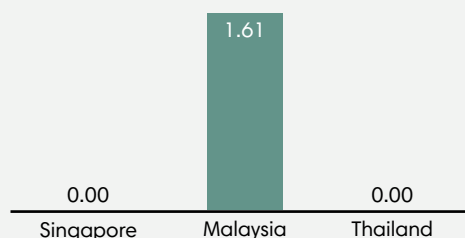
Employees Work-related Injuries by Type



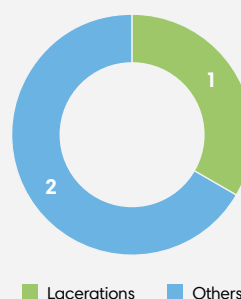
In FY2021, there were 13 employee recordable work-related injuries. None of the incidents were high-consequence work-related injuries or resulted in fatalities.

Work-related ill health

Non-Employee Work-related Injury Rate



Non-Employees Work-related Injuries by Type



In FY2021, there were 3 non-employee recordable work-related injuries. None of the incidents were high-consequence work-related injuries or resulted in fatalities.

GRI 403-10 (2018)

There were zero incidents of work-related ill health at F&N in FY2021.

INITIATIVES

Enhanced Health & Safety Measures During COVID-19



F&N implemented extensive safety measures to ensure all premises maintained the highest level of hygiene and a sanitary environment, including:

- ▶ Work environments sanitised daily and cleaned after the end of each work shift. The premises undergo a special chemical sanitisation every two weeks.
- ▶ Daily contactless temperature screening, health-related declarations for all employees and safe distancing measures are enforced at all workplaces.
- ▶ Upgraded key office facilities to contactless systems, e.g. replacing cash with e-payment systems at the cafeteria and replacing biometrics with face scanner for sign-in.
- ▶ Provided personal protection equipment for all employees, e.g. masks and hand sanitisers.
- ▶ Care packs containing an oral thermometer, two face masks and hand sanitiser, were issued to employees and cleaners who belonged to the Pioneer and Merdeka Generation in Singapore.

- ▶ F&NHB arranged a company-wide employee vaccination programme in collaboration with the Malaysian government.
- ▶ COVID-19 Procedure Compliance Briefings conducted at all facilities

Work practices were adapted to uphold the safety and wellbeing of our employees:

- ▶ Instead of F&N's usual company-organised sporting events and sport classes, virtual wellness programmes were organised in Singapore, Malaysia and Thailand to guide employees on mental and physical health.
- ▶ Employees are entitled to work from home or in split team arrangements, where applicable. Our IT resources and tools were upgraded to support working remotely.

BETTER PLANET: CIRCULARITY AND ENVIRONMENTAL PROTECTION

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.

As part of our refreshed materiality assessment, we 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



Targets for Better Planet

Material Topic	Target
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



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

SDGs:



Climate change is the defining global challenge of the 21st century. It presents various risks for F&N – price fluctuations over raw materials, and water scarcity issues – but also creates opportunities for F&N – cost savings, alignment with customer expectations, and contributions to sustainable development.

F&N recognises the need for a low carbon economy transition and is committed to reduce our energy and GHG emissions intensity at our plants as the two main priorities of our 2025 targets.

APPROACH

F&N's approach is guided by the following Energy Management principles:



Operations Exposure to Climate Change Risks

Potential climate change impacts, such as rising sea levels, extreme temperatures, and limited water availability, will negatively impact F&N's operations and supply chain. As such, F&N considers climate change risks in our ERM process. At F&NHB, physical climate change risks are monitored and managed under the responsibility of the F&NHB SRMC. To manage identified risks, they work closely with state authorities and local councils. Robust incident escalation procedures and response plans are also in place as part of our Business Continuity Management.

2025 TARGETS

- ▶ Reduce the Group's energy intensity ratio at our plants (from a 2020 baseline) by 8% by 2025
 - Our group energy ratio increased by 1%, due to lower production volume at our plants with COVID-19 pandemic.
- ▶ 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 1%, due to use of renewable energy at our plants

Operational Eco-Efficiency

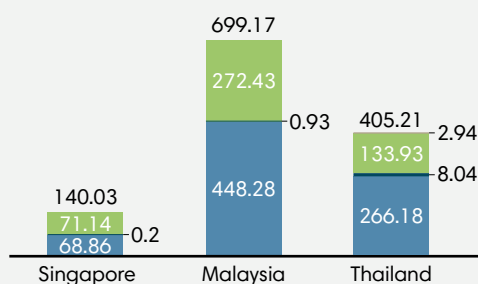
PERFORMANCE

Metrics

GRI 302-1 (2016)

Energy consumption within the organisation

Energy Consumption by F&N ('000,000 MJ)



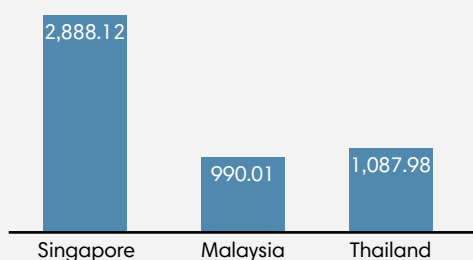
Notes:

- 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

GRI 302-3 (2016)

Energy intensity ratio

Energy Intensity Ratio (MJ/MT)



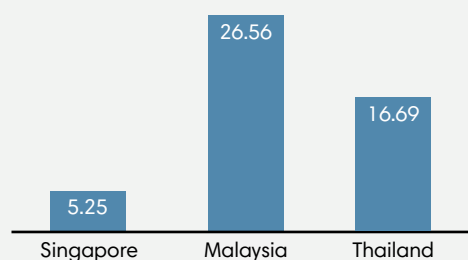
Notes:

- 1 Energy intensity ratio is calculated based on the total amount of energy consumed (in megajoule, MJ) per metric tonne of product (MT)
- 2 Energy intensity ratio is for energy consumed within F&N only
- 3 Natural Gas, Diesel, Fuel Oil, Gasoline, Liquefied Petroleum Gas, Biofuels, Solar and Electricity are included in the energy intensity ratio

GRI 305-1 (2016)

Direct (scope 1) GHG gas and CO₂ emissions (CO₂e)

GHG Scope 1 Emissions ('000 MT CO₂e)



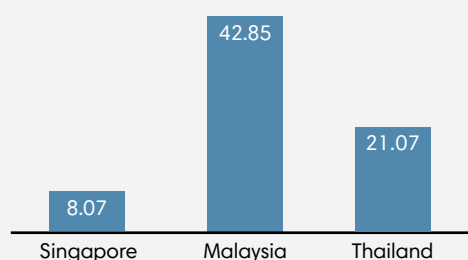
Notes:

