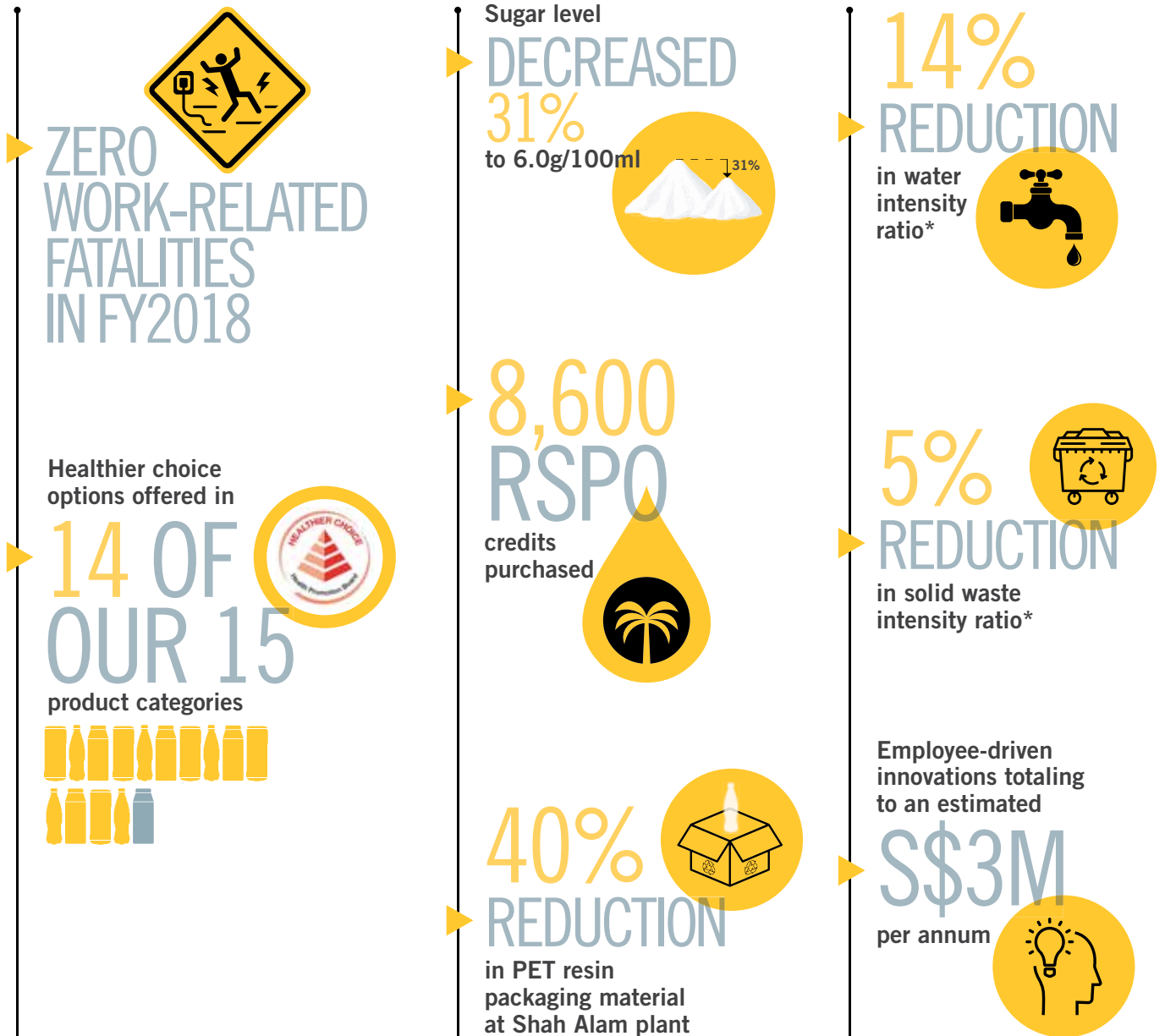


SUSTAINABILITY HIGHLIGHTS 2018



*at the group-level, compared to FY2017

BOARD STATEMENT

SUSTAINABILITY OVERVIEW AND GOVERNANCE

As one of the leading consumer groups in SEA, the Board of Fraser and Neave, Limited ("**F&N**" or the "**Group**") recognises the great responsibility the Group has in protecting the interest of future generations. The Board believes that acting responsibly is the only way to achieve a balance between profitable long-term growth and protecting our planet and people.

For many years, the Board has anchored sustainability in its strategy. This is in recognition that the Group's success is measured not only on its economic achievements, but just as important, its environmental and social successes. Guided by sustainable business practices, we conduct our business

with an aim to minimise risks for society, environment and to ensure longevity of our Company. Similarly, we identify business opportunities to ensure we are sustainable for the long-term.

At F&N, the Board continues to take the lead in F&N's sustainability direction. It has tasked the newly reconstituted Sustainability and Risk Management Committee ("**SRMC**") with responsibility for steering our company-wide sustainability strategy. The Sustainability Development Committee ("**SDC**") which is made up of business CEOs and representatives from senior management across the F&N Group, supports the SRMC, and monitors the progress of our sustainability reporting initiatives. During the year, the Board maintained oversight over the SRMC and SDC, managing sustainability risks and opportunities, while ensuring all environment, social and governance ("**ESG**") matters significant to our business are aligned with our Vision 2020.

This is the second year we are reporting our sustainability performance in accordance with the Global Reporting Initiative ("**GRI**") framework and in compliance with the Singapore Exchange's ("**SGX**") listing rules. We have transitioned from the GRI-G4 guidelines, used in our previous sustainability report for FY2017, to the GRI Standards. In our FY2017 inaugural report, we described F&N's legacy of ESG stewardship, set targets and provided a report card on our sustainability efforts. This year, we focus on the progress we have made during the past year.

Following the materiality review conducted last year, we have delegated responsibility to the SRMC to consider and re-validate the ESG factors that are of concern to stakeholders and significant to F&N's business. During the year, further improvements have been achieved on several targets including our water and solid waste intensities.

As we continue to embark on the sustainability journey, we remain committed to building a responsible business that delivers sustainable value to our stakeholders over the long-term.

MESSAGE FROM CHAIRMAN OF SDC



Mr Lee Meng Tat
Chairman of Sustainability Development Committee



We now offer healthier choice options in 14 out of our 15 product categories.

This is F&N's second sustainability report, and I am delighted to be able to introduce the progress we have made on our sustainability journey over the past year. F&N's vision is to be a stable and sustainable Food & Beverage leader in the ASEAN region, and this report sets out many of the ways in which we deliver value and care for our shared planet.

This report has been prepared in accordance with the Global Reporting Initiative Standards (Core), which represent global best practice in sustainability reporting. F&N is proud

to have made a positive contribution for the past 135 years, and fully appreciates how financial and non-financial success are complementary: we take our responsibility to make a positive impact in the future very seriously.

As you will see on page 15, Consumer Health & Safety is F&N's most important sustainability topic. We understand that the role our products play in people's daily lives and activities have been evolving. People are now more health conscious and pay more attention to the health benefits and nutrition, ingredients and sugar content in their food and beverages. We have listened to our consumers and deliberated on how we can better adjust our products to accommodate their specific needs and requirements. The sugar content in our products continues to fall, and I am proud that we now offer healthier choice options in 14 out of our 15 product categories.

One of the highlights of the year for me is seeing the bottom-up and innovative ways in which F&N employees are finding solutions to environmental issues, such as water use and waste reduction. Our "Green Carnivals" and "Waste to Wealth Campaign" have raised awareness of environmental stewardship and led to direct performance improvements. 2018 has been designated as the "Year of Climate Change" by the Singapore government and we are determined to play our

part in global efforts to reduce GHG emissions. For instance, we are on track to purchase RSPO credits for 100% of our palm oil usage by the year 2020.

F&N places great emphasis on being a key part of prosperous communities in which we operate. This includes hiring locally and empowering our talent, and also sharing happiness and helping vulnerable members of our communities, wherever we can, to make a difference. It is reassuring to witness the enthusiasm for F&N's sustainability journey from employees at all levels. F&N's success is built from our own financial performance and long-term profitability is only possible when we protect it through our actions on the environment and society.

