



## Sustainability at F&N

- **Met or exceeded 5 out of 10 (50%)** of our 2020 sustainability targets

### Effluents and Waste

Reduce solid waste intensity by 5% by 2020

### Sustainable Sourcing

Purchase of RSPO Credits for 100% of annual palm oil usage

### Innovation

Continuously invest in product and process innovation

### Talent Management

Average of 16 and 10 training hours for Executive and Non-executive employees respectively

### Creating Value for Society

Continuously provide outreach and engagement programs across Singapore, Malaysia and Thailand

- External assurance done for SR2020



# 2020 AT A GLANCE



## Driving Economic Value

- **17 new products** (beverages and dairies) introduced
- **25.9% reduction** in Packaging Index since FY03/04
- Cost savings of about **THB40 million (SGD1.8 million)** through employee-driven projects in Thailand



## Empowering Our People

- **> 7,700** employees
- **44% female representation** in total managerial positions
- **26.23 training hours** per employee for executive category and **12.57 training hours** per employee for non-executive category
- **99% of senior management hired from local community** (100% in Singapore, 100% in Thailand and 98% in Malaysia)
- **38% female representation** in total workforce



## Enhancing Social Well-being

- **100% of operations** involve local community engagement, impact assessment and development programmes
- **Waste Bank and Recycling Project** at Wattanodtia School and Watkokmayom School with more than **150 students**
- **Support to more than 30** beneficiary groups for COVID-19



## Eco-efficiency

- **46.6% reduction** in solid waste intensity ratio since 2017



## Safety and Well-being

- **56% reduction** in Sugar Index (2004-2020)
- **At least one healthier choice option** in 14 out of 15 product categories
- **>35% of the Ready-To-Drink ("RTD")** products sold are healthier options
- **88 Healthier Choice Symbol/Logo** on certified products



## Responsible Supply Chain

- **Engagement with > 4,700** global and local suppliers
- **Purchased Roundtable on Sustainable Palm Oil ("RSPO") credits** for 100% of annual palm oil usage



## Board Statement

### Overview of Sustainability at F&N

The Board is pleased to present the Fraser and Neave, Limited ("F&N" or the "Group") Sustainability Report ('Report') covering the period from 1 October 2019 to 30 September 2020. This Report is prepared in accordance with the internationally recognised Global Reporting Initiative ("GRI") Standards (Core) which is in compliance with the Singapore Exchange's ("SGX") Listing Rules 711A and 711B. The Report encapsulates the Group's overarching approach to sustainability. In this Report, we share how the Group integrates key Environmental, Social and Governance ("ESG") issues in its strategies, how the Group manages impacts and risks associated with these issues as well as its progress towards its 2020 sustainability targets.

### Sustainability Governance

The Board has overall responsibility for sustainability and incorporates ESG issues in the formulation of F&N's strategy. While it takes the lead in the Group's sustainability direction, the Sustainability and Risk Management Committee ("SRMC") is responsible for steering the Group's sustainability efforts. The SRMC is supported by the Sustainability Development Committee ("SDC"), which is chaired by Mr Lee Meng Tat, Chief Executive Officer, Non-Alcoholic Beverages and comprises business Chief Executive Officers and senior executives across various functions. The SDC supports the SRMC and monitors the progress of the Group's sustainability priorities.

### Materiality Assessment 2020

In 2017, based on the SGX Sustainability Reporting Guide, we conducted our first materiality assessment and determined F&N's materiality matrix and 2020 targets. The 2017 materiality matrix and 2020 sustainability targets were measured, reviewed and where necessary, refined annually to ensure they reflected changes to the sustainability landscape. As F&N approached the end of our three-year 2020 targets, the Group is looking to refresh the materiality matrix and set new sustainability targets for 2025.

F&N has conducted a materiality assessment exercise in 2020 to determine the 2021 materiality matrix and 2025 sustainability targets for the next phase of our sustainability journey starting 1 October 2020. An initial list of ESG topics has been identified and benchmarked against peer organisations and external trends analysis. We have expanded the exercise this year by also seeking inputs from external stakeholders, in addition to our internal stakeholders. These inputs were considered and integrated in the decision-making process of determining the new key material topics for F&N. F&N's 2021 materiality matrix and 2025 sustainability

targets were finalised and approved by the SRMC in September 2020. F&N will share more details in the next issue of the F&N Sustainability Report.

### COVID-19 Pandemic

The COVID-19 pandemic has disrupted lives and created unprecedented challenges for businesses worldwide. Business interruption arising from supply chain disruption, temporary closures of manufacturing plants, reduced personnel, etc. has tested the quality of business continuity framework, policies and procedures. During the course of this year, F&N has adapted and implemented a COVID-19 business continuity plan ("BCP") to ensure that we have appropriate systems and procedures in place within the Group to specifically address the impact of the pandemic on business operational risks.