- 1 CO₂e emissions estimated based on the conversion factors from 2006 Intergovernmental Panel on Climate Change ("IPCC") Guidelines for National Greenhouse Gas Inventories
- 2 Only CO₂ is included in the calculation of the Direct (Scope 1) GHG emissions
- 3 There is no biogenic CO₂ 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

GRI 305-2 (2016)

Energy Indirect (scope 2) and CO₂ emissions (CO₂e)

GHG Scope 2 Emissions ('000 MT CO₂e)



Notes:

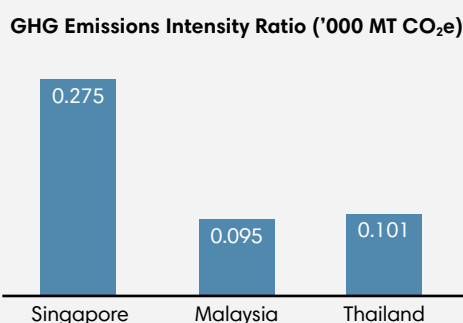
- 1 CO₂e emissions estimated based on the conversion factor from IGES List of Grid Emission Factors v1.0.6 and using the location-based method
- 2 Only CO₂ is included in the calculation of the Energy indirect (Scope 2) GHG emissions
- 3 The base year for the calculations is 2020. It was chosen as the baseline year for the F&N 2025 targets in order to track the performance against the targets over the years
- 4 The 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
- 5 Operational control method is used for the consolidation approach of emissions

PERFORMANCE

Metrics

GRI 305-4 (2016)

GHG emissions intensity ratio at plants



Notes:

- 1 GHG emissions intensity ratio is calculated based on the total amount of CO₂e generated (in metric tonne, MT) per metric ton of product (MT)
- 2 Direct (scope 1) and energy indirect (scope 2) is included in the GHG emissions intensity ratio
- 3 Only CO₂ is included in the calculation of the GHG emissions intensity ratio

INITIATIVES

Improving energy efficiency in our operations makes just as much business sense as it is to reduce our environmental impacts. Key energy saving initiatives to optimise plant processes include upgrading chillers and improving air flow systems across our plants. Some initiatives are highlighted in this report.



Chiller Plant

Thailand: F&NDT – Implementation of Automatic Control Chiller



An automatic control chiller supplies ice and chilled water based on consumption demands. During off-peak periods, the chiller functions as an ice bank to generate and store chilled water in the water tanks; it then supplies water during peak periods. With this installation, electricity consumption has reduced up to 1,350,000 kWh creating savings of about THB 4.7 million per year (about SGD 192,000 per year).

Malaysia: F&NHB – Installation of Intelligent Flow Air Controllers



Intelligent flow air controllers were installed in F&N Beverages Manufacturing Sdn Bhd's main plant's air compressor. With the flow air controller, fluctuation pressure during operations can be reduced from 0.5 bar to 0.14 bar. Energy cost has reduced by 15% (about 400,000 kWh) with about MYR 140,000 (about SGD 45,700) in savings. F&NHB will explore the installation of the intelligent flow controllers for other production lines.

Malaysia: F&NCM – Centralised Compressed Air System



Combined two separate air systems into one centralised compressed air system. The initiative reduces the amount of electricity needed for operations, thus decreasing the energy usage by about 250,000 MJ (an equivalent of 41 MT CO₂e reduction in GHG emissions) annually. It resulted in cost savings of approximately MYR 25,000 (about SGD 8,200) each year. For the next phase, F&NCM is exploring modifications to the cooling system such that it only runs when needed, contributing to even greater energy savings.

Singapore: Times Printers – Energy Efficient Opportunities Assessment ("EEOA")



TP production facilities in Singapore and is currently being audited by an energy consultancy company, CBM Solutions Pte Ltd, with their inhouse certified EEOA auditors and engineers. The resulting EEOA Report, which is estimated to be ready by December 2021, will provide TP with the necessary data, information and recommendations regarding initiatives that can be explored in future to improve its energy efficiency.

Renewable Energy Sourcing and Generation

Besides energy efficiency upgrades, F&N looks to increase renewable energy use.

Thailand: F&NDT – Installation of Solar Panel Rooftop



At the F&NDT Rojana plant, a solar panel rooftop was installed in April 2020. It provided cost savings around THB 6 million (about SGD 270,000). The THB 30 million (SGD 1.35 million) solar photovoltaic ("PV") system with 1MWp generating capacity significantly reduces energy offtake from the grid by utilising renewable energy for its daily operations.

Operational Eco-Efficiency

Singapore: FNFS – Future Energy Improvement Initiatives



Singapore: FNFS targets to move to a new plant in 2022 with plans to enhance their environmental performance through more energy efficient equipment. Some of the installations planned for include a bio-digester, high-efficiency air-condition chiller, heat recovery from air compressors, water recovery systems, a 500,000 kWh rooftop solar PV system.

Malaysia: F&NHB – Installation of Solar PV Systems



Malaysia: As part of the strategic direction to reduce fossil fuel consumption and carbon footprint, the Group explored a renewable energy programme at our F&NHB plants (Shah Alam, Pulau Indah and Bentong) by setting up 10MWp solar PV systems at the three plants. This initiative is estimated to replace at least 20% of its total electricity consumption in Malaysia.

Route Planning

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

Since 2014, F&NHB has made more than MYR 800 million (more than 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 this financial year. The RDC in Thailand serves as the regional distribution hub for F&N’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:



Low Carbon Product

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 CO₂ successfully meets the requirements of the Carbon Footprint Label Scheme.

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

WATER STEWARDSHIP

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

SDGs:



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. 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.

While none of our sites are in high water-stress areas (according to World Resources Institute Aqueduct), many regions in Thailand and Malaysia have faced floods and water shortages. The effects of climate change are expected to intensify water stress in the future. Water security issues will become increasingly important for F&N.

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.

- ▶ Water Stewardship and associated risks are regularly monitored on F&N's ERM system.
- ▶ The sustainability team utilises tools such as the WRI Aqueduct and World Wildlife Fund Water Risk Filter.
- ▶ F&N has an established system within all operations for systematic daily and monthly tracking and monitoring of water consumption and effluent quality.

