

DELIVERING VALUE THROUGH INNOVATION, HUMAN CAPITAL DEVELOPMENT AND SOCIAL COLLABORATION

MATERIAL ISSUES

- M01 Economic Performance
- M02 Innovation
- M04 Talent Management
- M05 Market Presence
- M09 Creating Value for Society

CONTRIBUTING TO SDGS



Driving Economic Value

F&N's success is based upon long-term value creation for our stakeholders. We achieve this by maintaining leadership in our core markets, and by leveraging innovative technologies and our employees' expertise to meet consumers' evolving demands.

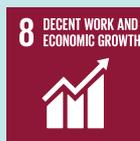
The 'Economic Performance' section presents an overview of our economic performance, which provides us with a firm foundation to continue delivering the products that our customers love.

In the 'Innovation' section, we share highlights of R&D efforts to introduce new products and packaging, and improve upon existing products and processes, for our brands to stay relevant to consumers. We become increasingly aware of how innovation can maximise the positive environmental and social impacts—and minimise negative impacts—of our products and processes each year. We implement initiatives to achieve this and have highlighted it in this section as well.

MATERIAL ISSUES COVERED

1. **M01 Economic Performance**
GRI 201-1 Economic Performance

SDGS MAPPED TO



2. **M02 Innovation**



ECONOMIC PERFORMANCE

GRI 201-1

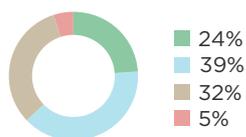
F&N generates economic wealth in a number of ways. A summary of our financial performance is provided below. For detailed financial results, please refer to the following sections in our FY2019 Annual Report:

- Group Financial Highlights, pages 10 -11
- Group Financial Statements, pages 99 -193

FY2019 Revenue
\$1,902m



FY2018 Revenue
\$1,835m



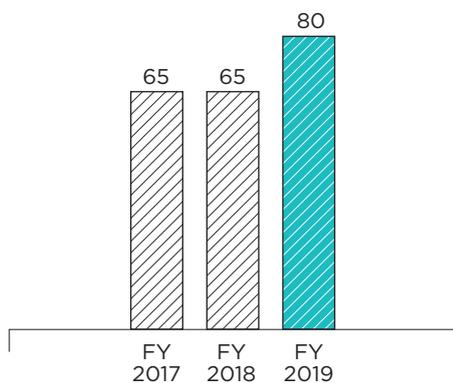
FY2017 Revenue
\$1,898m



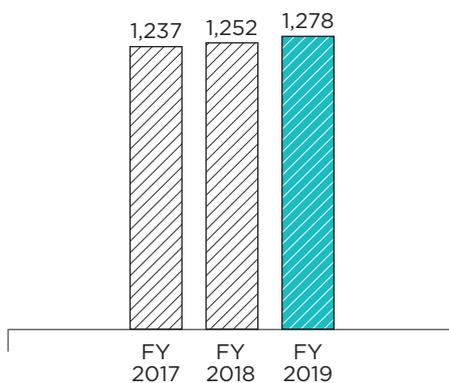
Legend:

■ Singapore ■ Malaysia ■ Thailand ■ Others

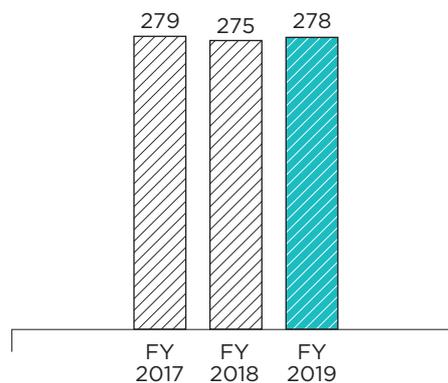
Dividend (\$M)



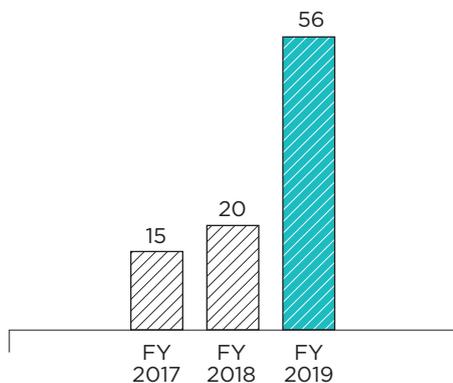
Cost of Sales (\$M)



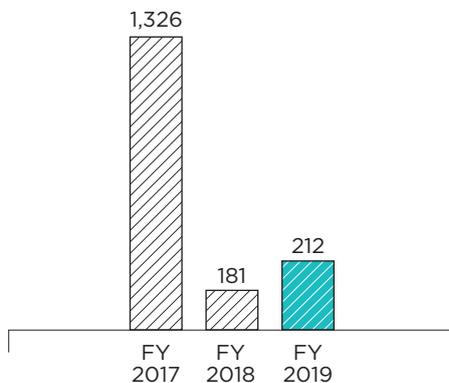
Employee Benefit Expenses¹ (\$M)



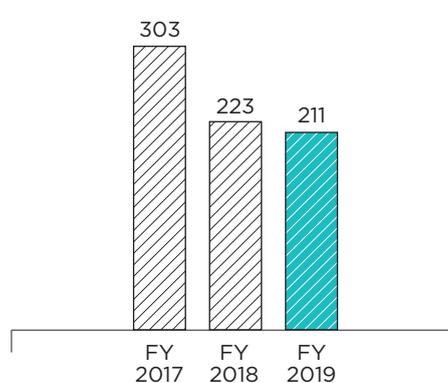
Taxation (\$M)



Profit After Tax (\$M)



Economic Value Retained² (\$M)



Notes:

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

Driving Economic Value

2020 Target:



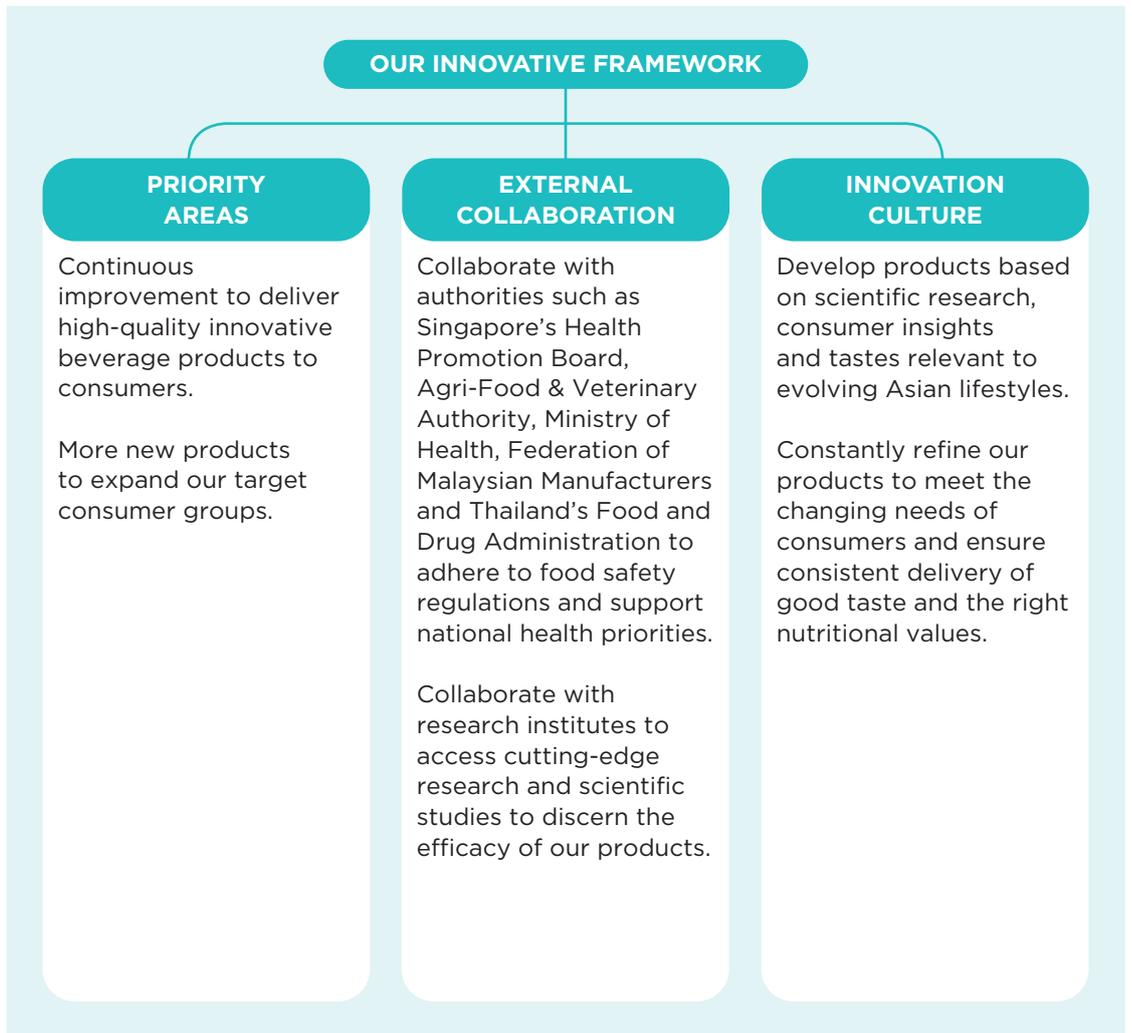
To invest in product and process innovation to increase our product range and improve efficiency and productivity.