F&N is working to collect consistent sustainability reporting indicators, which will allow stakeholders to analyse changes in our performance over time and facilitate comparison with peers. The use of the Global Reporting Initiative Standards is essential for this, and we are also taking steps to progressively integrate the United Nation's Sustainable Development Goals ("SDGs") into our reporting and strategy.

We are grateful for your continued support, and hope that this report gives you an insight into F&N's efforts to be a sustainability leader in ASEAN and beyond.

ABOUT THIS REPORT

WELCOME TO THE F&N SUSTAINABILITY REPORT 2018

F&N is proud to present its second SGX-compliant sustainability report based on the GRI framework. Since the delivery of its inaugural report in FY2017, we have continued the journey we outlined, focusing on putting ESG at the centre of everything we do. This year has been one of significant change, progress and achievement.

This year, we have further enhanced our reporting approach and have prepared the F&N Sustainability Report 2018 in accordance with the GRI Standards 'Core Option'.

Different from last year, the report is organised into two themes and six core areas:

1. Delivering Value

- a. Driving Economic Value
- b. Empowering Our People
- c. Enhancing Social Well-Being

2. Managing our Impacts

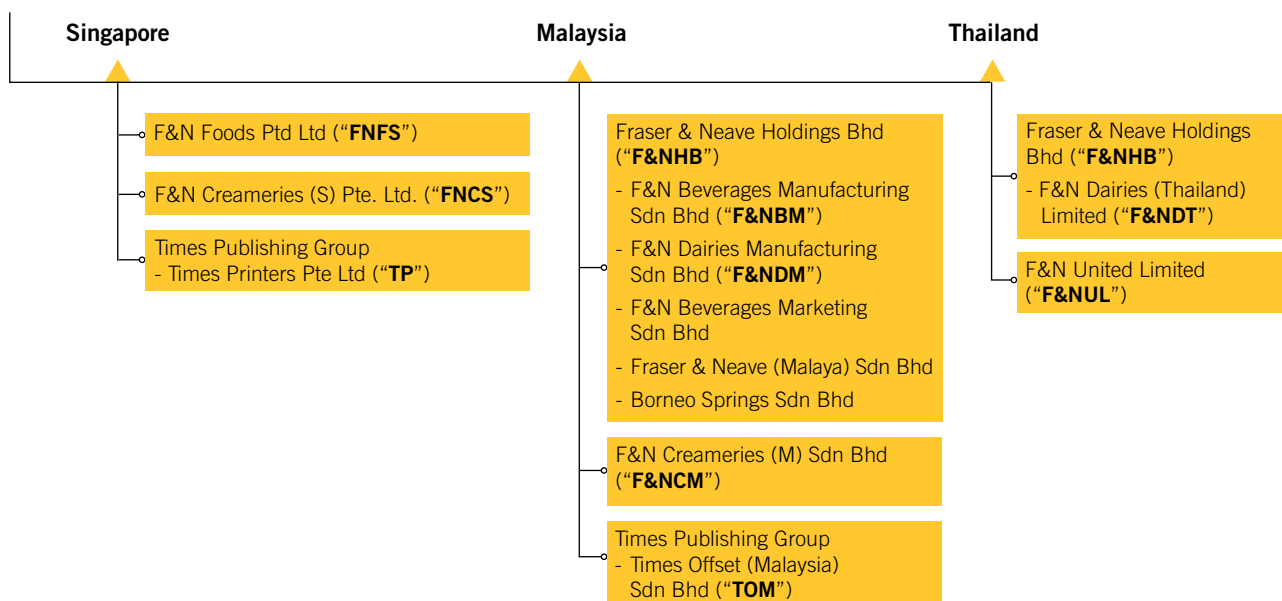
- a. Eco-Efficiency
- b. Responsible Supply Chain
- c. Safety & Well-Being

REPORTING PERIOD AND SCOPE

This report contains data and practices relating to F&N's key operations in:

- Singapore (F&B and Printing);
- Malaysia (F&B and Printing); and
- Thailand (F&B)

The reporting period is from 1st October 2017 to 30th September 2018



ASSURANCE POLICY

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

We aim to obtain external assurance on our subsequent sustainability reports.

We value and welcome feedback from our stakeholders as they help us to continuously improve our sustainability approach, performance and disclosure.



Please send your comments and suggestions to

sustainability@fngroup.com.sg

ABOUT F&N

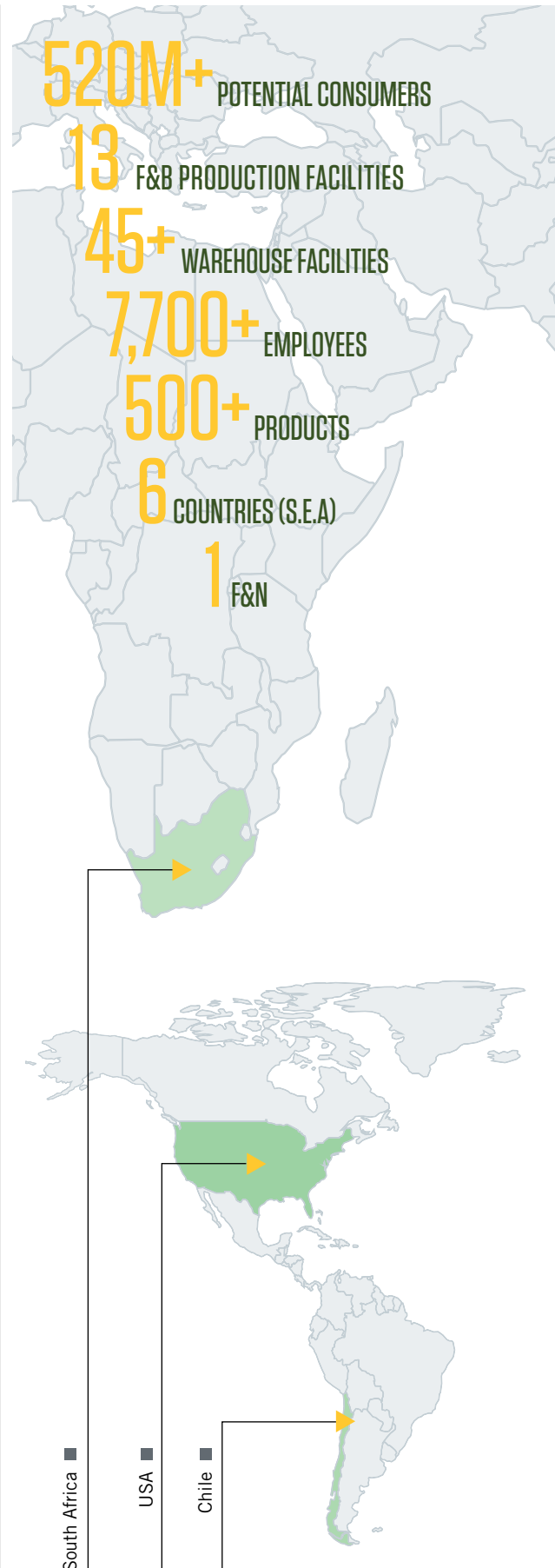
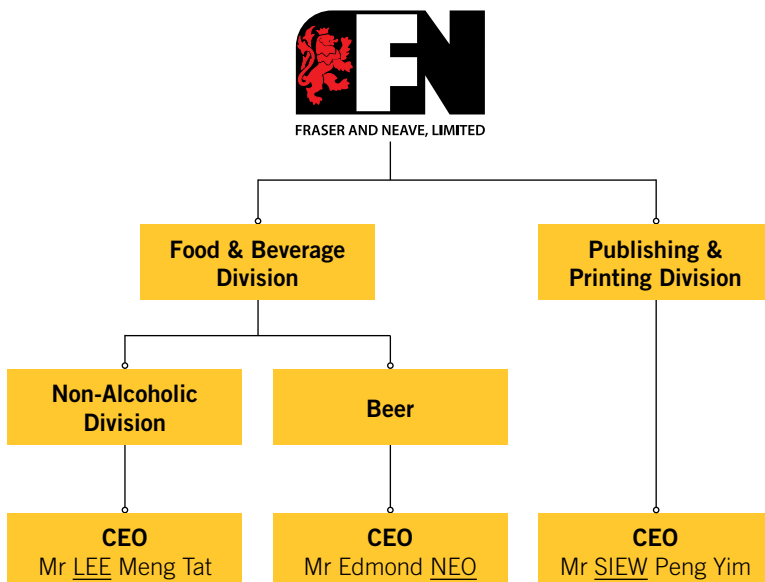
Fraser and Neave, Limited (“**F&N**” or the “**Group**”) originated more than a century ago from the spirited decisions of two enterprising young men, John Fraser and David Neave, who diversified from their printing business to pioneer the aerated water business in Southeast Asia (“**SEA**”) in 1883.