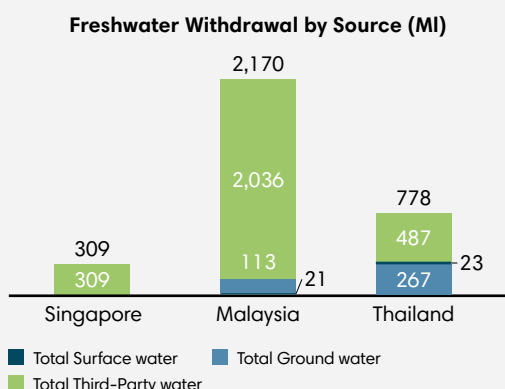
2025 TARGET

- ▶ 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 1% because of lower production volume at our plants due to the COVID-19 pandemic.

PERFORMANCE

GRI 303-3 (2018)

Water withdrawal

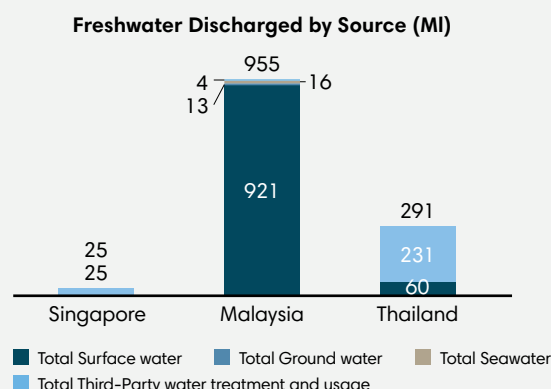


Notes:

- 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)

GRI 303-4 (2018)

Water discharge

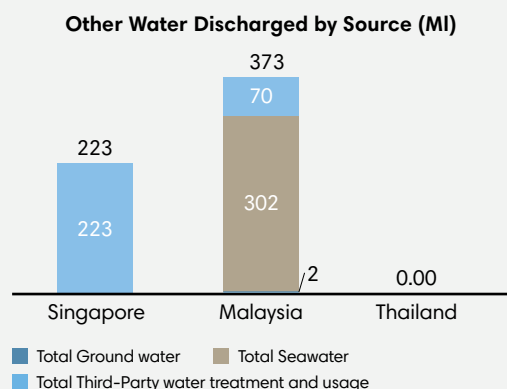


Operational Eco-Efficiency

PERFORMANCE

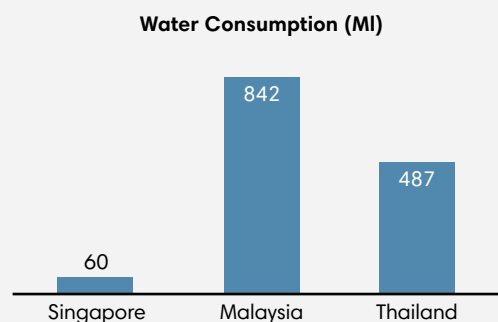
GRI 303-4 (2018)

Water discharge



GRI 303-5 (2018)

Water consumption



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' section of the 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:

- ▶ Installation of rotary spray ball in product tanks to reduce cleaning time
- ▶ Recycle used water in homogeniser's cooling system
- ▶ Use water saving taps, nozzles and self-closing valves to minimise wasted water
- ▶ Clean-In-Place ("CIP") cycle improvements
- ▶ 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 m³, with cost savings of around SGD 36,000.

With success of the soya line, F&N worked on the Hipex Production line this year – 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 m³. The cost savings are approximately SGD 11,000.

As mentioned in 'Energy and Climate Change' section of the Report, FNFS is intending to move to a new plant in 2022 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.

WASTE MANAGEMENT

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

SDGs:

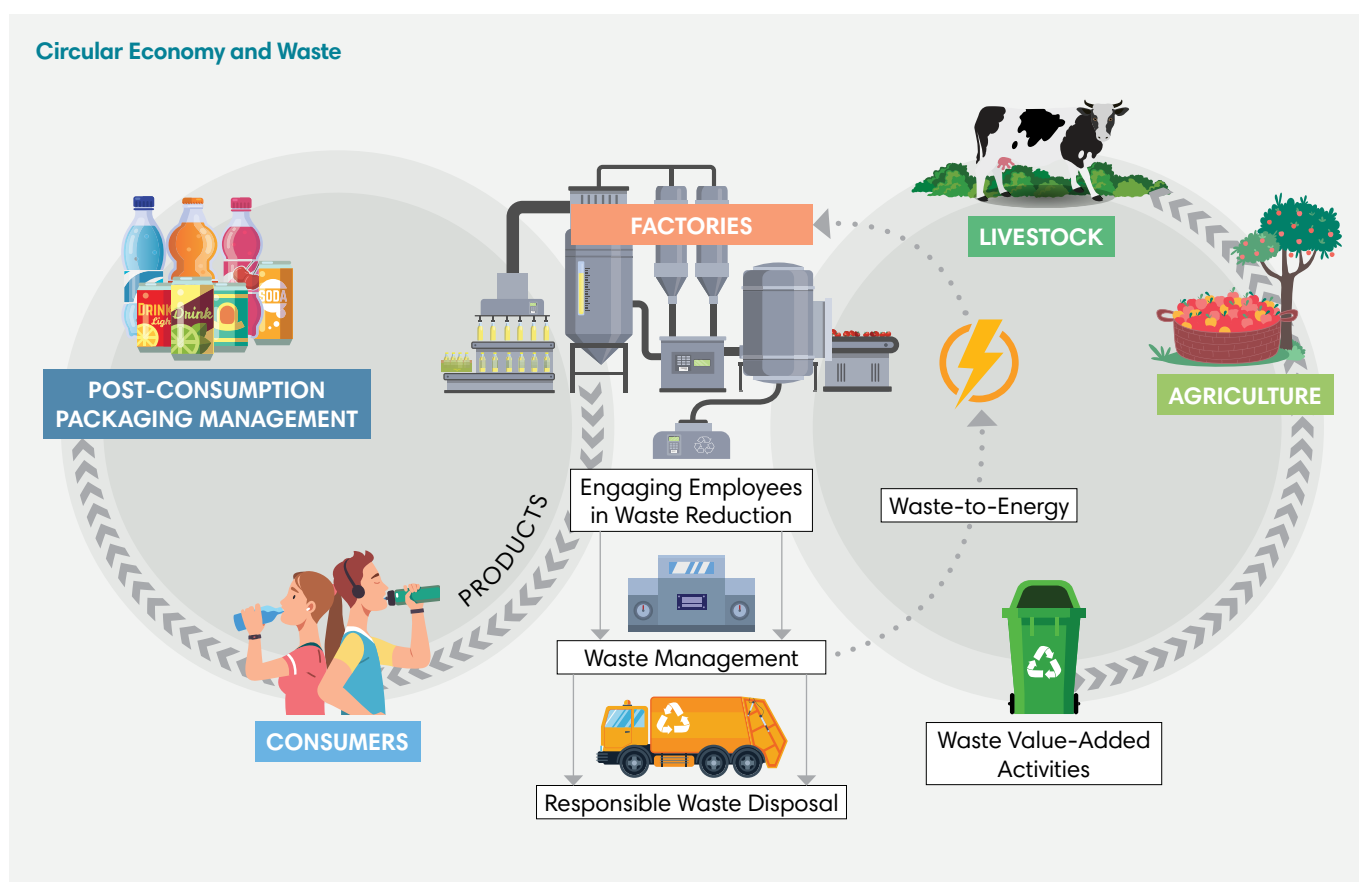


Waste is generated at F&N plants as well as downstream of the value chain, post-consumer use. Circular economy views waste as a resource that could generate value by being used as an input for another process. Effectively managing our waste enhances F&N's ability to achieve resource efficiency. We also look to manage waste post-consumer use through packaging, which is further elaborated in the 'Packaging' section of the Report.

APPROACH

F&N aspires to achieve zero landfill and zero discharge. 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. We actively monitor our waste composition in the manufacturing process including liquid (effluent) and solid wastes, with the aim of increasing recycling and reducing waste generation. We extend our commitments beyond our operational borders and engaged our stakeholders to identify circular opportunities in their operations, to assist them in reducing costs and using resources efficiently.

Under our ESH Policy, all employees are encouraged to be involved through awareness raising on responsible consumption and understanding environmental issues from our 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 FY2021 increased by 3%

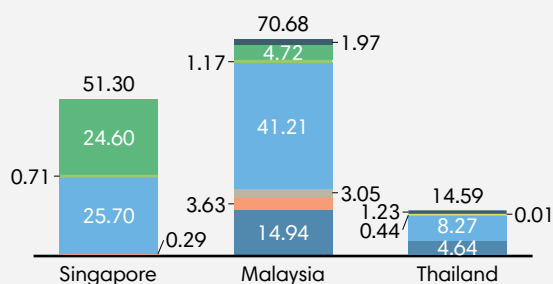
Operational Eco-Efficiency

PERFORMANCE

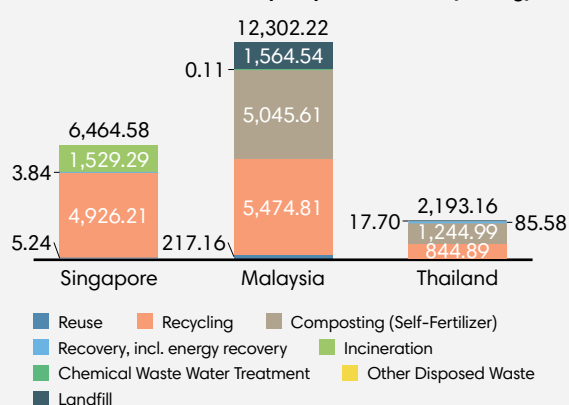
GRI 306-2 (2016)

Waste by type and disposal methods

Hazardous Waste by Disposal Method ('000kg)



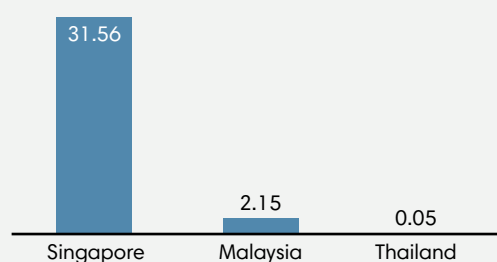
Non-hazardous Waste by Disposal Method ('000kg)



Metrics

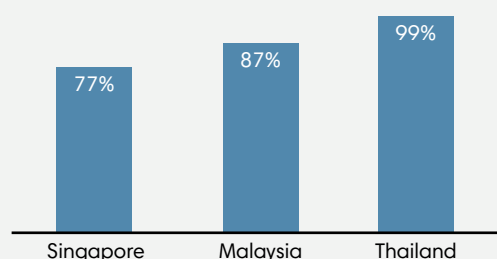
Solid waste intensity

Solid Waste Intensity Ratio (kg/MT)



% of solid waste recycled, reused or recovered

Solid Waste Recycled, Reused or Recovered



INITIATIVES

Plant Management – Road to Zero Waste to Landfill



Since May 2021, F&NDT has joined the ranks of our factories that have achieved zero waste sent to a landfill (“**zero-landfill**”). Of our 13 factories, 5⁵ have zero-landfill. All waste products at F&NDT are sent to a waste-to-energy plant to be converted into a fuel source.

F&NDT'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.

Our dairy plants in Thailand and Malaysia continue to be a great source for local farmers to acquire organic fertilizer made from 100% industrial sludge from our operations. This year we have generated over 1.200 m³ of industrial sludge which has benefited local farmers.



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 United Nations, 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	▶ Work closely with our suppliers to ensure our raw materials are of set standards and quality. ▶ Track, measure and monitor any losses of our raw materials on monthly basis to reduce food loss.
Production Processes Within Our Plants	▶ Track, measure and monitor our manufacturing processes. ▶ Improve our food loss management by identifying key categories and waste streams.
Managing Food Surplus Downstream	▶ Regularly track, measure and monitor any food surpluses in retail. ▶ Channel our surplus food to organisations and communities

Managing Food Surplus Downstream



Optimisation: Convert Food Waste Downstream to Animal Feed

We are currently investigating the potential ways of recycling food waste downstream of our value chain. An experimental study is conducted with an external vendor that collects market returned products, okara waste, and juices, to turn it into biomaterials for animal feed (fishes) using the larva of black soldier flies.

Optimisation: Redistribute Food Waste to Communities in Need

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

Value Chain Impacts

Looking at our products' life cycle beyond our operational boundaries and considering the environmental impacts of our products, F&N considers packaging waste and biodiversity as a highly important material environmental topics to focus on in our value chain. We look into ways to improve packaging and inputs used to manufacture our products through innovation and procurement. This year, we made new commitments to protect biodiversity and natural ecosystems. More information can be found in the following sections:

- ▶ Packaging
- ▶ Biodiversity

PACKAGING

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

SDG:



The increase in awareness of environmental impacts of single-use plastics have resulted in consumers and stakeholders actively demanding for companies to take action and invest in sustainable solutions. Added pressure from various stakeholders, including national governments, in our markets have led to the introduction of environmental policies designed to encourage companies to rethink their production methods. Such government initiatives like – Thailand's 'Roadmap on plastic waste management', Malaysia's 'Roadmap towards Zero Single-Use Plastics' and Singapore's 'Zero Waste Masterplan' will impact the F&B industry.