INNOVATION

Innovation is central to long-term value creation. We continuously evolve to deliver new and unique product offerings which cater to consumers' changing needs, for example, towards more beverage choices, flexibility and affordability. Through innovation, we also improve the operational efficiency of our manufacturing processes and better manage our impacts on the environment. The idea of the 'circular economy'—of decoupling our activities from the consumption of finite resources—is one

which drives us to make continual improvements. We continuously innovate for longer shelf life and better recyclability of our products.

Over the past year, we launched new products with lower sugar content and more convenient packaging to meet the diverse needs of our customers. We have also been implementing employee-driven innovative manufacturing processes that increased productivity and improved environmental performance.

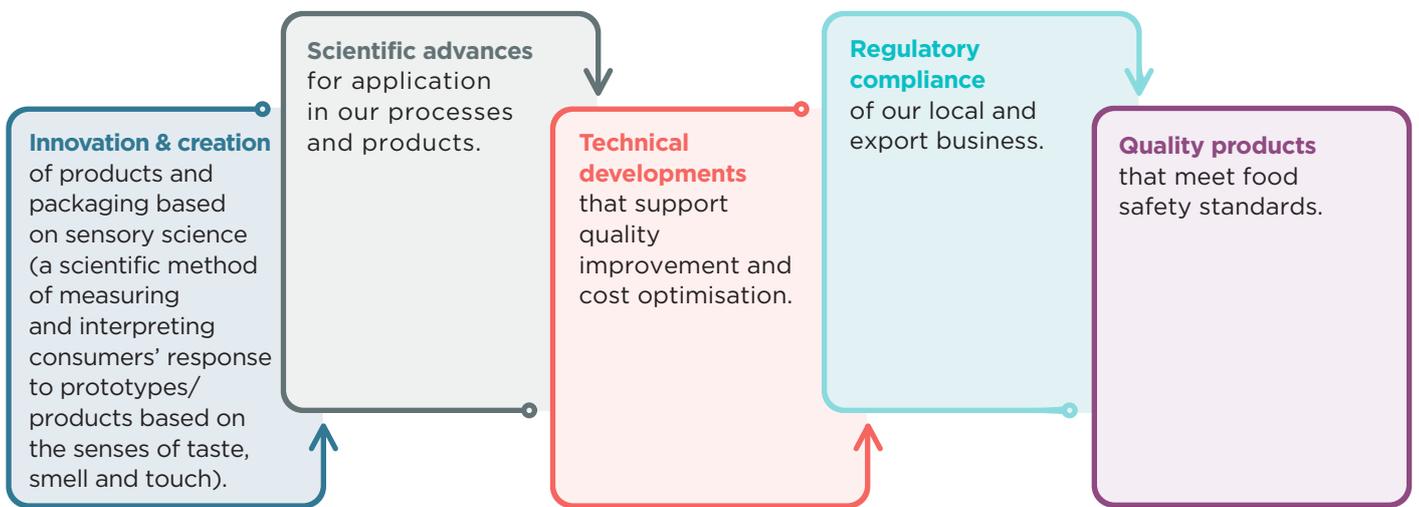


Our Approach

Our R&D unit is based in Singapore and supported by teams in Malaysia and Thailand. The unit drives

innovation and supports ongoing renovation of our products to ensure consistent delivery of good tasting and healthy products to consumers.

Our R&D are guided by the following five principles:



In 2019, the F&N-NTU F&B Innovation Lab was opened in Singapore to develop innovative products and recipes. In line with F&N's commitment to deliver sustainable business practices, this collaboration with Nanyang Technological University ("NTU") will see the furthering of our green efforts,

as well as catering to the health and nutritional needs of our consumers. The collaboration will foster circular economy research that will result in better food products, greener packaging and the conversion of spent product produced from food processing into valuable resources.



Singapore's Minister for Education, Ong Ye Kung (far right) learns more about NTU's research in food science and technology from Prof William Chen, Director of NTU Food Science and Technology Programme. Looking on is Mr Koh Poh Tiong, F&N Director and Adviser to the Board, and Chairman, Board Executive Committee. (Photo: NTU)

Consumer-Focused Innovation

At F&N, we continuously deliver new and unique product offerings to meet consumers' evolving needs. We strive to deliver our "Pure Enjoyment. Pure Goodness" promise to our consumers by offering: choices in different product categories, healthier options without compromising on taste and convenience through differentiation in packaging to cater to customers' needs.

We draw upon local knowledge to develop products that our consumers love. We launched several new products during FY2019, with each one undergoing comprehensive tests, before they even reach the shelves, to ensure that they are safe for our consumers and of the desired quality.

Driving Economic Value

New Products In FY2019

Singapore

- | | | | |
|---|---|--|---|
| 1. <i>F&N FRUIT TREE FRESH</i> 50% Less Sugar & Calories Mango | 4. <i>FARMHOUSE</i> Peppermint Chocolate Flavoured Milk – Limited Edition | 8. <i>F&N</i> Ice Cream Soda Zero Sugar – Limited Edition | 13. <i>F&N NUTRISOY</i> High Calcium Reduced Sugar Fresh Soya Milk with Purple Sweet Potato – Limited Edition |
| 2. <i>F&N FRUIT TREE FRESH</i> 50% Less Sugar & Calories Pink Guava | 5. <i>F&N MAGNOLIA</i> Lo-Fat Hi-Cal Purple Taro Fresh Milk – Limited Edition | 9. <i>F&N</i> Zappel Low Sugar – Limited Edition | 14. <i>OISHI</i> GOLD Genmaicha No sugar |
| 3. <i>F&N FRUIT TREE FRESH</i> Wonders Kale, Spinach & Broccoli Juice Drink with Organic Chia Seeds | 6. <i>F&N MAGNOLIA</i> Plus Fresh Milk with Kurma | 10. <i>F&N SEASONS</i> Pu-Erh Chrysanthemum Tea – no added sugar | 15. <i>OISHI</i> GOLD Genmaicha Delight Low sugar |
| | 7. <i>F&N MAGNOLIA</i> Summer Peach Yoghurt Smoothie | 11. <i>100PLUS</i> Blackcurrant – Limited Edition | 16. <i>OISHI</i> GOLD Kabusecha No Sugar |
| | | 12. <i>F&N NUTRISOY</i> no sugar added Fresh Soya Milk | |



Malaysia

- | | |
|--|---|
| 1. <i>F&N</i> Lychee Pear | 6. <i>F&N</i> Sweetened Condensed Milk Squeeze Tube - Full cream, chocolate, strawberry |
| 2. <i>F&N SEASONS</i> Apple Pomegranate Tea | 7. <i>F&N</i> Sweetened Condensed Milk Stix - Full cream, chocolate, strawberry |
| 3. <i>F&N SEASONS</i> Watermelon Lychee Tea | 8. <i>CARNATION</i> Sweetened & Condensed Creamer |
| 4. <i>F&N SEASONS</i> Pu-Erh Chrysanthemum Tea | |
| 5. <i>OYOSHI</i> Sakura Strawberry Green Tea | |



Thailand

- | |
|--|
| 1. <i>F&N MAGNOLIA</i> Lactose Free Milk Product – Peppermint Brownie, Plain, Vanilla White Choc |
| 2. <i>TEAPOT</i> Sweetened Creamer Squeeze Tube – Caramel |
| 3. <i>F&N MAGNOLIA</i> Gingko Plus Salted Caramel Milk |



Healthier Options

We invest heavily in the development of healthier products and in extending product options to best suit the expectations of different types of consumers. Over the past 15 years, we have made significant efforts to reduce the sugar content across our range of beverages: in 2004, our beverages contained an average 9.5g/100ml of sugar, and this has fell over 39% to 5.3g/100ml in 2019.