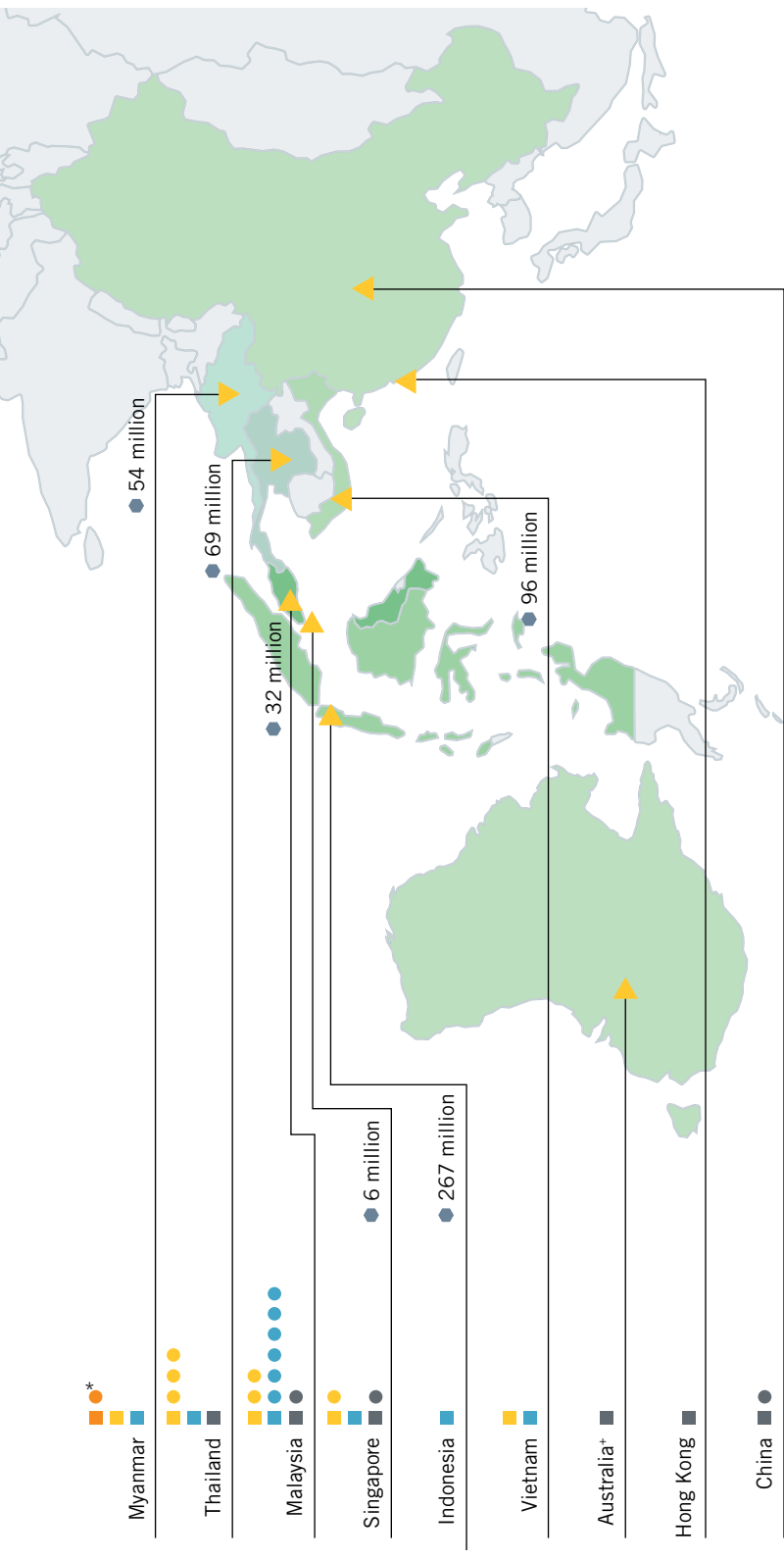
The entrepreneurial spirit, embodied by our founders, remains in today's F&N. As a soft drink company, F&N seized the growth opportunities and ventured into beer brewing business in 1931 in partnership with The Heineken Company and built a very successful beer empire in Asia Pacific – through its joint 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 re-listed FCL on the Singapore Stock Exchange, thereby realising its latent value.

Today, F&N is a leading Asia Pacific 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 7,700 people worldwide.





Legend:

Manufacturing Plants

- Dairies
- Soft Drinks
- Beer
- Publishing & Printing

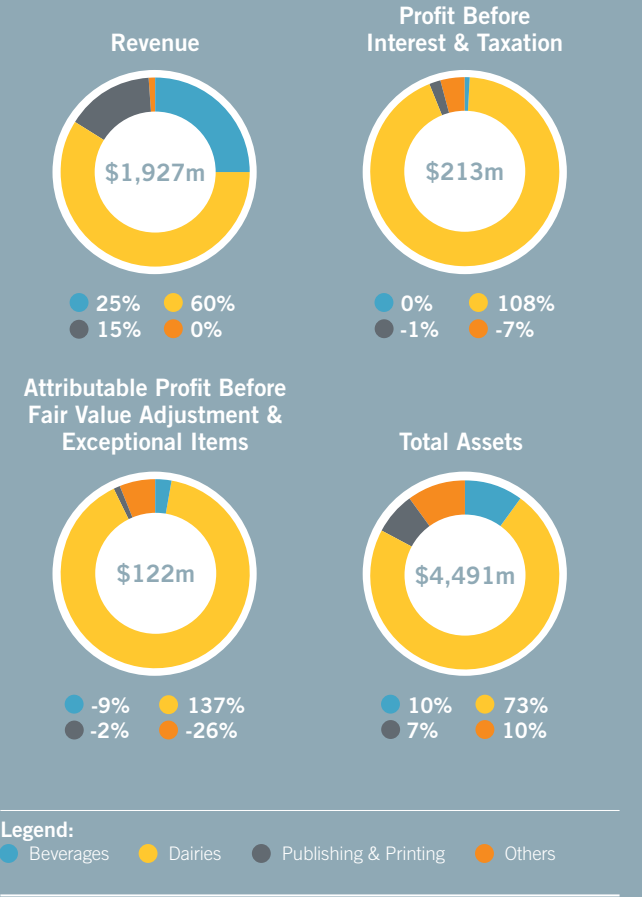
Offices

- Dairies
- Soft Drinks
- Beer
- Publishing & Printing

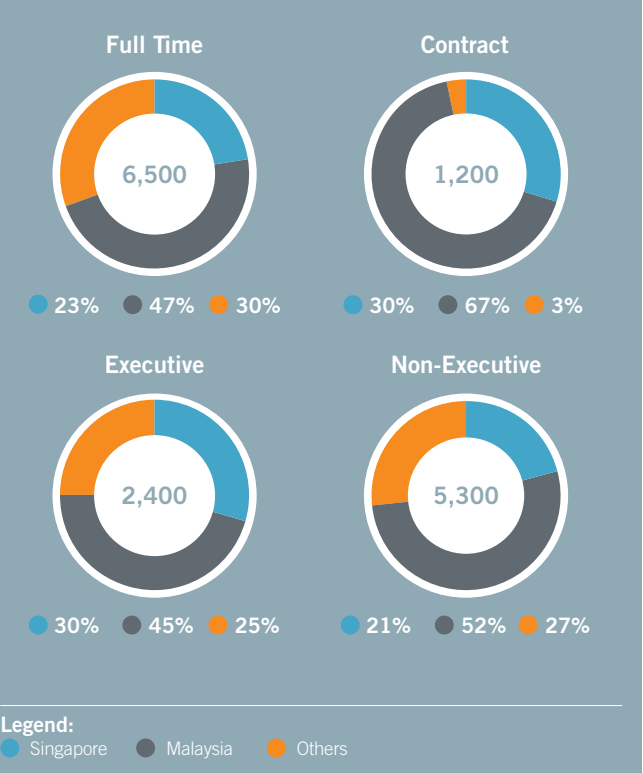
Population
Source: Worldometers

* Under construction
+ The Group owns ~7.8% of PMP Limited

CONTRIBUTION BY SEGMENT



EMPLOYEE BREAKDOWN



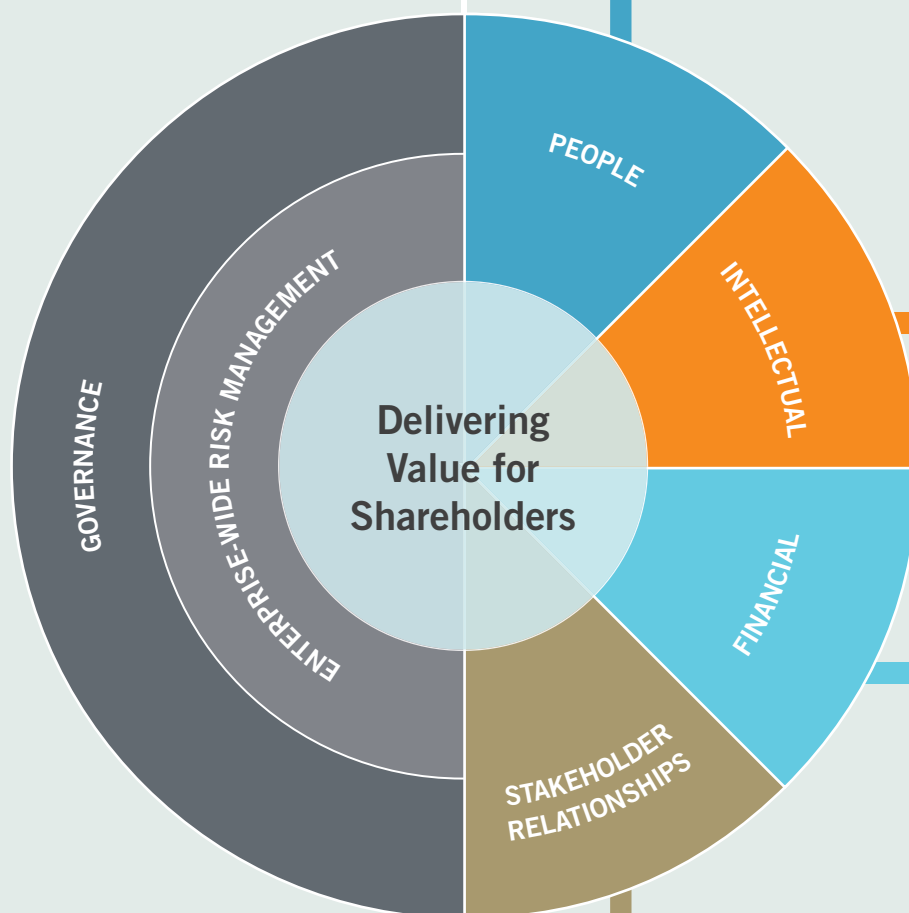
F&N BUSINESS MODEL

OUR STRATEGIC FOCUS


















- **WINNING WITH BRANDS**
 - Focus our resources on and drive the growth of brands that are in the medium- to high-growth segments and where F&N has a *right to win*
- **WINNING WITH INNOVATION**
 - Focus on offering new products that appeal to consumers
- **WINNING IN MARKETPLACE**
 - Focus on strengthening levers to execute a strong go-to-market strategy that reduces cost and risk
- **WINNING WITH PEOPLE**
 - Focus on attracting and retaining the talent we need to achieve our growth priorities

OUR DISTINCTIVE ASSETS

- **DYNAMIC BRAND PORTFOLIO**
- **EXCELLENT R&D CAPABILITIES**
- **STRONG TEAM**
- **MARKETPLACE EXCELLENCE**
- **STRONG STRATEGIC PARTNERS**



Our business model enables us to be agile which has allowed us to react quickly to take advantage of opportunities and achieve sustainable, long-term value creation for our stakeholders. Leveraging our key resources (People, Intellectual, Financial and Stakeholder Relationships), we aim to deliver profitable growth by focusing on: 1) Winning with Brands, 2) Winning with Innovation, 3) Winning in Marketplace, and 4) Winning with People. In delivering on our promise, we are committed to protecting the environment and will continue to contribute positively to our society, while managing operational risks of our businesses and adhere to ethical principles of corporate governance.

F&N KEY RESOURCES	VALUE ADDING ELEMENTS	VALUE CREATED	VALUE SHARED WITH
 <p>PEOPLE</p> <p>Our People are our most powerful resource</p>	<p>IN OUR CORE MARKETS OF MALAYSIA, SINGAPORE AND THAILAND, AND NEW MARKETS</p> <p>524 MILLION consumers </p> <p>13 F&B manufacturing facilities </p> <p>Over 500 F&B products and flavours </p> <p>Over 250,000 F&B outlets </p> <p>STRATEGIC PARTNERS</p>   	<p>WE CREATE VALUE FOR OUR STAKEHOLDERS BY MANAGING AND DEPLOYING OUR RESOURCES AND ASSETS EFFICIENTLY AND EFFECTIVELY</p> <p>\$1,927 MILLION REVENUE </p> <p>\$213 MILLION PBIT </p> <p>Our products are available in 120+ COUNTRIES </p> <p>We employ 7,700+ PEOPLE in 11 countries </p> <p>50+ NEW F&B products launched in 2018</p> <p>22 PRODUCT & PROCESS excellence awards </p>	 <p>EMPLOYEES</p> <p>Fostering a culture of continuous learning, career development and reward for our employees</p> <p><i>i</i> Read more from pages 31 to 39</p>  <p>CONSUMERS</p> <p>Providing high-quality, delicious products to meet consumers nutritional needs</p> <p><i>i</i> Read more from pages 26 to 27 and 78 to 83</p>  <p>STAKEHOLDERS</p> <p>Managing our resources effectively and responsibly to create value and support job creation beyond our business</p> <p><i>i</i> Read more from pages 52 to 67</p>  <p>COMMUNITIES</p> <p>Giving back to local communities through job creation, useful products, social responsibility programmes</p> <p><i>i</i> Read more from pages 26 to 27 and 40 to 51</p>

OUR SUPPLY CHAIN

F&N uses different equipment and machinery as well as a range of raw materials for the production of its beverages and, printer consumables for printing. We engage with about 3,500 suppliers globally, including Malaysia, Singapore, Thailand, Taiwan, India, Australia, New Zealand, the US and UK. Our suppliers also provide us with materials used in our distribution and retail operations. For the financial year under review, we spent an estimated S\$1.2 billion on products and services provided by our suppliers.