As a F&B company, F&N views packaging as one of the critical aspects where we could leave a positive impact on society and the environment, by seeking sustainable packaging solutions to encourage recyclability and increase the circularity of materials, to reduce the resource intensity in our packaging.

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
- ▶ Switching to certified sustainable packaging materials, e.g. FSC certified
- ▶ 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
 - The average recycled content in our packaging in FY2021 is 22%.

PERFORMANCE

GRI 301-1 (2016) Materials used by weight or volume	▶ Over 3.4 million MT of materials used
GRI 301-2 (2016) Recycled input materials used [^]	▶ About 20% of recycled input materials used

Note:

- 1 Materials are sourced from external suppliers
- 2 Data are sourced from direct measurements
- [^] Data for packaging materials only



INITIATIVES

Alternative Packaging for F&N ICE MOUNTAIN Drinking Water



The F&N ICE MOUNTAIN Drinking Water is now available in bio-based packaging, featuring a recyclable paper carton packaging and a bottle cap made from sugar cane. This year, F&N ICE MOUNTAIN Drinking Water was also launched in a new packaging format – aluminium cans, which are deemed more valuable in the recycling market.

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 2021, more than 3.3 million cans and more than 4.8 million bottles have been collected and passed on to recycling facilities.

Reuse of Packaging Material



F&NNT had implemented a project to reduce the use of single-use plastic bags and one-time paper cores by reusing them. By reusing the paper cores of the supplier's film rolls and the lidded plastic bags, F&NNT had successfully reduced the amount of plastic bags and paper cores used in its operations by over 5,500kg and 10,700kg, respectively. This translated to over THB 980,000 (over SGD 40,000) cost savings each year. It also has the added benefit of reducing over 3 MT CO₂e of GHG emissions indirectly.

Value Chain Impacts

BIODIVERSITY

GRI Index: GRI 304-1

SDG:



Our future strongly depends on a rich biodiversity and healthy ecosystems. In recent decades, the world is experiencing biodiversity loss and ecosystem degradation at an unprecedented pace. F&N is dependent on plant-based ingredients and materials such as palm oil, sugar and paper, and the natural environment may in turn be impacted by our business – especially in the upstream of our supply chain.

We recognise the importance of sustainable sourcing, and our role in ensuring healthy natural ecosystems together with our suppliers. It is necessary to be aware of our biodiversity-related risks to properly manage our operations in areas where biodiversity is rich. There is a need to scale up our efforts beyond sustainable sourcing and we have taken the steps to protect biodiversity and natural ecosystems in areas where we operate.

APPROACH

This year, F&N considers biodiversity as a material topic for the first time. Our subsidiary, F&NHB, is taking the lead in this area. F&NHB had discussions with internal and external stakeholders to develop a strategy and direction for this material topic. They have developed a biodiversity statement which serves as a foundation for biodiversity management at F&NHB. This statement is applicable to all current and future operational sites at F&NHB:

We aim to protect biodiversity and ecosystems through the following commitments:

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:

- Avoidance – Avoid operating and developing in areas of high biodiversity value.
- Minimisation – Implement measures/ initiatives to monitor and minimise impacts on biodiversity from our operations.
- Restoring – Seek to restore/rehabilitate areas where impacts cannot be prevented.
- 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.



F&NHB also encourages their suppliers and business partners to commit to protecting the biodiversity and ecosystems in their operations through the Sustainable Agriculture Guideline; where they engage and work with suppliers to build an environmentally and socially responsible supply chain. More information can be found in the 'Supply Chain Stewardship' section of this report.

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.

→ More details on F&N's sustainable sourcing of key raw materials can be found in the 'Supply Chain Stewardship' section of the Report

PERFORMANCE

GRI 304-1 (2016)

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

GRI Standards	Reference	Unit
RESPONSIBLE BUSINESS PRACTICE		
<i>Material Topic: Policy and Regulation</i>		
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	

GRI Standards	Reference	Unit
RESPONSIBLE SUPPLY CHAIN		
<i>Material Topic: Supply Chain Stewardship</i>		
GRI 204-1 (2016) Proportion of spending on local suppliers	Percentage of local suppliers	%
	Percentage of purchase value spent on local suppliers	

GRI Standards	Reference	Unit
EMPOWERING OUR PEOPLE		
<i>Material Topic: Human Capital Development</i>		
GRI 401-1 (2016) New employee hires and employee turnover	Total new employee hires	Person
	- Age under 30 years old	
	- Age between 30 - 50 years old	
	- Age over 50 years old	
	- Male	
	- Female	
	Total employee turnover	
	- Age under 30 years old	
	- Age between 30 - 50 years old	
	- Age over 50 years old	
	- Male	
	- Female	
GRI 401-3 (2016) Parental Leave	Employees entitled to parental leave	Person
	- Male	
	- Female	
	Employees that took parental leave	
	-Male	
	-Female	
	Employees that returned to work in previous reporting period after parental leave ended	
	- Male	
	- Female	
	Employees that returned to work in current reporting period after parental leave ended	
	- Male	
	- Female	
	Employees that returned to work after parental leave ended that were still employed 12 months after their return to work	Person
	- Male	
	- Female	
	Return to work rate	
	- Male	
	- Female	
	Retention rate	%
	- Male	
	- Female	

Performance Summary

GRI Standards	Reference	Unit	
EMPOWERING OUR PEOPLE			
<i>Material Topic: Human Capital Development</i>			
GRI 404-1 (2016) Average hours of training per year per employee	Total training hours	Hours	
	- Male		
	- Female		
	- Executives	Person	
	- Non-executives		
	Average hours of training per employee		
	Average hours of training per Executive across the Group	Hours	
	Average hours of training per Non-executive across the Group		
GRI 404-3 (2016) Percentage of employees receiving regular performance and career development reviews	Employees receiving regular performance and career development reviews	%	
GRI 405-1 (2016) Diversity and equal opportunity	Total employee breakdown	%	
	F&N Board		
	- Male		
	- Female		
	- Age under 30 years old	%	
	- Age between 30 - 50 years old		
	- Age over 50 years old		
	Male employees		
	- Executive Level		
	- Middle Management		
	- Department Head	%	
	- Senior Officer		
	- Officer Level		
	Female employees		
	- Executive Level		
	- Middle Management		
	- Department Head	%	
	- Senior Officer		
	- Officer Level		
	Age under 30 years old		
	- Executive Level		
	- Middle Management		
	- Department Head	%	
	- Senior Officer		
	- Officer Level		
	Age between 30 - 50 years old		
	- Executive Level		
	- Middle Management		
	- Department Head	%	
	- Senior Officer		
	- Officer Level		
	Age over 50 years old		
	- Executive Level		
	- Middle Management		
	- Department Head	%	
	- Senior Officer		
	- Officer Level		