This year, we have successfully reformulated our product portfolio in Malaysia, aimed at improving the health and well-being of customers. Today, about 90% of our RTD beverages sold in Malaysia are healthier options (below the sugar sweetened beverages excise duty threshold in Malaysia).

More information on our healthier options can be found in the 'Consumer Health and Safety' chapter.

Increased Convenience

We differentiate our products' packaging to cater to the different needs of consumers. For example, due to the demand for greater convenience, we launched the F&N Sweetened Condensed Milk Squeeze Tube and single serve 'Stix'. These are portable and convenient to use, as well as providing more suitable portion sizes, and hence contributes to consumer health and safety. These innovative products come in 3 flavours including full cream, strawberry and chocolate.

We are conscious of our responsibility to manage the environmental impacts associated with our product packaging. We have implemented innovative processes to reduce the PET resin used in packaging of key products (as detailed on page 59), and we are continuously seeking solutions to go even further in reducing our post-consumption waste (as detailed on page 47).

Process Innovation

Our R&D and Manufacturing teams continuously seek out the most up-to-date technical and scientific advances to improve the efficiency of our operations while minimizing environmental impacts. Over the years, we have implemented innovative technologies to reduce post-consumption waste, automate processes to enhance efficiency and improve fleet efficiency and safety.



Future Ready Investments

This year, we have invested approximately \$50 million in capital to elevate our product innovations and drive cost competitiveness. Process innovation projects implemented are described in F&NHB's *Annual Report 2019*, and include:

- 200 bpm drinking water line and warehouse at Kota Kinabalu Industrial Park, Sabah, Malaysia
- New product development transformation programme, including reformulating products with lower sugar and new product packaging
- Sophisticated Automated Storage Retrieval System ("ASRS") for our new warehouse at Shah Alam plant, Malaysia
- Solar roofing to generate renewable energy at Rojana Plant, Thailand

Drawing on innovative technologies to produce Healthier and Better Products

(A) Aseptic Cold-Filling Polyethylene Terephthalate ("PET") line

The Aseptic Cold-Filling PET line at the Shah Alam plant has been producing *100PLUS Active*, *F&N SEASONS*, and *OYOSHI* since March 2018. Employing state-of-the-art technology, the new line allows the use of thinner, lightweight containers, thereby reducing the use of PET resin packaging material by over 208 metric tonnes in FY2019.

The new line is able to maintain a sterile environment within the aseptic chambers for 156 consecutive hours, meaning less production downtime and also allows us to bottle our products gently, with no additional thermal stress and no added preservatives.

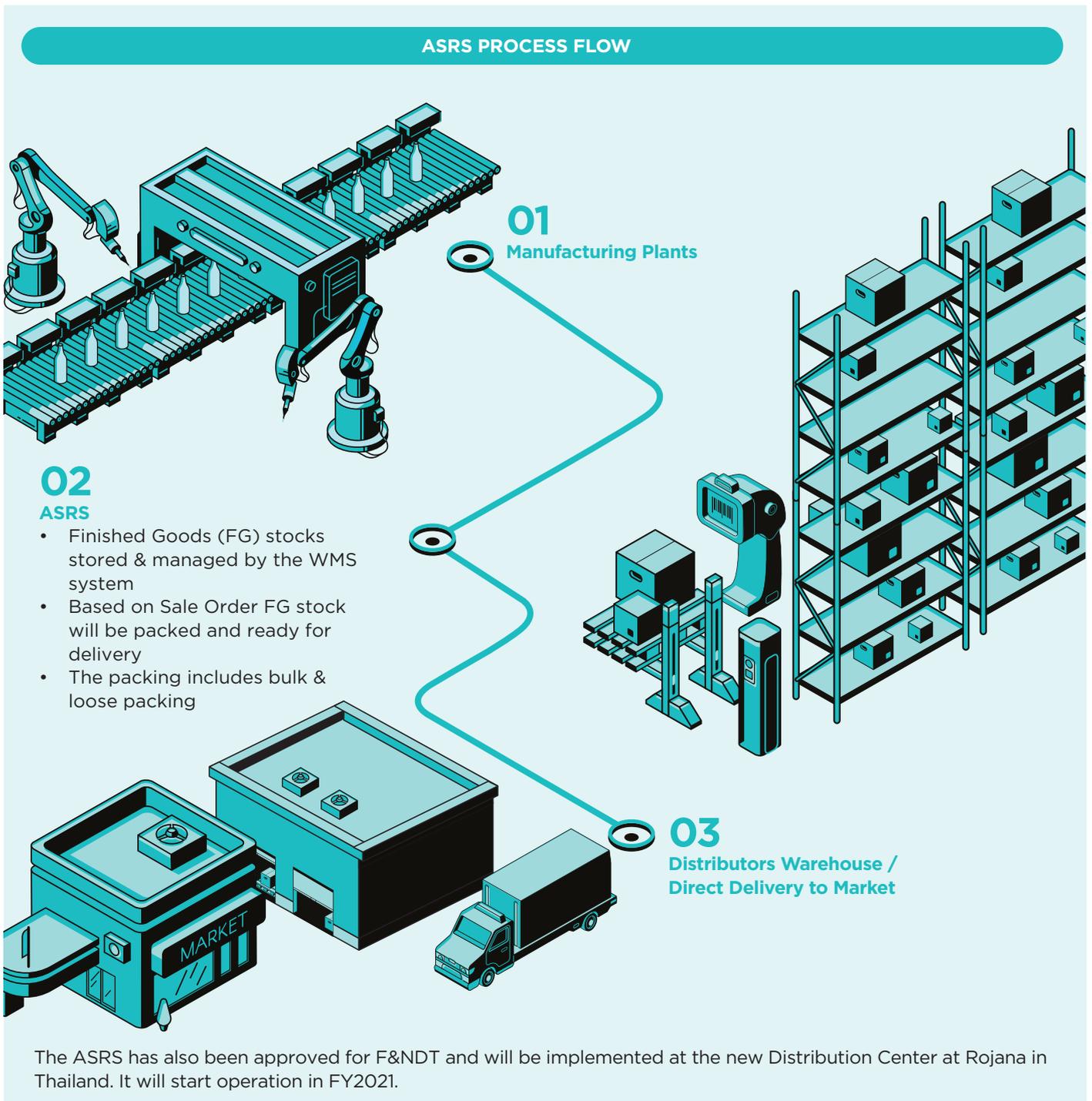
This has accelerated our expansion into more product offerings, such as the 3 new healthier variants of *F&N SEASONS* – Watermelon Lychee Tea, Apple Pomegranate Tea and Pu-Erh Chrysanthemum Tea.

Driving Economic Value

(B) New ASRS Warehouse

To further optimise operational and cost efficiency, we have invested about \$26 million in an ASRS at our new integrated warehouse at Shah Alam plant. It will commence operation in Quarter 2 of FY2021.

The ASRS will manage the automated process of getting finished goods ready for delivery to market or to the distributor's warehouse. This system will improve operational efficiency and drive cost competitiveness.





Excel as One Convention (“EAO”)

EAO (previously known as “Winning as One”) is an annual convention held for the past 13 years in Thailand to allow cross-functional F&N teams to present their ideas to enhance our productivity, cost savings and/or product quality.