OUR SUSTAINABILITY APPROACH

SUSTAINABILITY VISION AND FRAMEWORK

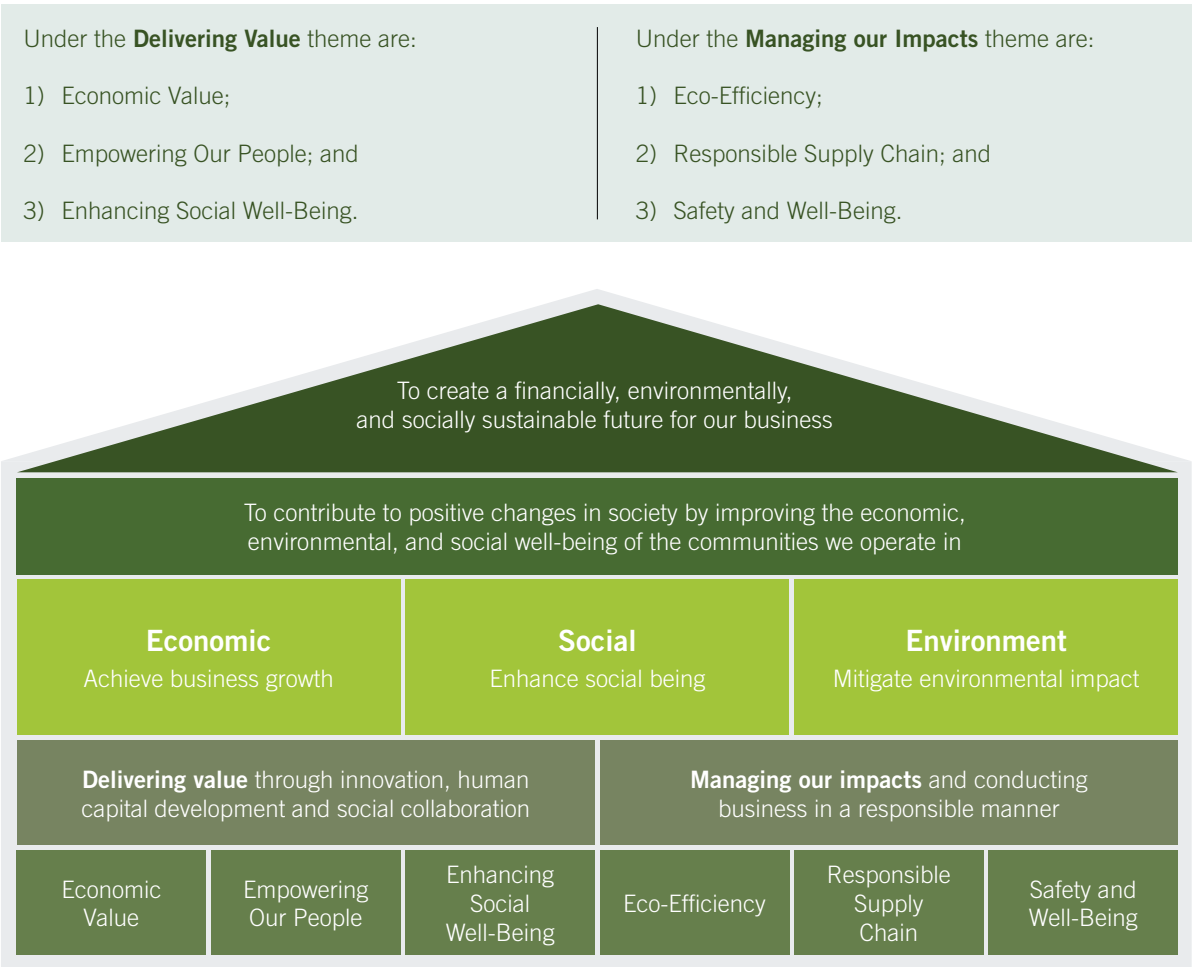
As the global context becomes increasingly defined by volatility and unpredictability, prioritising sustainability is no longer an option for businesses but the only viable path. F&N recognises the range of emerging risks and challenges to which it

must respond. To continue delivering value to its stakeholders, F&N must root its activities in resilience and embrace the interconnections it shares with its communities and environment. It aims to **create a financially, environmentally and socially sustainable future for its business** by:

- **Delivering value through innovation, human capital development and social collaboration; and**

- **Managing our impacts and conduct business in a responsible manner.**

F&N’s sustainability framework comprises **six** core areas.



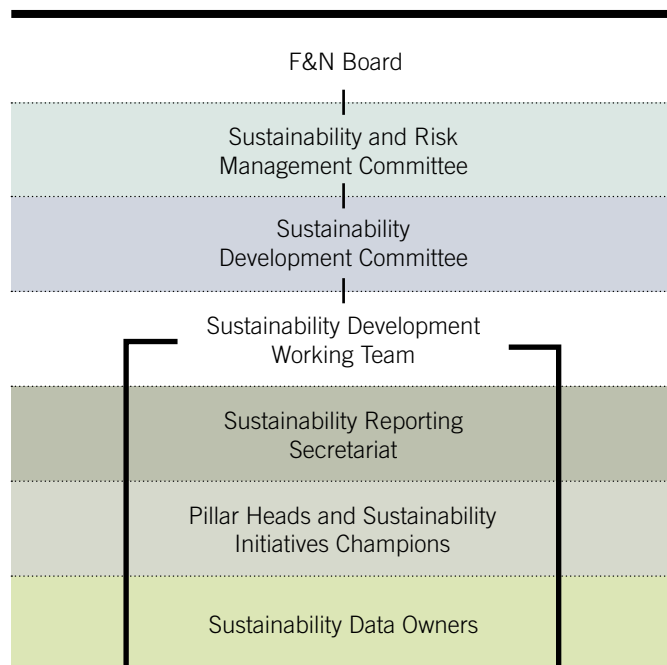
OUR SUSTAINABILITY APPROACH

MANAGEMENT AND GOVERNANCE STRUCTURE

F&N has set up a dynamic team to implement, execute and monitor policies and procedures across the organisation. The responsibility for steering and aligning company-wide sustainability strategy is with the Sustainability and Risk Management Committee ("SRMC") at the Board level. The SRMC is supported by Sustainability Development Committee ("SDC"), chaired by

the Chief Executive Officer of Non-Alcoholic Beverages, Mr Lee Meng Tat, and staffed by employees of key functions, regions and levels. The SDC provides general direction and monitors the progress of F&N's sustainability reporting project.

In FY2018, the SDC convened on sustainability matters four times and the SRMC two times. The SDC provided inputs and comments which have been incorporated to strengthen our sustainability agenda.



SUSTAINABILITY DEVELOPMENT COMMITTEE

Lee Meng Tat (Chairman)

Chief Executive Officer,
Non-Alcoholic Beverages (NAB), 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

First Vice-President, Group Human Capital, F&N

Lai Kah Shen

Financial Controller (F&B Division), F&N

● Dr Yap Peng Kang

Head, Research and Development, F&N

Jennifer See

General Manager, Singapore and Indonesia, FNFS

● Waradej Patpitak

First Vice-President, Manufacturing, F&NHB

● Rommel Fuentesbella

Vice-President Marketing, Isotonic/CSD/Water/Tea, F&N

● Pillar Heads in Sustainability Development Working Team

KEY STAKEHOLDERS' ENGAGEMENT

F&N strives to build and maintain strong relationships based on trust and respect with our eight key stakeholder groups, namely employees, suppliers, customers, investment community, consumers, regulators, non-governmental organisations (“NGOs”) and local communities.

It utilises various platforms for appropriate stakeholder engagement across these eight categories, to ensure that our stakeholders are given the opportunity to voice their demands, opinions, concerns and suggestions, as shown in the table below.

Information received via these channels feeds into our planning and strategy for sustainable value creation.