	Financial Year					
	Singapore	FY2020 Malaysia	Thailand	Singapore	FY2021 Malaysia	Thailand
	16,374.32	42,913.95	20,673.00	16,723.61	38,157.21	18,554.50
	680	1,568	751	644	1,432	740
	439	630	641	441	577	598
	311	833	347	339	722	347
	808	1,365	1,045	746	1,287	991
	14.63	19.33	14.85	15.41	18.99	13.87
		26.23			26.51	
		12.57			11.94	
Data for employees receiving regular performance and career development reviews to be disclosed from FY2021 onwards				100	100	100
	23	48	29	24	45	31
		79			79	
		21			21	
		0			0	
		14			14	
		86			86	
	0	0	0	0	0	0
	1	2	0	1	2	0
	1	3	1	1	3	1
	1	5	6	2	5	7
	11	23	9	11	22	9
	0	0	0	0	0	0
	1	1	0	1	1	0
	1	2	1	1	2	1
	2	5	4	2	5	5
	6	6	8	6	5	7
	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
	1	1	2	1	1	2
	4	8	6	3	6	7
	0	0	0	0	0	0
	1	2	0	1	2	0
	2	4	2	2	4	2
	2	7	7	2	7	8
	9	16	10	9	17	7
	0	0	0	0	0	0
	0	1	0	0	1	0
	1	1	0	1	1	0
	1	2	1	1	2	1
	4	5	1	4	4	1

Performance Summary

GRI Standards	Reference	Unit	
EMPOWERING OUR PEOPLE			
<i>Material Topic: Employee Safety, Health and Well-being</i>			
GRI 403-9 (2018) Work-related injuries	Employees work-related injury rate	incident/million hours	
	Non-employees work-related injury rate	incident	
	Work-related Fatalities	incident	
	Lost Time Injury Frequency Rate (LTIFR)	incident/million hours	
	Group Lost Time Injury Frequency Rate		
OPERATIONAL ECO-EFFICIENCY			
<i>Material Topic: Energy, Climate Change</i>			
GRI 302-1 (2016) Energy consumption within the organisation^^	Total energy consumption within the organisation	'000 MJ	
	Fuel consumption from non-renewable fuel sources		
	Fuel Type		
	Natural Gas		
	Diesel		
	Liquified Petroleum Gas	'000 MJ	
	Gasoline		
	Fuel Oil		
	Energy purchased		
	Electricity		
	Steam		
	Fuel consumption from renewable fuel sources	'000 MJ	
	Solar		
	Biofuels		
	Energy sold		
	Solar	'000 MJ	
GRI 302-3 (2016) Energy intensity^^	Production volume	MT	
	Total energy intensity ratio	MJ/MT	
	Group total energy intensity ratio		
GRI 305-1 (2016) Direct (Scope 1) GHG emissions (CO₂e)^^	Total Scope 1 GHG emissions (CO ₂ e)	'000 MT CO ₂ e	
GRI 305-2 (2016) Energy indirect (Scope 2) GHG emissions (CO₂e)^^	Total Scope 2 GHG emissions (CO ₂ e)	'000 MT CO ₂ e	
GRI 305-4 (2016) Greenhouse gas (GHG) emissions intensity^^	Total GHG emissions intensity ratio	MT CO ₂ e/MT	
	Group total GHG emissions intensity ratio		
<i>Material Topic: Water Stewardship</i>			
GRI 303-3 (2018) Water withdrawal^^	Total volume of water withdrawal		
	Surface water	MI	
	Ground water		
	Third-Party Water (e.g. municipal water)		
GRI 303-4 (2018) Water discharged^^	Total volume of water discharged		
	Surface water		
	Ground water	MI	
	Seawater		
	Third-Party water treatment and usage		
GRI 303-5 (2018) Water consumption^^	Total volume of water consumed	MI	
Water intensity^^	Water intensity ratio	m ³ /MT	
	Group water intensity ratio		

	Financial Year					
	Singapore	FY2020 Malaysia	Thailand	Singapore	FY2021 Malaysia	Thailand
	5.26	3.85	4.73	3.57	0.67	0.33
	8.05	1.55	1.00	0.00	1.61	0.00
	0.00	0.00	1.00	0.00	0.00	0.00
	4.85	2.62	3.47	3.57	0.22	0.33
		3.34			1.10	
	143,680	698,209	380,344	140,028	721,637	405,208
	143,660	697,495	377,717	140,007	720,703	400,111
	9,627	407,654	213,371	8,532	422,674	230,853
	61,372	18,981	497	39,796	21,446	589
	0	3,857	12,423	0	4,156	21,453
	0	0	0	20,537	0	0
	0	0	14,778	0	0	13,284
	72,661	267,002	134,431	71,142	272,427	133,932
	0	0	2,217	0	0	0
	21	715	2,627	20	934	5,097
	21	0	2,598	20	0	8,021
	0	715	28	0	934	20
	0	0	0	0	0	2,944
	53,587	721,249	344,801	48,484	728,919	372,442
	2,681.23	968.06	1,103.09	2,888.12	990.01	1,087.98
		1,091.63			1,101.78	
	5.80	26.31	14.26	5.25	26.56	16.69
	8.46	41.92	21.33	8.07	42.85	21.07
	0.266	0.095	0.103	0.275	0.095	0.101
		0.105			0.105	
	318	2,141	675	309	2,170	778
	0.58	1,210	0	0	21	23
	0	102	160	0	113	267
	317	829	515	309	2,036	487
	257	1,252	237	248	1,328	291
	0	820	0	0	921	60
	0	10	38	0	15	0
	0	303	0	0	318	0
	257	119	199	248	74	231
	61	1287	438	60	842	487
	5.93	2.97	1.96	6.37	2.98	2.09
		2.80			2.83	