This year’s convention was held in August 2019 with the theme of “Continuous Improvement & Innovation Excellence”. Teams successfully identified solutions which resulted in cost savings or cost avoidance of THB18.44 million (approximately \$800,000) per year.

This year’s convention saw continuous improvement activities at the Small Group Activities, Kaizen and Quality Control Circle. New awards were given for the Innovation category and Lean category.



Employee-driven Innovation

We empower our employees to lead when it comes to innovation. Our employees actively participate in ThaiBev’s Way of Work (“WOW”) Awards, an annual award to promote the concept to improve work processes (Simplicity), enhance capabilities (Efficiency) and Competitiveness. 19 teams from F&NHB participated this year and won the 3rd runner-up award for an enterprise workflow improvement project and 1st runner up award for a project on ‘Quality Excellence’.

Continuous Improvement Project

This year, our employees, at F&NNDT, initiated a Gemba Kaizen project at the Rojana plant encouraging continuous improvements to enhance processes and reduce costs. Through this project, the team reviewed the mechanism of display boxes at the packing line and incorporated the Karakuzi Kaizen mechanism (leveraging gravitational energy). This initiative has reduced electricity consumption in the packing line and reduced the frequency of machine jams by almost 90% and was recognised by the Technology Promotion Association (Thailand-Japan) 2019 in the Thailand Kaizen Award 2019 with a gold medal.

Lean Production Management

We recognise that lean management is important in our production. Our employees at Rojana plant initiated a project to increase productivity of the Sweetened Beverage Creamer production line through effective packaging materials, storage and transportation. The team improved the process flow, including: designing and building a storage room near to the filling room to reduce travel distances for forklifts; reducing the lead time of changing foil roll to reduce downtime; and installing a roller conveyor machine to reduce workload. This project will help to achieve annual cost savings of THB13 million (approximately \$600,000) and at the same time reduce the risk of accidents caused by forklifts.

Digital Efficiency

In Malaysia, we implemented an Enterprise Workflow project which digitised, simplified and integrated the processes of our sales team with the IT application. Through this project, sales colleagues can perform sales transactions with the web-based system anywhere and anytime.

This resulted in reducing the processing time from an average of 14 days to just a day (with an associated reduction of administration time of about 10 hours per month for our sales team). Paper usage for our sales team has also reduced by 70%.

Empowering Our People

Our people differentiate F&N from its peers and determine our success. We strive to create a stimulating work environment where talent is nurtured and rewarded, and employees are engaged, challenged and empowered to perform to their highest potential. We constantly look to hire and retain talent who will enable us to maintain our competitive edge and expand in the international market. F&N contributes to the UN SDG 8's target to achieve full and productive employment and decent work for all.

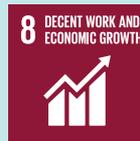
In this section, we describe the core elements of our Talent Management strategy, which is driven by our Human Capital Roadmap 2020 and 7 Modules for Strategic Human Capital Transformation.

MATERIAL ISSUES COVERED

- 1. M04 Talent Management**
GRI 401-1, 401-2 Employment
GRI 404-1, 404-2 Training and Education

- 2. M05 Market Presence**
GRI 202-2 Market Presence

SDGS MAPPED TO



TALENT MANAGEMENT

GRI 202-2; GRI 401-1; GRI 401-2; GRI 404-1; GRI 404-2

Our Approach

We recognise the importance of diversity in terms of cultural background and age, as well as having a good gender balance, to enrich the workplace with fresh perspectives that help us to meet our business objectives.

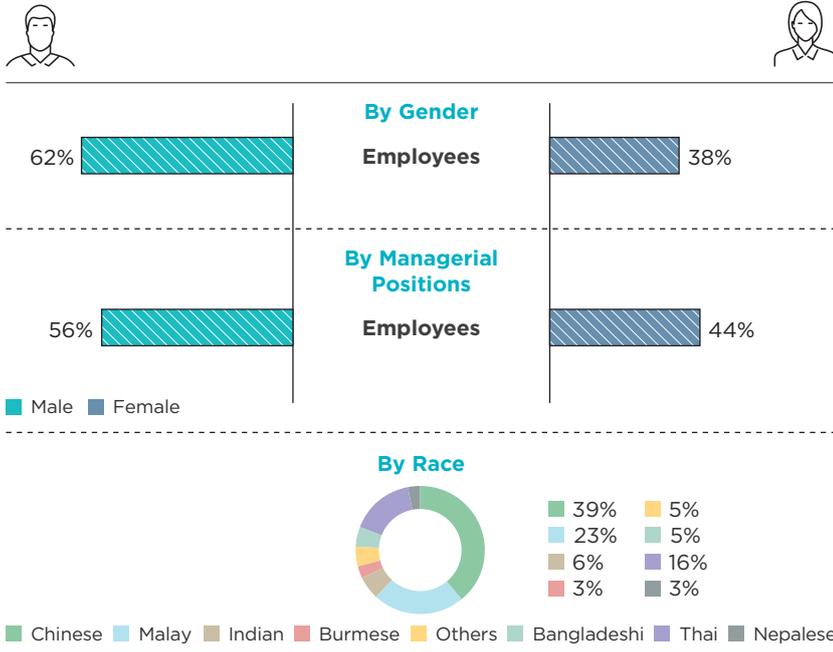
F&N strives to offer equal opportunities for all people without regard to race, gender, religion and any other factor unrelated to employment requirement. We comply strictly with prevailing legislation on employment rights in our countries of operation

including no hiring of minors. In Singapore, F&N employs older staff beyond the statutory requirement age of 62 as we support older employees who desire to find employment opportunities beyond retirement.

In terms of gender, while the number of female employees stands at about 38% of total employees, our positive approach to gender equity can be seen by women representing around 44% of total managerial positions.

As of 30 Sep 2019, F&N has over 7,700 employees. Most work full-time and about 85% are on a permanent contract. Around 30% of employees have been with F&N for over 10 years and in the past year our employee turnover rate was about 19%.

Workforce Diversity



Our Target:

To provide an average of at least 16 and 10 hours of training to employee categories, Executives and Non-executives, respectively, by 2020



1. Graduates' Choice Award 2019

F&N was nominated as one of the top two Finalists (Category: Fast Moving Consumer Goods) in the Graduates' Choice Award 2019. This Award recognises organizations that have demonstrated "Exceptional Employer Branding" through excellence and distinction in graduate recruitment throughout Malaysia.

2. Asia's Best Employer Brand Award 2019

F&N has received this award under two categories - the "Top 100 Asia's Best Employer Brands 2019" for the company's strategies and the commitment by senior leadership towards Human Capital. Second, and for the first time, F&N received the "Excellence in HR through Technology" award, which reflects on the success of the Beverest Total Performance Management System ("TPMS").

3. Malaysia Best Employer Brand Awards 2019

F&NHB was recognised at the Malaysia Best Employer Brand Awards 2019. Criteria for the award included: providing employees with exemplary learning and development opportunities; communicating distinctiveness in employee hiring, training & retention practices; regular communication with employees of all levels; and excellence in innovation.

4. HR Excellence Awards 2019

F&N were finalists under categories including "Excellence in CSR Strategy" and "Excellence in Innovative Use of HR Tech". The Excellence in CSR Strategy honours organisations that are inspiring role models through their impactful CSR framework. The Excellence in Innovative Use of HR Tech, which F&N was awarded the Bronze Winner, emphasises the effective use of technology in reducing inefficiency and adding value to HR's functional excellence while reaping business benefits.



