F&N Business Model

Key Risk Categories:

CAPITALS
- **Human**
  - 7,700+ purposeful people
  - Female 38%
  - Male 62%

- **Financial**
  - Appropriate cash, equity and debt to invest for the long-term
  - Share Capital $856m
  - Equity $3,396m
  - Debt Capital $839m

- **Intellectual**
  - Brands
    - More than 30 brands in 16 beverage categories
    - Internally developed systems and unique customer solutions and manufacturing processes

- **Tangible**
  - Manufacturing facilities:
    - 12 F&B manufacturing plants
    - 4 printing plants

- **Stakeholders/Partners**
  - Relations with governments and other organisations in the community to drive systems change

- **Natural**
  - Natural Resources
    - Land & building $328m
    - Water consumption 1.755 megalitres
    - Energy consumption 1.2b megajoule

COMPONENTS OF VALUE CREATION

VISION, STRATEGY, VALUES, AMBITION

*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**
- Delivering Value Through Innovation, Human Capital Development & Social Collaboration
  - Driving Economic Value
  - Empowering Our People
  - Enhancing Social Well-Being

**Winning with INNOVATIONS**
- Managing Our Impacts And Conducting Business In A Responsible Manner
  - Promoting Operational Eco-Efficiency
  - Forging a Responsible and Sustainable Supply Chain
  - Supporting Consumer’s Well-Being And Safety Of Our People

**Winning in MARKETPLACE**

**Winning with PEOPLE**

Our Sustainability Ambitions

Delivering Value Through Innovation, Human Capital Development & Social Collaboration

Managing Our Impacts And Conducting Business In A Responsible Manner

Our Sustainability Targets

**Environment**
1. Reduce solid waste intensity ratio by 5%
2. Reduce energy intensity ratio by 5%
3. Reduce GHG emissions intensity ratio by 5%
4. RSPO Credits for 100% of palm oil usage
5. Reduce water use intensity ratio by 5%

**Social**
6. At least one healthier choice option in all ready-to-drink product categories
7. Continue to provide outreach engagement programmes in core markets
8. At least 16 and 10 training hours per year per Executive and Non-Executive employees, respectively
9. Zero lost time injury frequency

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

Note:
1 Included water and energy consumed at the Group’s significant operations in Malaysia, Singapore and Thailand

Read more from our Sustainability Report on pages 32 to 89

Read more from our Sustainability Report on pages 29 to 31

Core Areas of Sustainability:
**POWER OF OUR ENDURING BRANDS**

**ACTIVITY**

**ACTIVITIES**

- **Innovation**
  - People
  - Providing leadership and supporting management processes to ensure we have the right people to achieve our goals

- **Sourcing**
  - Customers and Consumers
  - Developing products and supporting initiatives that promote good health and nutrition

- **Production**
  - Maximise Returns
  - Maximising financial returns through operating savings, revenue enhancements and high asset utilisation

- **Distribution**
  - Grow Business
  - Focusing on business expansion, geographical diversification, developing health-focus and purpose-led brands, and market-led innovations

- **Marketing & Sales**
  - Optimise Asset
  - Optimising asset to meet or exceed specified rates of returns

- **Post-Consumption Packaging Management**
  - Embrace Sustainability Principles
  - Developing business and social partnerships based on mutual value creation while maintaining a focus on ensuring the safety and well-being of employees, and managing environmental and other impacts

**FOCUS AREAS**

- **UPSTREAM**
  - Understanding societal needs and stakeholder expectations
  - Communicating through stakeholder engagement

- **DOWNSTREAM**
  - Offering innovative products to consumers

**STAKEHOLDERS**

- Employees
- Suppliers
- Investment Community
- Distributors & Trade Customers
- Consumers
- Regulators
- Communities

**OUR BUSINESSES AND THE VALUE WE CREATE**

**FOOD & BEVERAGE**

- **Revenue**
  - $1,834m
- **Salaries and wages**
  - $276m
- **New products launched in FY2020**
  - 90+

**PUBLISHING & PRINTING**

- **Amount paid to suppliers**
  - $1,238m
- **PBIT**
  - $267m
- **Dividends**
  - $73m
- **Economic value retained**
  - $37m

**Delivering economic returns to stakeholders**

**OTHER STRATEGIC INVESTMENTS**

- **Economic value retained**
  - $210m

**DRIVING ECONOMIC VALUE**

- Enriching lives through knowledge

**EMPOWERING OUR PEOPLE**

- Offering innovative products to consumers

**ENHANCING SOCIAL WELL-BEING**

- Maximising financial returns through operating savings, revenue enhancements and high asset utilisation

**PROMOTING ECO-EFFICIENCY**

- Developing business and social partnerships based on mutual value creation while maintaining a focus on ensuring the safety and well-being of employees, and managing environmental and other impacts

**RESPONSIBLE SUPPLY CHAIN**

- Developing business and social partnerships based on mutual value creation while maintaining a focus on ensuring the safety and well-being of employees, and managing environmental and other impacts

**SUPPORTING SAFETY AND WELL-BEING**

- Developing business and social partnerships based on mutual value creation while maintaining a focus on ensuring the safety and well-being of employees, and managing environmental and other impacts