Performance Summary

GRI Standards	Reference	Unit
OPERATIONAL ECO-EFFICIENCY		
<i>Material Topic: Waste Management</i>		
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	
	Recycling	MT
	Composting (Self-Fertilizer)	
GRI 306-5 (2020) Waste directed to disposal	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	
	Landfill	
	Incineration (with energy recovery)	MT
	Incineration (without energy recovery)	
Solid waste intensity	Solid waste incinerated, disposed or sent to landfill	'000 kg
	Solid waste intensity ratio	kg/MT
	Group solid waste intensity ratio	
Solid waste recycled	Solid waste reused, recycled or recovered	'000 kg
	Solid waste recycled	%

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

[^] Data for packaging materials only^{^^} Environment data for Malaysia excludes water and energy usage for trials and commissioning of new lines at Shah Alam plant

	Financial Year					
	Singapore	FY2020 Malaysia	Thailand	Singapore	FY2021 Malaysia	Thailand
	7,022	13,246	2,187	6,516	12,373	2,208
	0	35	0	25	26	5
	5,471	11,611	1,657	4,935	10,738	2,090
	28	91	56	26	44	10
	1,524	1,509	474	1,529	1,565	103
	0	35	0	25	26	5
	0	24	0	0	15	5
	0	3	0	0	4	0
	0	0	0	0	3	0
	0	8	0	25	5	0
	5,471	11,611	1,657	4,935	10,738	2,090
	17	175	0	5	217	0
	5,453	6,303	1,011	4,926	5,475	845
	0	5,133	646	4	5,046	1,245
	0	0	0	0	0	0
	28	91	56	26	44	10
	0	0	46	0	2	1
	0	86	10	26	41	8
	28	5	0	1	1	0
	1,524	1,509	474	1,529	1,565	103
	0	1,509	405	0	1,565	18
	11	0	69	0	0	86
	1,513	0	0	1,529	0	0
	1,541	1,523	451	1,530	1,565	18
	28.76	2.11	1.31	31.56	2.15	0.05
		3.14			2.71	
	5,481	11,723	1,736	4,986	10,805	2,188
	78	89	79	77	87	99

	Financial Year					
	Singapore	FY2020 Malaysia	Thailand	Singapore	FY2021 Malaysia	Thailand
Data for materials used by weight or volume to be disclosed from FY2021 onwards				317	2,240	894
				316	2,201	852
				0	39	42
Data for recycled input materials used to be disclosed from FY2021 onwards				9	25	16

Independent Assurance Statement



LR Independent Assurance Statement

Relating to Fraser and Neave, Limited's data for selected GRI indicators for the fiscal year 2021 (1st October 2020 – 30th September 2021)

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 (LR) 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 LR's verification procedure. LR's verification procedure is based on current best practice, is in accordance with ISAE 3000¹ 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 according to GRI's Standard 2016.
- 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.

LR's responsibility is only to F&N. LR 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.

¹ GHG quantification is subject to inherent uncertainty.



LR's Opinion

Based on LR'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.

LR's approach

LR'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 (F&NBM Plant in Kota Kinabalu, Malaysia, F&NCM Plant in Shah Alam, Malaysia and F&NUL Plant in Nakhon Pathom, Thailand). 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 F&N should work together with supply chains to improve the quality and reliability of data reported in the future, typically for reporting of GHGs and OH&S performance.

LR's standards, competence and independence

LR 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 LR for F&N and as such does not compromise our independence or impartiality.

Dated: 14th November 2021

Opatt Charuratana
LR Lead Verifier

On behalf of Lloyd's Register Quality Assurance Ltd
Lloyd's Register International (Thailand) Limited
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LR reference: BGK00000685/A

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GRI Content Index

GRI Content Index			
GENERAL DISCLOSURES			
Topic	GRI Standard	Description of Disclosure	Reference Page / Explanation
Organisational profile	102-1	Name of the organisation	Page 12
	102-2	Activities, brands, products, and services	Page 12
	102-3	Location of headquarters	Page 12
	102-4	Location of operations	Pages 12 - 13
	102-5	Ownership and legal form	This information is available in our Annual Report.
	102-6	Markets served	This information is available in our Annual Report.
	102-7	Scale of the organisation	This information is available in our Annual Report.
	102-8	Information on employees and other workers	Pages 12, 62
	102-9	Supply chain	Pages 14, 44 - 46
	102-10	Significant changes to the organisation and its supply chain	No significant changes from previous reporting.
	102-11	Precautionary Principle or approach	This information is available in our Annual Report on page 60
	102-12	External initiatives	Pages 31, 34 - 39, 56 - 57
	102-13	Memberships of associations	Page 31
Strategy	102-14	Statement from senior decision-maker	Pages 02 - 05
	102-15	Key impacts, risks, and opportunities	Pages 8, 16 - 17, 18 - 20
Ethics and integrity	102-16	Values, principles, standards, and norms of behaviour	Pages 33 - 35
	102-17	Mechanisms for advice and concerns about ethics	Pages 34 - 35
Governance	102-18	Governance structure	Page 33
	102-30	Effectiveness of risk management processes	Page 34
Stakeholder engagement	102-40	List of stakeholder groups	Pages 29 - 30
	102-41	Collective bargaining agreements	Pages 56 - 57 In FY2021, 22% of our employees were covered by collective bargaining agreements.
	102-42	Identifying and selecting stakeholders	Page 29
	102-43	Approach to stakeholder engagement	Pages 29 - 30
	102-44	Key topics and concerns raised	Pages 29 - 30

GRI Content Index			
GENERAL DISCLOSURES			
Topic	GRI Standard	Description of Disclosure	Reference Page / Explanation
Reporting practice	102-45	Entities included in the consolidated financial statements	This information is available in our Annual Report.
	102-46	Defining report content and topic boundaries	Pages 18 - 20
	102-47	List of material topics	Page 11
	102-48	Restatements of information	No restatement of information from previous reporting.
	102-49	Changes in reporting	No significant changes from previous reporting.
	102-50	Reporting period	Page 10
	102-51	Date of most recent report	Page 10
	102-52	Reporting cycle	Page 10
	102-53	Contact point for questions regarding the report	Page 11
	102-54	Claims of reporting in accordance with the GRI Standards	Page 11
	102-55	GRI Content Index	Pages 96 - 101
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GRI Content Index			
SPECIFIC DISCLOSURES			
Topic	GRI Standard	Description of Disclosure	Reference Page / Explanation
Better Business: Responsible Business Fundamentals			
Policy and Regulation	103-1	Explanation of the material topic and its Boundary	Pages 35 - 36
	103-2	The management approach and its components	Pages 35 - 36
	103-3	Evaluation of the management approach	Pages 35 - 36
	205-3	Confirmed incidents of corruption and actions taken	Page 35
	307-1	Non-compliance with environmental laws and regulations	Pages 86 - 87
	419-1	Non-compliance with laws and regulations in the social and economic area	Pages 86 - 87
Economic Performance	103-1	Explanation of the material topic and its Boundary	Page 36
	103-2	The management approach and its components	Page 36
	103-3	Evaluation of the management approach	Page 36
	201-1	Direct economic value generated and distributed	Page 36
Product Quality and Safety	103-1	Explanation of the material topic and its Boundary	Pages 37 - 38
	103-2	The management approach and its components	Pages 37 - 38
	103-3	Evaluation of the management approach	Pages 37 - 38