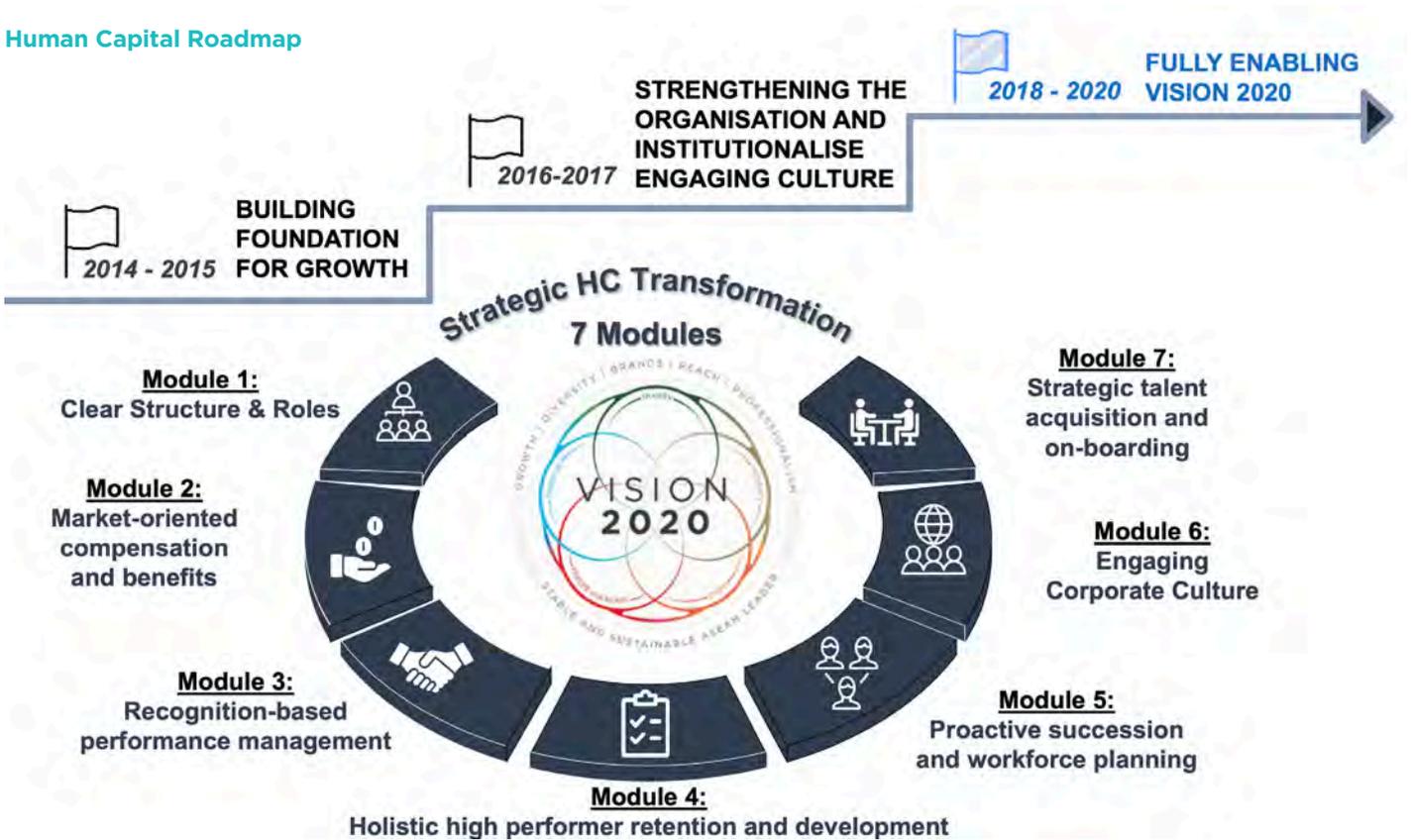
Empowering Our People

Human Capital Roadmap and Strategy

F&N has a strategic plan to establish ourselves as a preferred employer. This is guided by our Human

Capital Roadmap to 2020, and specifically our 7 Modules for Strategic Human Capital Transformation. Each is explained in more details below.

Human Capital Roadmap



1. Clear Structure and Roles

We use the 'Beverest' TPMS to integrate our Human Capital processes and systems across the Group. This helps us to make sure that each employee is aware of the expectations and responsibilities for their role, their team and for the Group as a whole. Beverest TPMS is the foundation for a range of Human Capital-related processes, from recruitment and on-boarding to career development.

remain in line with its peers' and in harmony throughout the Group. Benefits provided to full-time employees include life insurance, health care, disability and invalidity coverage, parental leave, retirement provision, and stock ownership options (share-based incentive plans).

2. Market-Oriented Compensation and Benefits

We pay employee competitive wages and offer competitive benefits. In addition, the Group carries out regular reviews to ensure that our remuneration packages

F&N's Human Capital policies go beyond standard labour regulations and statutory requirements.

This year, three unions in Malaysia have adopted performance bonus terms in their terms and conditions of employment. This is the start of extending the performance-based reward culture to our production employees.

	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	<ol style="list-style-type: none"> 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) 	<ol style="list-style-type: none"> 1. Car Loan (Executives only) 2. Long Service Award 3. Annual Membership Subscription to Professional Body (Executives only) 4. Phone Subsidy (selected departments / employees only) 5. Festive Drinks 	<ol style="list-style-type: none"> 1. Provident Fund

3. Recognition-based Performance Management

Employees collaborate with their supervisors to set SMART goals and KPIs for the year. A Performance Assessment Review takes place twice a year to appraise outcomes and identify development opportunities.

Our policy is to support the provision of ‘Limitless Opportunities’ to employees from the moment they join the company and our approach supports Individual Development Plans (“IDP”). There are four stages to our IDP approach:



Empowering Our People

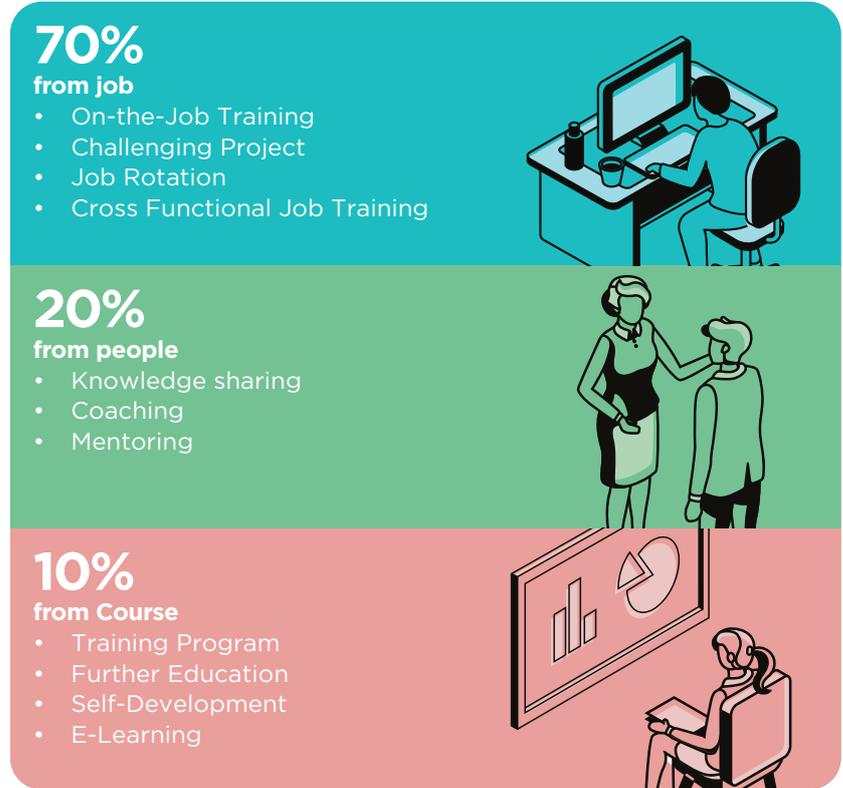
4. Holistic High Performer Retention and Development

We give every employee the opportunity to grow with the company and contribute to a high-performing, sustainable organisation. It is part of the culture at F&N that each employee is supported to implement their IDP, using the 70/20/10 Learning Model:

During the year, more than 1,000 employees attended a series of informal knowledge-sharing sessions (more than 1,900 hours) covering a wide range of topics, including: DIY Analytics; Industry 4.0; Skills Future Advice Workshop; Lunch Talks; Mindfulness; Nutrition & Weight Management; First Aid Awareness & Cardiopulmonary Resuscitation; Corporate Compliance; Tax; and Online Cyber Security Training.

These sessions provide great opportunities to learn about a range of technical and non-technical issues and strengthen relationships between colleagues throughout the company.