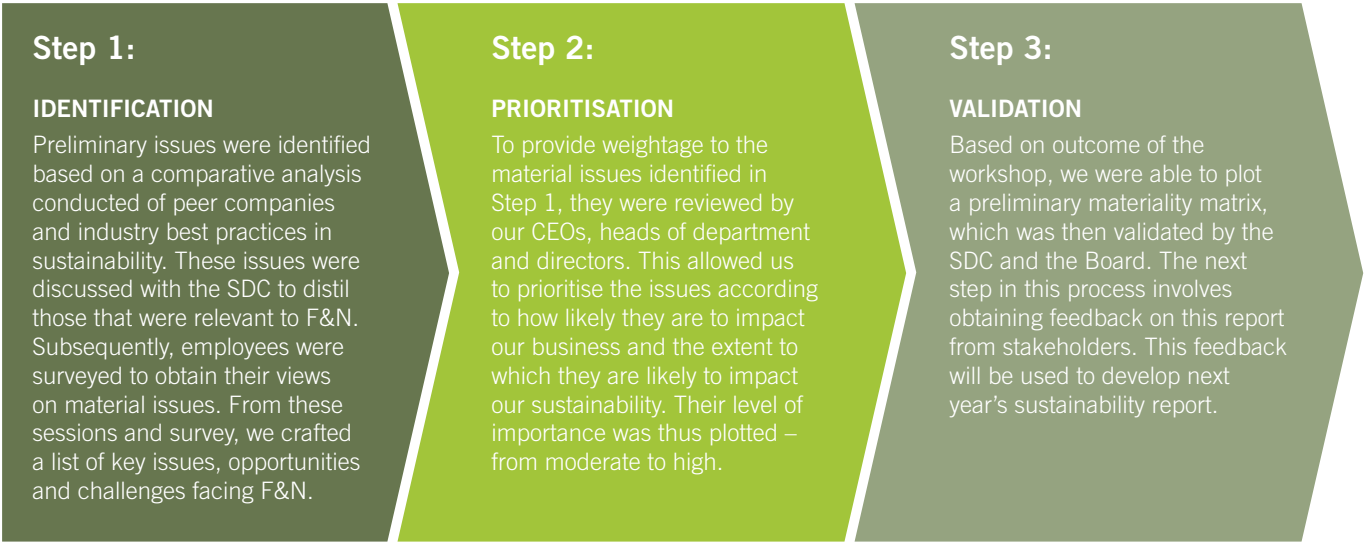
Engagement Channel	Issues Raised	Actions Taken
Employees		
<ul style="list-style-type: none"> • Biannual employee engagement survey • Robust compensation and benefits framework • Annual CEO town hall/roadshow • Annual gatherings • Communique, iConnect (intranet), F&N Digest (biannual newsletter), email news highlights, quarterly CEO messages 	<ul style="list-style-type: none"> • Engagement with employees • Learning & development opportunities • Equitable rewards & recognition • Safe and healthy work environment 	Refer to: <ul style="list-style-type: none"> • Section on Talent Management (pg. 32-39) • Section on Occupational Health and Safety (pg. 74-77)
Suppliers		
<ul style="list-style-type: none"> • Supplier meetings • Annual audits • Tender management system 	<ul style="list-style-type: none"> • Fair & robust procurement system • Support of local businesses • Social & environmental responsibility 	Refer to: <ul style="list-style-type: none"> • Section on Sustainable Sourcing (pg. 69-72)
Investment Community		
<ul style="list-style-type: none"> • Annual general meetings • Face-to-face meetings & conference calls • Office/plant visits • Investor Day • Website and SGXNET announcements, presentations, press releases • Annual reports 	<ul style="list-style-type: none"> • Transparency in disclosure • Business/financial performance • Disclosure on relevant information to shareholders 	Refer to: <ul style="list-style-type: none"> • Message from Chairman of SDC (pg. 03) • About This Report (pg. 04-05) • Section on Economic performance (pg. 23)
Distributors & Trade Customers		
<ul style="list-style-type: none"> • Annual customer meetings • Annual factory visits • Annual business planning • Business development activities • Joint supply chain meetings • Quarterly business reviews • Customer appreciation events 	<ul style="list-style-type: none"> • Latest consumer & shopper trends • Product innovation • Customer relationship management • Shopper loyalty programmes • Improving customer service level • Strategic business development • Business practices & ethics • Competitive operational system • Efficient delivery system 	Refer to: <ul style="list-style-type: none"> • Message from Chairman of SDC (pg. 03) • Section on Innovation (pg. 24-30)
Consumers		
<ul style="list-style-type: none"> • Marketing & sales promotions • Brand communication through advertising • Social media interaction • On-ground events & activities • Dedicated consumer hotline 	<ul style="list-style-type: none"> • Product quality & safety • Consumer health & safety • Fair & reasonable product pricing • Social & community engagement • Environment-friendly packaging 	Refer to: <ul style="list-style-type: none"> • Section on Innovation (pg. 24-30) • Section on Consumer Health and Safety (pg. 78-81) • Section on Health and Nutrition (pg. 50-51) • Section on Product and Service Labelling (pg. 82-83)

OUR SUSTAINABILITY APPROACH

Engagement Channel	Issues Raised	Actions Taken
Regulators		
<ul style="list-style-type: none"> Active participation in industry collaborations e.g. Singapore's Health Promotion Board ("HPB"). Federation of Malaysian Manufacturers Meetings with government agencies and statutory bodies 	<ul style="list-style-type: none"> Tax transparency Social & environmental responsibility Fair & legal labour practices Safety at work Compliance with laws & regulations Water & waste management Environment friendly labelling & packaging Greenhouse gas emissions ("GHG") 	<p>Refer to:</p> <ul style="list-style-type: none"> Section on Consumer Health and Safety (pg. 78-81) Section on Health and Nutrition (pg. 50-51) Section on Product and Service Labelling (pg. 82-83) Section on Creating Value for Society (pg. 41-49) Section on Water Stewardship (pg. 54-56) Section on Effluents & Waste (pg. 57-60) Section on Packaging (pg. 61-62) Section on Energy & Climate Change (pg. 63-67) Section on Talent Management (pg. 32-39) Section on Occupational Health and Safety (pg. 74-77)
Communities		
<ul style="list-style-type: none"> Collaboration & partnership Outreach programmes Meetings with community representatives Leadership programmes Sponsorship of sporting events Donation of food and beverages to the less privileged and elderly 	<ul style="list-style-type: none"> Consumer health & safety Social & environmental responsibility GHG emissions Job opportunities for locals Promotion of good health & quality of life Skills development in sports & leadership Stimulating local economies 	<p>Refer to:</p> <ul style="list-style-type: none"> Section on Consumer Health and Safety (pg. 78-81) Section on Health and Nutrition (pg. 50-51) Section on Product and Service Labelling (pg. 82-83) Section on Creating Value for Society (pg. 41-49) Section on Water Stewardship (pg. 54-56) Section on Effluents & Waste (pg. 57-60) Section on Packaging (pg. 61-62) Section on Energy & Climate Change (pg. 63-67) Section on Talent Management (pg. 32-39) Section on Market Presence (pg. 39)