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GRI Content Index			
SPECIFIC DISCLOSURES			
Topic	GRI Standard	Description of Disclosure	Reference Page / Explanation
Better Business: Responsible Business Fundamentals			
Product and Service Labelling	103-1	Explanation of the material topic and its Boundary	Pages 38 - 39
	103-2	The management approach and its components	Pages 38 - 39
	103-3	Evaluation of the management approach	Pages 38 - 39
	417-1	Requirements for products and service information and labelling	Page 39
	417-2	Incidents of non-compliance concerning product and service information and labelling	Page 39
Innovation	103-1	Explanation of the material topic and its Boundary	Pages 40 - 43
	103-2	The management approach and its components	Pages 40 - 43
	103-3	Evaluation of the management approach	Pages 40 - 43
Supply Chain Stewardship	103-1	Explanation of the material topic and its Boundary	Pages 44 - 46
	103-2	The management approach and its components	Pages 44 - 46
	103-3	Evaluation of the management approach	Pages 44 - 46
	204-1	Proportion of spending on local suppliers	Pages 45, 86 - 87
	308-1	New suppliers that were screened using environmental criteria	Page 45
	414-1	New suppliers that were screened using social criteria	Page 45
Better Society: Well-Being of Our People, Communities and Society			
Nutrition	103-1	Explanation of the material topic and its Boundary	Pages 48 - 49
	103-2	The management approach and its components	Pages 48 - 49
	103-3	Evaluation of the management approach	Pages 48 - 49
	416-1	Assessment of health and safety impacts of product and service categories	Page 49
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Page 49
Community Development and Inclusive Growth	103-1	Explanation of the material topic and its Boundary	Pages 50 - 54
	103-2	The management approach and its components	Pages 50 - 54
	103-3	Evaluation of the management approach	Pages 50 - 54
	413-1	Operations with local community engagement, impact assessments, and development programs	Page 54

GRI Content Index			
SPECIFIC DISCLOSURES			
Topic	GRI Standard	Description of Disclosure	Reference Page / Explanation
Better Society: Well-Being of Our People, Communities and Society			
Human Rights	103-1	Explanation of the material topic and its Boundary	Pages 55 - 60
	103-2	The management approach and its components	Pages 55 - 61
	103-3	Evaluation of the management approach	Page 61
	412-1	Operations that have been subject to human rights reviews or impact assessments	Page 61
Human Capital Development	103-1	Explanation of the material topic and its Boundary	Pages 62 - 66
	103-2	The management approach and its components	Pages 62 - 66
	103-3	Evaluation of the management approach	Pages 62 - 67
	401-1	New employee hires and employee turnover	Pages 86 - 87
	401-2	Benefits provided to full time employees that are not provided to temporary or part-time employees	Page 64
	401-3	Parental Leave	Pages 86 - 87
	404-1	Average hours of training per year per employee	Pages 88 - 89
	404-2	Programs for upgrading employee skills and transition assistance programs	Page 65
	404-3	Percentage of employees receiving regular performance and career development reviews	Page 88 - 89
	405-1	Diversity and equal opportunity	Pages 88 - 89
Employee Safety, Health and Well-being	103-1	Explanation of the material topic and its Boundary	Pages 67 - 70
	103-2	The management approach and its components	Pages 67 - 70
	103-3	Evaluation of the management approach	Pages 67 - 70
	403-1	Occupational health and safety management system	Page 68
	403-2	Hazard identification, risk assessment, and incident investigation	Page 68
	403-3	Occupational health services	Page 69
	403-4	Worker participation, consultation, and communication on occupational health and safety	Page 68
	403-5	Worker training on occupational health and safety	Page 68
	403-6	Promotion of worker health	Page 68
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 68
	403-9	Work-related injuries	Pages 70, 90 - 91
	403-10	Work-related ill health	Page 70

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GRI Content Index			
SPECIFIC DISCLOSURES			
Topic	GRI Standard	Description of Disclosure	Reference Page / Explanation
Better Planet: Circularity and Environmental Protection			
Energy and Climate Change	103-1	Explanation of the material topic and its Boundary	Pages 73 - 76
	103-2	The management approach and its components	Pages 73 - 76
	103-3	Evaluation of the management approach	Pages 73 - 76
	302-1	Energy consumption within the organisation	Pages 74, 90 - 91
	302-3	Energy intensity	Pages 74, 90 - 91
	305-1	Direct (Scope 1) GHG emissions (CO ₂ e)	Pages 74, 90 - 91
	305-2	Energy indirect (Scope 2) GHG emissions (CO ₂ e)	Pages 74, 90 - 91
	305-4	Greenhouse gas (GHG) emissions intensity	Pages 75, 90 - 91
Water Stewardship	103-1	Explanation of the material topic and its Boundary	Pages 77 - 78
	103-2	The management approach and its components	Pages 77 - 78
	103-3	Evaluation of the management approach	Pages 77 - 78
	303-1	Interactions with water as a shared resource	Pages 77 - 78
	303-2	Management of water discharge related impacts	Pages 77 - 78
	303-3	Water Withdrawal	Pages 77, 90 - 91
	303-4	Water discharged	Pages 77 - 78, 90 - 91
	303-5	Water consumption	Pages 78, 90 - 91
Waste Management	103-1	Explanation of the material topic and its Boundaries	Pages 79 - 81
	103-2	Management approach and its components	Pages 79 - 81
	103-3	Evaluation of management approach	Pages 79 - 81
	306-1	Waste generation and significant waste-related impacts	Pages 79 - 81
	306-2	Management of significant waste-related impacts	Pages 79 - 81
	306-3	Waste generated	Pages 92 - 93
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