70/20/10 Learning Model



Other highlights included:

Programme	Focus	Employees Targeted
7 Habits of Highly Effective People	Self-management & interpersonal skills	Top, middle, junior management & employees
Business Acumen	Driving for business performance	Top, middle, junior management & employees
Microsoft Office Competency	Microsoft Office Skills	Top, middle, junior management & employees
Education Assistance Programme	For various technical and professional certification	Non-unionised employees
Communications Skills	Leadership through deep listening	Top, middle, junior management
Presentation Skills	Impact business presentation skills	Top, middle, junior management & employees
Functional and Technical Training	Functional and technical skills	Manufacturing
Management Development Programme	Leadership and management skills	Top & middle management
Future Leaders Development Programme	Leadership and management skills	Junior management
Coaching Skills	Leadership through effective coaching	Top & middle management

GRI 404-2: Programmes for Upgrading Employees and Transition Assistance Programmes



5. Proactive Succession and Workforce Planning

Through our annual Talent Review and Succession Planning process, we identify employees who have the potential to become future leaders at F&N. Working alongside the Talent Management team, identified future leaders chart their individual career development pathways to ensure they are in the best position to succeed at a high level.

Talent Management is closely linked with succession planning, and in combination, provide us with a steady pipeline of future leaders who are able to support our business needs. Initiatives, including job rotations, transfers and project assignments, allow exposure to the various operations within the company.

6. Engaging Corporate Culture

F&N promotes a culture of engagement and inclusion. At the heart of this are our Global Values which emphasise that optimal outcomes happen when we work together. We saw an overall participation of about 230 employees at our Global Values sessions in Singapore this year, from workshops to townhall sessions. Some of our main activities were a paper holding game, marshmallow and sticks challenge and balloon tower game. The objective was to encourage effective communication, teamwork and practical problem-solving skills, all of which are core principles behind Global Values.

Senior management interact with employees through various channels such as town hall meetings and briefings, CEO roadshow sessions, intranet updates and quarterly employee email newsletters.

Employees are encouraged to partake in sports and other physical activities through our in-house gym facilities, membership of internal sports clubs, and in employee badminton or golf tournaments. F&N involves employees in a wide range of activities to promote togetherness and collaboration, such as the 'Fit & Nature' plogging activity and community outreach to spread festive cheer.

An engaging culture also means an active feedback platform. At F&NHB, employees are encouraged to share real-time feedback, ideas and suggestions directly with senior management via F&N Voice, a WhatsApp mobile messaging platform.

GLOBAL VALUES
And Key Behaviour Indicators



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

 <p>Collaboration</p> <p>We leverage the power of inherent strengths and diversity to create inclusive synergies and commit to team goals</p>	 <p>Creating Values</p> <p>We are passionate to apply new ideas and grasp opportunities to create positive impacts</p>	 <p>Caring for Stakeholders</p> <p>We embrace our stakeholders' perspectives with good intent and right mindset to bring them into the long term sustainability together</p>
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Empowering Our People



Caring for F&N Family

Since 2003, F&NHB has been presenting the Chairman's Award to academically high-achieving children of employees. The award is an employee appreciation initiative and provides motivation for their children to strive for excellence. About \$66,000 in cash was awarded to about 100 recipients this financial year. To date, F&NHB has disbursed about \$1.3 million to over 2,000 children through this programme.



7. Strategic Talent Acquisition and On-boarding

F&N strives to promote from within and maximise opportunities for the excellent talent already available to us. Where this is not possible, our Human Capital team ensures that we are able to recruit and welcome external applicants with abilities that match the Group's needs. Our interviewers are trained to ensure that the interview process is fair and effective. Our Beverest TPMS is used to 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.

Our 'Future-ready Manager Programme' ensures that we replenish and grow our pool of future executives. We use a variety of assessment tools as part of a rigorous process to recruit the most suitable candidates. As soon as they join the team, the successful candidates begin a formal two-year programme to get a wide variety of experience.

Sourcing

1

- Campus recruitment efforts
- Past interns / contract staff
- Outstanding F&N Scholarship recipients

Selection

2

- Rigorous selection process
- Multi-level assessment approach

Programme Structure

3

- Duration: 2 years
- 2 Tracks:
 - Generalist
 - Specialist
- Rotation after 1st year
- Assign coach and mentor

Talent Pool

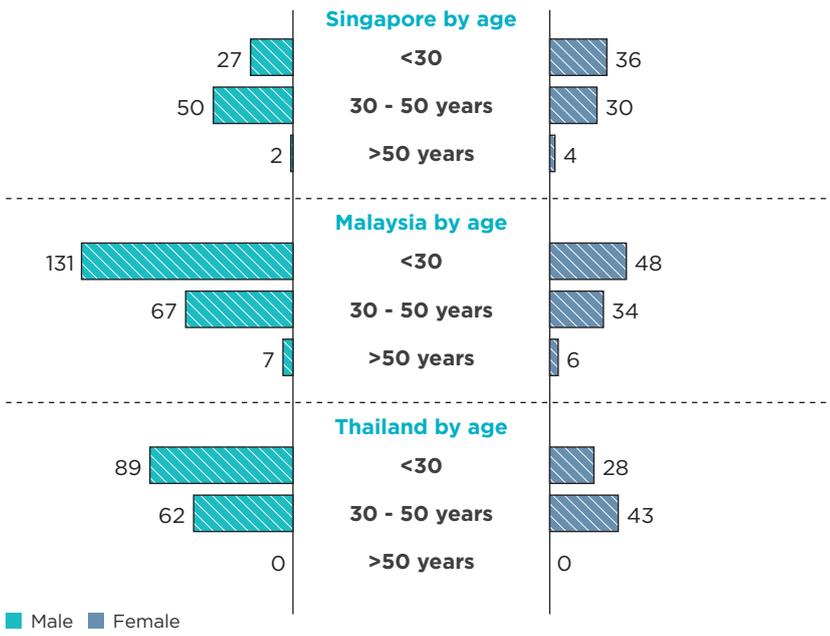
4

- Career Progression
- Talent Mobility Programme
- Development / Managerial Programme

Our Performance Highlights

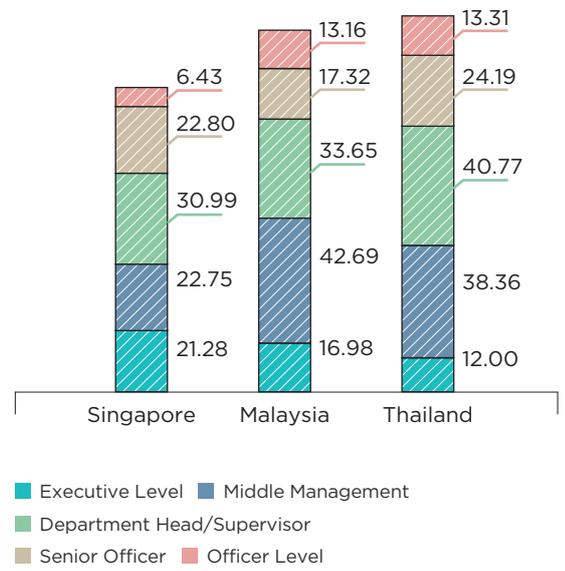
GRI 401-1: New Employee Hires and Employee Turnover