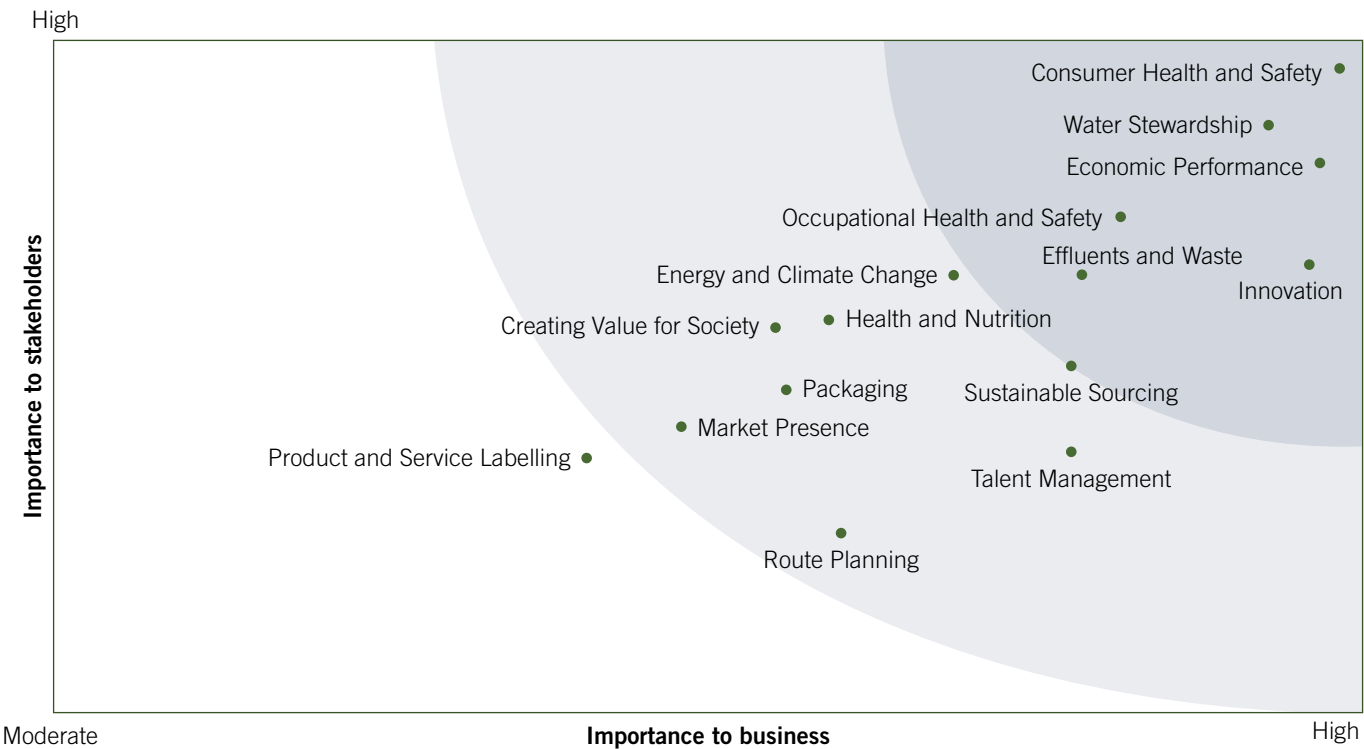
OUR MATERIAL ISSUES

We undertook our first materiality assessment in January 2017 to identify, prioritise, validate and review relevant sustainability issues. Facilitated by an independent sustainability consultant, the exercise involved key internal stakeholders, including the SDC, to identify, prioritise and validate ESG factors that are material to F&N’s business operations and of significant interest to our stakeholders. This year, the SDC reviewed and revalidated the material ESG factors.








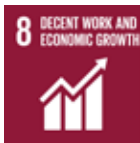

F&N’s SDC revisited the 15 material issues identified last year and confirmed that these topics remain important. The major change this year is the increased importance of Talent Management to the business.

The following matrix depicts 15 issues that are seen to be of importance to both F&N and our stakeholders. We have focused on these material issues in this report.















OUR SUSTAINABILITY APPROACH

MATERIAL ISSUES










MATERIAL ISSUES		Boundaries						
Material Topic	SDG(s)	Employees	Suppliers	Customers	Consumers	Investment Community	Communities	Regulators
M01 Economic Performance								
We are committed to creating direct economic value for our shareholders through the generation of profits and for our employees through stable employment. GRI 201-1 Economic Performance		•	•	•		•		
M02 Innovation								
We invest in product and process innovation to increase our product range and improve efficiency and productivity. Innovation is critical not only for long-term business success but also in response to growing concerns on social and environmental issues.		•		•	•	•		
M03 Sustainable Sourcing								
We promote sustainable and responsible procurement and sourcing via a risk management and supplier selection that is integrated with ESG factors, as well as a focus towards local sourcing to contribute to local employment when possible. GRI 204-1 Procurement Practices	 	•	•			•		
M04 Talent Management								
We recruit the best talent, train them, and keep them motivated via career development goals and reviews. GRI 401-1, 401-2 Employment; GRI 404-1, 404-2 Training and Education	 	•					•	•
M05 Market Presence								
We contribute to the economic development in the local communities in which we operate by hiring locally and providing our employees attractive salaries and comprehensive benefit packages. GRI 202-2 Market Presence		•					•	

MATERIAL ISSUES

MATERIAL ISSUES		Boundaries						
Material Topic	SDG(s)	Employees	Suppliers	Customers	Consumers	Investment Community	Communities	Regulators
M06 Occupational Health and Safety								
Our Health and Safety Management Plan complies with relevant laws and regulations. It is supported by appropriate policies and programmes to safeguard the health and safety of our people at all times. GRI 403-2 Occupational Health and Safety	 	•						•
M07 Consumer Health and Safety								
We are committed to producing beverages of the highest quality that are safe, and which address health concerns. Our products comply with relevant standards across their entire life cycle. GRI 416-1, 416-2 Customer Health and Safety	 	•			•		•	•
M08 Health and Nutrition								
We promote healthy lifestyles and the consumption of nutrition products in line with consumer needs.	 	•			•		•	•
M09 Product and Service Labelling								
We provide accessible and adequate information on our products and services in line with relevant laws and regulations. This helps consumers make informed purchasing choices. GRI 417-1, 417-2 Marketing and Labelling	 	•			•			•
M10 Creating Value for Society								
We strive to create a positive impact on local communities through social development projects focused on strengthening vulnerable groups with education and basic needs, supporting sports and active lifestyles, promoting environmental consciousness and sponsoring festive celebrations. GRI 413-1 Local Communities	   	•					•	•

OUR SUSTAINABILITY APPROACH

MATERIAL ISSUES

MATERIAL ISSUES		Boundaries						
Material Topic	SDG(s)	Employees	Suppliers	Customers	Consumers	Investment Community	Communities	Regulators
M11 Water Stewardship								
We seek to use water efficiently across the value chain and employ water resource risk management to ensure that our activities do not threaten water resource in the long term for both our own operations and our local communities. GRI 303-1, 303-3 Water		•		•	•		•	•
M12 Effluents and Waste								
We comply with international and national standards in effluents and waste management. These include actions to minimise waste in the production process. GRI 306-1 Effluents and Waste	  	•					•	•
M13 Energy and Climate Change								
We curb our contribution to climate change by managing our GHG emissions from our production processes and transport. This includes creating greater energy efficiencies in our operations and using as much renewable energy as possible. GRI 302-1, 302-3 Energy GRI 305-1, 305-2, 305-4 Emissions	  	•					•	•
M14 Route Planning								
Optimising our routes to market, including the transfer of products, goods and materials as well as employees, serves to reduce our carbon emissions, minimise costs, and improve efficiencies.		•	•	•				•
M15 Packaging								
We use innovative packaging to meet consumers' demand and seek out innovative processes to reduce post-consumption waste.		•	•		•		•	•

OUR COMMITMENTS

Delivering value through social collaboration, human capital development and innovation

I. Economic Value



1. **M01 Economic Performance:** We are committed to creating direct economic value for our shareholders through the generation of profits, which will also benefit our employees in the form of salaries and benefits.
2. **M02 Innovation:** We invest in product and process innovation to increase our product range and improve efficiency and productivity. Innovation is critical not only for long-term business success but also in response to growing concerns on health, social and environmental issues.

II. Empowering Our People



3. **M04 Talent Management (Empowering Growth):** We recruit the best talent, train them, and keep them motivated via career development goals and reviews.
4. **M05 Market Presence:** We contribute to the economic well-being of employees by paying them attractive salaries. We recruit senior management from local communities wherever possible.

III. Enhancing Social Well-Being



5. **M10 Creating Value for Society:** We strive to create a positive impact on local communities through social development projects.
6. **M08 Health & Nutrition (Advocating Active Lifestyle, Sports Development):** We promote healthy lifestyles and the consumption of nutritious products in line with consumer needs.

Managing impacts and conducting business in a responsible manner

IV. Eco-Efficiency



7. **M11 Water Stewardship:** We seek to use water efficiently across the value chain and employ water resources risk management to ensure sufficient water for our production purposes.
8. **M12 Effluents and Waste:** We comply with international and national standards in effluents and waste management. These include actions to minimise waste in the production process and post consumption.
9. **M15 Packaging:** We use innovative packaging to minimise our environmental impact and meet consumers' demands.
10. **M13 Energy and Climate Change:** We curb our contribution to climate change by managing our GHG emissions from our production processes and transport. This includes creating greater energy efficiencies in our operations and exploring the use of renewable energy where possible.

V. Responsible Supply Chain



11. **M03 Sustainable Sourcing:** We promote sustainable and responsible procurement and sourcing via sourcing risks management, supplier selection and local sourcing.
12. **M14 Route Planning (Transportation):** Optimising our routes to market, including the transfer of products, goods and materials as well as employees, serves to reduce our carbon emissions, minimise costs and improve efficiencies.