New Employee Hires

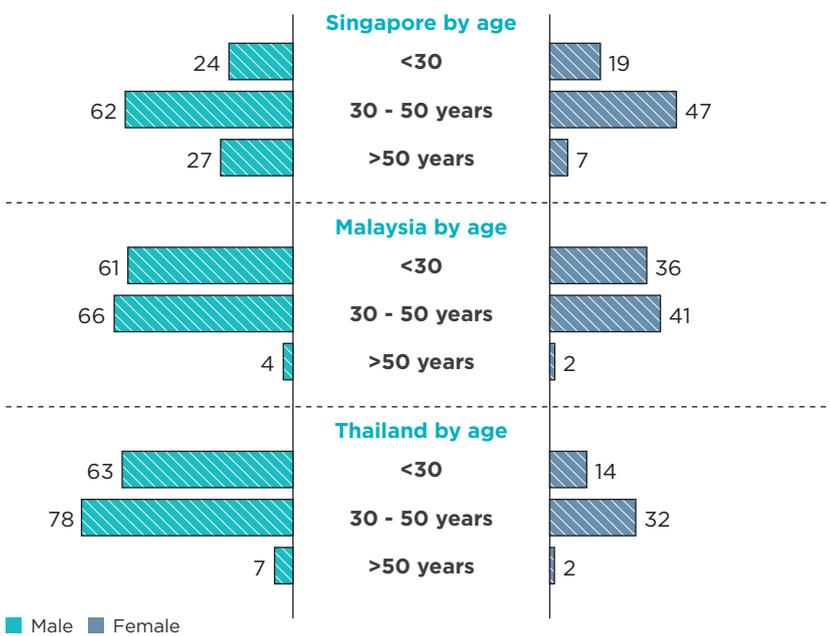


GRI 404-01: Average Hours of Training per Year per Employee

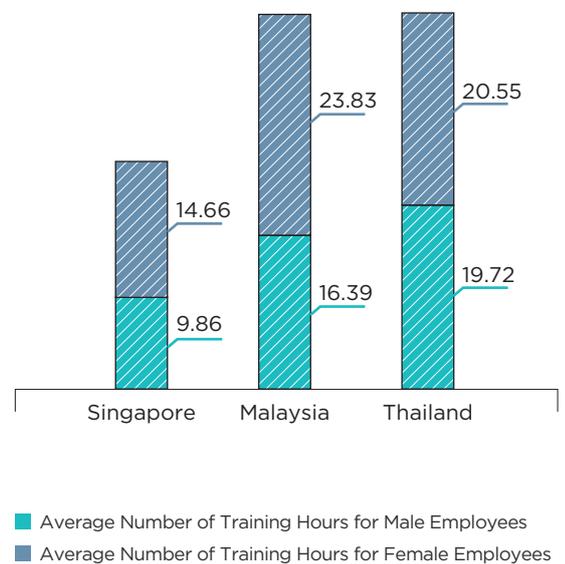
Average Hours of Training per Year per Employee by Category



Employee Turnover



Average Hours of Training per Year per Employee by Gender



Empowering Our People

MARKET PRESENCE GRI 202-2

F&N's hiring practices are aligned with the interests of the local economies in which we operate, and we are determined to be the employer of choice and a role model for others. We are proud that 100% of our senior management in Singapore and Thailand and 91% of our senior management in Malaysia are hired from the local community. This helps to keep the value created by F&N within the local economy and ensures that we understand the local markets.

Our compensation packages have been standardised across the Group to ensure that the highest expectations are being embodied across our operations. These standards are strictly maintained and also reviewed frequently to allow for necessary adaptations with local circumstances.

F&N does not participate in nor condone forced or child labour, the use of intimidation or any manipulation of workers.

Senior Management Hired from Local Community



Notes:
 1. Local employees are defined as people who are either born in or who have legal rights to reside permanently in our significant locations of operations.
 2. Our significant locations of operation (for the business entities covered in this report are Singapore, Malaysia and Thailand).

Enhancing Social Well-being

At F&N, we believe that sustainable business development occurs when our communities develop alongside us. This firstly means that we ensure our operations minimise negative impacts on our surrounding communities, and it also means that we strategise our investments to create value where the strengths of our business intersect with the needs of society.

In the next section, we detailed our commitment and initiatives to strengthen vulnerable groups, promote environmental protection and support active lifestyles.

MATERIAL ISSUES COVERED

- 1. **M09 Creating Value for Society**
GRI 413-1 Local Communities

SDGS MAPPED TO



CREATING VALUE FOR SOCIETY GRI 413-1

Our Approach

In each market that we operate, we undertake a number of long and short-term programmes that serve to create greater social equity. To that end, we have developed four main thematic areas where we focus our community endeavours:

1. **Strengthening Vulnerable Groups**
Inequality of wealth and opportunity is a major global challenge. Our consumers and employees come from all segments of society and inequality undermines the development and potential of both our business and our communities. To take leadership in tackling this issue, we have chosen to focus on

strengthening vulnerable groups such as underprivileged children. Through investing in educational programmes including both technical skills and soft skills, F&N works towards promoting a more equal society in terms of diversity, equal opportunities and social inclusion, where business and society together flourish.

Our Target:



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.

Enhancing Social Well-being

2. Promoting Environmental Consciousness

While companies have a critical role to play in minimizing environmental footprint, sustainable development means a partnership, and this includes behavioural changes at the individual level. Besides maintaining eco-efficiency in our operations (see pg. 76-94), we have taken the task of promoting environmental consciousness in our communities as another priority. As F&N continues to move towards a circular economy model of business, we are sharing lessons and also learning from communities about how to implement our ideas.

3. Spreading Festive Cheer

In addition to basic needs and environmental sustainability, our community development programme includes a priority related to our brand promise, which is delivering

“Pure Enjoyment. Pure Goodness” to all. We believe that spreading festive cheers helps our communities connect with each other and strengthen relationships between different cultures. Here, we aim to promote diversity and fosters national unity in our communities.

4. Promoting Healthy Lifestyle & Nutrition

As a F&B business, F&N’s products contribute to the health and well-being of our communities. Therefore, we consider it our obligation to facilitate responsible consumption and balanced lifestyles. This is mostly accomplished through the consumption of F&N products to maintain a healthy lifestyle in line with consumer needs. We also prioritise community investments that support sports and active lifestyles to better care for our consumers while also creating value for communities.

Our Performance Highlights

GRI 413-1

Theme	Activity	Timeline	Areas
Strengthening Vulnerable Groups	F&N ICDL (International Computer Driving License) Annual Programme	2011 - ongoing	Malaysia
	F&N E.L.I.T.E. (Empowering Lives through Education) Programme	2011 - ongoing	Malaysia
	F&N Leadership Programme	2015 - ongoing	Malaysia
	One Child One School Bag Programme	2018	Malaysia
	30 Hour Famine: Hunger Trials with World Vision	2019	Singapore
	Spark the Joy of Giving - hands of Hope	2019	Singapore
	MCE Book Donations to Woodland Rings Primary School	2019	Singapore
	Candle making Workshop with Elderly	2019	Singapore
	Assisi Fun Day 2019	2016 - Ongoing	Singapore
	F&N Fit & Nature Programme	2019	Malaysia
	F&N Save Our Seas Programme	2012 - ongoing	Malaysia
	Water Conservation Programme	2019	Thailand
	Recycle N Save Initiative	2019 - Ongoing	Singapore

Theme	Activity	Timeline	Areas
Sponsoring Festive Celebrations	Chinese New Year Celebrations	2002 - ongoing	Malaysia
	Hari Raya Celebration	2002 - ongoing	Malaysia
	Deepavali Celebration	2002 - ongoing	Malaysia
Supporting Sports and Active Lifestyles	Grassroots football	2011 - ongoing	Malaysia
	Grassroots badminton	2003 - ongoing	Malaysia
	Nurturing Golf Champions	2001 - ongoing	Malaysia
	Active Lifestyle Events	1983 - ongoing	Malaysia
	Standard Chartered Marathon 2018	2018 - ongoing	Singapore
	HSBC Rugby 7s	2016 - ongoing	Singapore
	National Steps Challenge	2016 - ongoing	Singapore
	SingTel-Singapore Cancer Society 2019 Race Against Cancer	2019 - Ongoing	Singapore
OCBC Cycle 2019	2019 - Ongoing	Singapore	

1. Strengthening Vulnerable Groups

SINGAPORE: Candle Making with Lion Befrienders
 24 F&N volunteers came together on 20th April 2019, with their family and friends to melt wax and attach wicks with 39 seniors from the Lions Befrienders Service Association through a candle making workshop. This initiative is part of F&N’s CSR programme through which F&N engages with the community.



SINGAPORE: 30-Hour Famine Hunger Camp
 Times Experience (S) Pte Ltd supported World Vision with its 30-Hour Famine Hunger Camp by sponsoring \$3,000 worth of book prizes and gift vouchers.

This event focused on the connection between poverty and child protection issues in 2019, in line with World Vision’s international campaign - ‘It Takes A World to End Violence against Children’.