VI. Safety and Well-Being



13. **M06 Occupational Health and Safety:** Our health and safety management plan complies with relevant laws and regulations. It is supported by appropriate policies and programmes to safeguard the health and safety of our people at all times.
14. **M07 Consumer Health and Safety:** We are committed to producing beverages of the highest quality that are safe and which address health concerns. Our products comply with relevant standards across their entire life cycle.
15. **M09 Product and Service Labelling:** We provide accessible and adequate information on our products and services in line with relevant laws and regulations. This helps consumers make informed purchasing choices.

OUR 2020 TARGETS AND PROGRESS

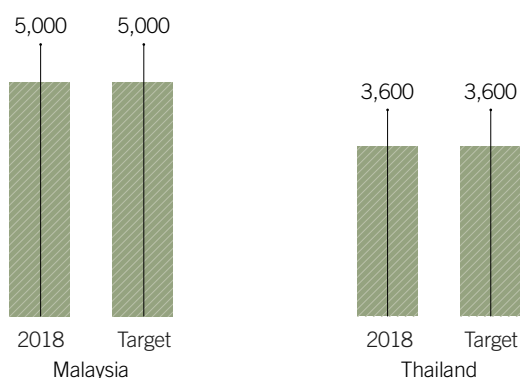
As part of our commitment to sustainability, we have established nine key performance targets in 2017 for the entire F&N Group including Singapore, Malaysia and Thailand, based on the high priority material issues identified. These medium-term performance targets are set to be achieved by 2020.

Recognising the importance placed on climate change, a new target to reduce our greenhouse gas intensity has been added this year, as part of our commitment in the global call-to-action on Energy & Climate Change management.

- 1. M03 Sustainable Sourcing:** The Group has set a target to purchase 100% RSPO credits for our palm oil usage by 2020.

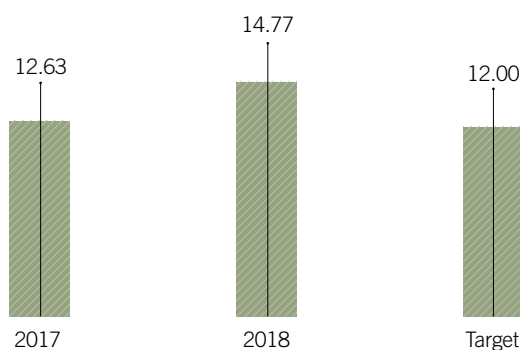
Interim Target: Purchase RSPO credits for 30% of our palm oil usage by 2018.

RSPO CREDITS



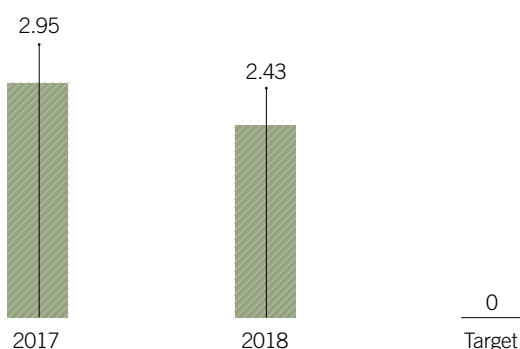
- 2. M04 Talent Management:** The Group has set a target of providing an average of at least 12 training hours per employee per year by 2020.

AVERAGE TRAINING HOURS PER EMPLOYEE ACROSS THE GROUP



- 3. M06 Occupational Health and Safety:** To reduce the Group Lost Time Injury Frequency Rate ("LTIFR") to Zero by 2020. (Updated target from SR2017)

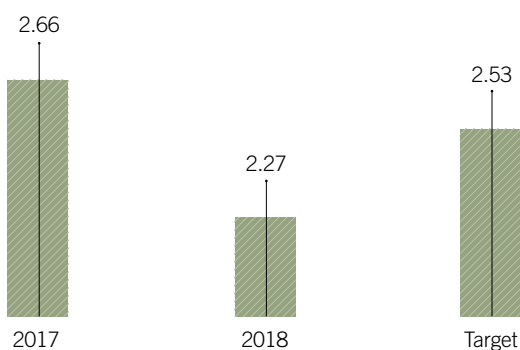
GROUP LOST TIME INJURY FREQUENCY RATE (REPORTED INJURY CASES/MILLION HOURS)



* 2017 data does not contain data from F&NCM as they only implemented the system to record workplace accidents in Apr 2018

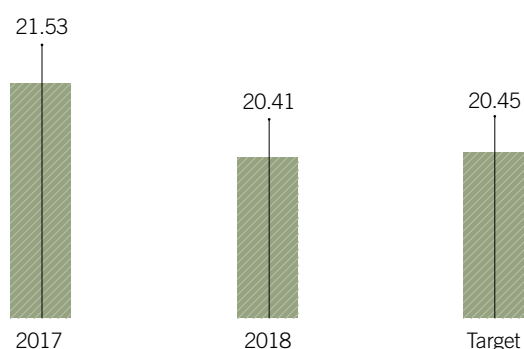
- 4. M11 Water Stewardship:** We intend to reduce the water intensity ratio at our plants across the Group by 5% from 2017 by 2020.

GROUP WATER INTENSITY RATIO (m³/MT)



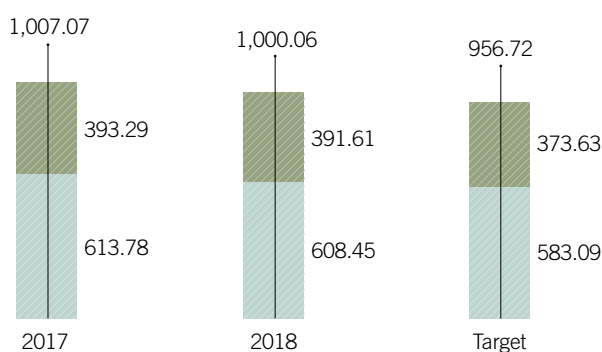
- 5. M12 Effluents and Waste:** The Group has set to reduce solid waste intensity ratio by 5% from 2017 by 2020. (Updated target from SR2017 to measure a different aspect from Water Stewardship)

GROUP SOLID WASTE INTENSITY RATIO (kg/MT)



- 6. M13 Energy and Climate Change:** We target to reduce the Group's energy intensity ratio by 5% between 2017 and 2020.

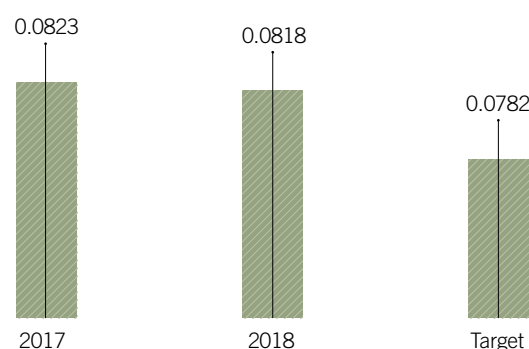
GROUP ENERGY INTENSITY RATIO (MJ/MT)



- Purchased energy (Electricity) ratio
- Non-Renewable energy (LPG, Natural Gas, Diesel, Fuel Oil) ratio

- 7. M13 Energy and Climate Change:** We target to reduce the Group's GHG emissions ratio by 5% between 2017 and 2020. (New target to reinforce our commitment regarding Climate Change)

GROUP GHG EMISSIONS INTENSITY RATIO (MTCO_{2e}/MT)



- 8. M02 Innovation:** To invest in product and process innovation to expand our offering of nutritious products and improve efficiency and productivity.

Please refer to the section on *Innovation* (pg. 24-30) for more info on the innovative projects implemented to improve productivity and efficiency and enhance our range of products.

- 9. M07 Consumer Health and Safety:** We will offer at least one healthier choice option in all our product categories by 2020.

We have healthier alternate products for 14 of the 15 (93%) product categories.

- 10. M10 Creating Value for Society:** We will continue to provide outreach and engagement programmes across Singapore, Malaysia and Thailand by exploring and implementing appropriate outreach programmes to address community needs.

Please refer to the section on *Creating Value for Society* (pg. 41-49) for more info on our various projects across Singapore, Malaysia and Thailand.