Enhancing Social Well-being

1. Strengthening Vulnerable Groups

MALAYSIA: Empowering Youths with Basic Computer Skills

F&NHB continued to provide youths from underprivileged backgrounds at Montfort Boys Town with opportunities to develop their capabilities and reach their full potential, through the ICDL certification course.

The ICDL course, held since 2011, is part of the F&NHB IT Corner programme which was established in 2010. Designed for youth with different levels of digital literacy, the ICDL course helps beginners improve and fully grasp basic computer skills for common real-world application.

F&NHB has so far invested about \$62,000 in the programme. To date, over 500 students from Montfort Boys Town have successfully graduated from the ICDL course and have found suitable placements in the working world.



MALAYSIA: Free Kindergarten & Tuition Classes

The collaboration between F&NHB and KCHF is part of the F&NHB E.L.I.T.E. programme which provides educational assistance to underprivileged children.

Aimed at empowering the children to take ownership of their own learning, the F&NHB E.L.I.T.E. programme offers marginalised children the opportunity to attend kindergarten and tuition centre for free. The programme promotes greater access to education and gives the children a chance with early education that helps to shape their academic and personal life trajectories.

To date, F&NHB has invested over \$120,000 in the programme and a total of 487 children have benefited from the F&NHB E.L.I.T.E programme.



MALAYSIA: Leadership Programme for Underprivileged Youth

Since 2015, F&NHB has been partnering with Leaderonomics, a social enterprise dedicated to transforming communities through leadership development. Our programme aims to nurture discipline, develop interpersonal skills, boost self-confidence and encourage teamwork among the young residents of Rumah Ilham.

This year, the boys from Rumah Ilham also had the chance to apply their leadership and basic business skills gained from the leadership programme when they set up a booth for two days to raise funds towards education fees for the Home's residents.



2. Promoting Environmental Consciousness

SINGAPORE: Recycle N Save

A circular economy will be one in which businesses work alongside consumers to 'close the loop' of production. The Recycle N Save initiative is a collaboration between the NEA of Singapore and F&N in a joint effort to encourage Singaporeans to adopt a more circular lifestyle by offering them the convenience of recycling used cans and bottles with the help of RVM. Singapore's Environment and Water Resources Minister, Masagos Zulkifli (center of photo) showed his support by gracing the launch event for the Recycle N Save initiative.

Launched on 31 Oct 2019, following favourable response from the public to the pilot initiative at Waterway Point in Punggol in January last year, the RVM has been updated. The new RVM can hold up to 600 aluminium cans and plastic bottles.

Plans are in place to progressively roll out 50 RVMs island-wide by March 2020.



MALAYSIA: School Recycling Programmes

Since 2006, F&NHB has been partnering with schools across Malaysia to educate the next generation on the importance of circular economy principles. F&NHB sponsors a recycling competition between schools nationwide, with prizes ranging from about \$70 to \$450. Over the past year, F&NHB has expanded this programme to 756 schools in 130 states of Malaysia, through a partnership with Solid Waste Corporation Management.



MALAYSIA: F&NHB Fit & Nature Programme

This year, F&NHB has kick-started its "Fit & Nature" initiative, to encourage Malaysians to lead an active lifestyle as well as to generate greater awareness on environmental protection. The inaugural session was held in collaboration with the local council, with F&NHB's "Fit & Nature" activity organised in conjunction with the official launch of the Terengganu drawbridge. The eco-friendly exercise programme involved plogging, a combination of jogging and collecting litter.

Two more sessions were organised and attracted overwhelming participation from employees. F&NHB employees took part in a wide range of tasks that not only encouraged employees to do their bit to tackle issues affecting the environment and learn about the latest F&N products, but also cultivated camaraderie amongst colleagues to build their morale at the workplace.



Enhancing Social Well-being

2. Promoting Environmental Consciousness

THAILAND: Water Conservation Programme

As a F&B company, water is an essential resource for the production of our products. F&NDT has worked with the Government of Thailand to conduct a water conservation programme to return water back to nature. Themed 'Return Water to Nature', this is a circular economy initiative in action, and 350 employees worked together to build three check dams at Namtok Chet Sao Noi Saraburi located near the F&NDT Pak Chong factory.



3. Spreading Festive Cheer

MALAYSIA: Celebrating Festivals With Our Communities

This year, our employees in Malaysia brought the joy of Chinese New Year to over 500 underprivileged children and senior citizens from 10 homes across Malaysia. During the visits, F&NHB contributed much-needed provisions such as diapers, toiletries, F&N beverages and milk powder to the homes. Besides distributing red packets and mandarin oranges to the residents, F&NHB employees also treated them to packed lunches as both parties bonded together over food.

The Seratus Ikhlas, Setulus 100PLUS campaign, organised by F&NHB, in collaboration with Media Prima Television Networks, has spread Ramadan and the Hari Raya festive cheer to more than 3,000 people from underprivileged communities across Malaysia during the fasting month this year.

The one-month campaign saw 100PLUS Ambassadors and celebrities from the Seratus Ikhlas 100PLUS squad visiting homes of single mothers, the homeless and senior citizens to personally present Ramadan contributions, courtesy of F&NHB, and participate in gotong-royong and other community activities at a Tahfiz school, mosques and an old folks home.

To continue the spirit of giving and sharing during the fasting month, F&NHB also hosted break-fast sessions with children from different homes in Malaysia and contributed Raya clothes and 'duit raya' for the children.



4. Supporting Sports and Active Lifestyles

SINGAPORE: OCBC Cycle 2019

In its 11th edition, the OCBC Cycle 2019 saw over 6,800 cyclists participating, and it was the first ever recipient of the Singapore Environment Council's Eco Event certification.

In support of the event's green efforts, 100PLUS deployed the manual can crusher and recycling bins beside the Site Hydration tent to encourage recycling of the paper cups and cans.



MALAYSIA: Grassroots Programmes

Since 2011, 100PLUS has sponsored the Ministry of Education-organised League known as Liga Kementerian Pendidikan Malaysia. The Football League encourages children from different parts of Malaysia to develop their football skills.

Since 2003, 100PLUS has been the official partner for all Badminton Association of Malaysia (“BAM”) events and activities, including the Malaysian Open and Malaysian Masters. We have been supporting the BAM in organising the 100PLUS National Junior Circuit, a premier youth development competition to motivate young and rising players to excel in the game.

MALAYSIA: Official Partner for the National Sports Council

As the official partner of National Sports Council, we supported Malaysian athletes during their trainings and competitions by providing 100PLUS to meet their hydration and energy needs. For athletes competing abroad in international tournaments, we also supported them with 100PLUS Active in sachet version, making it convenient for them to keep hydrated on their travels.

A proud advocate of local sports development, we recognise our local sports personalities through the annual Sportswriters Association of Malaysia-100PLUS Awards, and we have been the main sponsor of this award since 2006.

Active Lifestyle Events

F&N has continued our commitment to encourage an active lifestyle by supporting major runs, marathons and sports activities such as:

The initiatives are synonymous with the F&N brand essence that advocates an active lifestyle through simple physical activities that can be enjoyed anytime, anywhere, individually or with family and friends.

Great Eastern Women Run	15,000 runners	October 2018	Singapore
Putrajaya Night Marathon	15,000 runners	October 2018	Putrajaya
Penang Bridge International Marathon	20,000 runners	November 2018	Penang
Standard Chartered Singapore Marathon	40,000 runners	December 2018	Singapore
Income Eco Run	9,000 runners	April 2019	Singapore
Perlis Half Marathon	15,000 runners	April 2019	Perlis
Runout Pahang Marathon	10,000 runners	April 2019	Kuantan
Melaka Marathon	10,000 runners	July 2019	Melaka
7k Run for Charity	10,000 runners	July 2019	Kota Kinabalu
IJM Allianz Duo Highway Challenge	30,000 runners	July & August 2019	Kuala Lumpur
Straits Times Run	13,000 runners	September 2019	Singapore
Standard Chartered Kuala Lumpur Marathon	40,000 runners	September 2019	Kuala Lumpur
Sultan Mahmud International Bridge Run	18,000 runners	September 2019	Kuala Terengganu
Sungai Petani Half Marathon	10,000 runners	September 2019	Kedah
SGX Bull Charge	6,000 runners	November 2019	Singapore