At F&N, protecting the health and safety of our workforce has always been the top priority. As we navigate these unprecedented times, we continue to take steps to communicate with our staff and connect them with resources that support their health and well-being. We continue to actively address evolving issues and provide guidance to our staff consistent with local government regulations. Social distancing measures at the workplace, staggered work hours, mandatory mask wearing, team segregation of work and telecommuting are some of the measures we have put in place to keep F&N employees safe.

The Group continues to work collaboratively with suppliers, partners and customers to manage our supply chain so as to maintain healthy inventory levels. Continued availability of our core products to our customers during these trying times, through the use of e-commerce platforms, has also reduced the likelihood of disruptions to the business operations.

During the COVID-19 pandemic, to provide support to the less fortunate in our local communities, and show our appreciation to the frontline heroes, F&N has donated products to keep them hydrated and energised during this difficult time.

### Looking At 2020 And Beyond

We are proud of our commitment to sustainability and of the work we have done across our businesses. While we have achieved some success in certain areas, there is more for us to do to transform F&N, sustainably. As one of the leading consumer groups in Singapore and the region, we will continue to anchor sustainability in the Group and advance further toward a business model based on the principles of circular economy.



## Message from Chairman of SDC

GRI 102-14, GRI 102-15

F&N's commitment to reduce packaging material and waste continues to be an important priority and is an integral part of the Group's Circular Economy approach. To reduce our environmental impacts, we design and develop new packaging solutions to ensure that they can be recycled, reused or composted.

### Mr Lee Meng Tat

Chairman of Sustainability  
Development Committee



### OVERVIEW OF 2020 SUSTAINABILITY REPORT

At F&N, sustainability is a key business driver and a critical component of our success. F&N's vision is to be a stable and sustainable F&B leader in the ASEAN region. Our 2020 Sustainability Report demonstrates our constant commitment to incorporate sustainable practices into our business and show leadership with the sustainability challenges faced.

This report has been prepared in accordance with the GRI Standards (Core), which represent global best practice in sustainability reporting. By adhering to GRI Standards, F&N aims to communicate our performance against our sustainability targets and demonstrate our progress over time. F&N's data collection processes are aligned and integrated with Thai Beverage Public Company Limited's ("ThaiBev") reporting parameters.

ThaiBev has been a member of the Dow Jones Sustainability Index ("DJSI") World and DJSI Emerging Markets since 2016, and their constant progress to

integrate sustainability across their value chain has earned the company the title of Beverages Industry leader in the RobecoSAM Corporate Sustainability Assessment from 2018 to 2020.

With a systematic approach to sustainability reporting, F&N aims to provide consistent information disclosure and benchmark our performance against industry leaders to improve through best practice sharing and knowledge transfer.

### ACHIEVEMENTS AND PROGRESS IN 2020

#### External Assurance

For the second consecutive year, Lloyd's Register Quality Assurance ("LRQA") has conducted an external assurance on selected F&N Health, Safety and Environment ("HSE") disclosures. This external assurance serves to demonstrate the accuracy of the sustainability data disclosed in this report.

▶ LRQA's assurance statement can be found on page 98 of this report.

### FTSE4Good Bursa Malaysia Index ("F4GBM")

Our subsidiary, Fraser & Neave Holdings Bhd ("F&NHB"), has been included as a constituent of the F4GBM with positive results. For the second year, the performance of our strong ESG practices have been recognised by the Index. Our improved ESG ratings from last year is a testament to our positive strides in delivering value to our stakeholders in an environmentally and socially responsible manner.

### Progress on 2020 sustainability targets

Guided by F&N's 2020 sustainability targets, we have continued to track and report our annual performance since 2017. In 2020, the Group has achieved 50% of its 10 key sustainability targets, with certain areas requiring further efforts and adaptations due to the COVID-19 circumstances and operational changes (e.g. new production lines, new operational processes, product requirement and internal stringent health and safety demands). The respective sections of the report dealing with these material topics provide further explanations.

## Message from Chairman of SDC

The five key 2020 sustainability targets that we have achieved are:

Material Topic	Sustainability Target
<b>Effluents and Waste</b>	1. Reduce solid waste intensity by 5% by 2020
<b>Talent Management</b>	2. Average of 16 and 10 training hours for Executive and Non-executive employees respectively
<b>Sustainable Sourcing</b>	3. Purchase of RSPO Credits for 100% of annual palm oil usage
<b>Innovation</b>	4. Continuously invest in product and process innovation
<b>Creating Value for Society</b>	5. Continuously provide outreach and engagement programs across Singapore, Malaysia and Thailand

The five key sustainability targets that require further work and efforts are:

Material Topic	Sustainability Target	Reason
<b>Water Stewardship</b>	1. Reduce water intensity by 5% by 2020	Due to operational changes and COVID-19 circumstances ▶ More details can be found on pages 59 and 69 of this report
<b>Energy and Climate Change</b>	2. Reduce energy intensity by 5% by 2020	
	3. Reduce Greenhouse Gas ("GHG") emissions intensity by 5% by 2020	
<b>Consumer Health and Safety</b>	4. Introduce at least one healthier choice option in all our product categories	No healthier choice option for the "Energy" product category due to its specific function ▶ More details can be found on page 83 of this report
<b>Occupational Health and Safety</b>	5. To have zero Lost Time Injury Frequency Rate ("LTIFR")	The highest aspiration target of zero LTIFR is set to reaffirm our position of zero tolerance for workplace accidents ▶ More details can be found on page 78 of this report

While F&N has made good progress in some areas, we still need to do more for the other targets. We remain committed to exploring and implementing new initiatives to achieve our 2025 targets.

- ▶ Each of the Group's commitments and target achievements are described in detail on pages 29 to 31 of this report.

### Highlights of key initiatives

#### Healthier products for consumers

At F&N, we place Consumer Health and Safety at the core of our sustainability strategy and have been continuously innovating our products with our consumer's health and safety in mind. This year, we launched healthy drinks such as the *F&N NUTRISOY* Fresh Soya Milk with Real Oats & Quinoa which helps to boost our consumers' immune system. To encourage reduced sugar intake, >35% of our RTD products sold today in Singapore and Malaysia contain less than 5g of sugar per 100ml and do not compromise on taste.

- ▶ More information on innovative products encouraging good health and safety for our consumers can be located on page 36 of this report.

#### Recyclable packaging

F&N's commitment to reduce packaging material and waste continues to be an important priority and is an integral part of the Group's Circular Economy approach. To reduce our environmental impacts, we design and develop new packaging solutions to ensure that they can be recycled, reused or composted. The Group is on track to meet its goal to have 100% recyclable beverage packaging by 2021. In 2020, F&N rolled out a new packaging solution for our *F&N ICE MOUNTAIN* Drinking Water. In addition to bottles, consumers now have the extra option of purchasing our *F&N ICE MOUNTAIN* Drinking Water in an eco-friendly recyclable paper carton packaging.

#### Recycle N Save

Recycle N Save is a joint initiative by F&N and the National Environment Agency ("NEA") of Singapore to place Smart Reverse Vending Machines ("RVMS") across Singapore. This joint initiative aims to encourage recycling of used plastic drink bottles and aluminium drink cans amongst Singaporeans and supports the national vision of the Sustainable

Singapore Blueprint's goal to increase the national recycling rate to 70% by 2030.

Launched in October 2019, at Our Tampines Hub in Singapore, Mr Masagos Zulkifli, the then Singapore Minister of Environment and Water Resources, was the Guest-of-Honour. He along with Mr Tan Meng Dui, Chief Executive Officer of NEA, Mr Seah Kian Peng, Group Chief Executive Officer, National Trades Union Congress ("NTUC") Fairprice Group, Mr Suhaimi Rafdi, Director of Our Tampines Hub, and Ms Jennifer See, Managing Director, Singapore and Yoke Food Industries Malaysia, F&N Foods Singapore ("FNFS"), commenced this initiative. Phase 1 of the launch saw 10 Smart RVMS being installed nationwide, with support from our trade partner, NTUC Fairprice. Public could drop in their used and empty aluminium drink cans and plastic bottles in exchange for discount vouchers at NTUC.

This year, together with four new partners, CapitaLand Malls, Sport Singapore, Sentosa Development Corporation and Anywheel, we installed 50 Smart RVMS island wide. Placed in shopping centres

across the island, the public can choose from a wider range of rewards when they deposit used and empty drink cans and plastic bottles. Since the launch of Recycle N Save in 2019, over 3.1 million plastic beverage bottles and aluminium cans have been collected.

The RVM School Education Programme, under the Recycle N Save initiative, was also launched in March 2020. In the first run, five RVMs were placed in primary and secondary schools for a six-month period. Students were encouraged to proactively collect empty plastic drink bottles and aluminium drink cans, and deposit them into the RVMs located at their schools. The schools had also organised their own environmental education activities to tie in with the placement of these RVMs.

#### Reduction of packaging waste

Earlier in 2020, Times Printers (“TP”) also started to make use of balanced web paper as packaging material for wrapping books. This has resulted in a reduction of the quantity of paper waste in our printing operations.

#### Contributions to the Community

F&N has expanded its community support efforts to help combat the negative impacts of COVID-19 on the less privileged and vulnerable groups. The Group has contributed towards helping vulnerable communities through product sponsorships to the elderly and to children from low-income families. Through partnerships with local organisations, such as Everyday Heroes SG, F&N has donated products to frontline healthcare workers to show our appreciation for their tremendous efforts in helping to combat the COVID-19 virus. In these challenging times, F&N is strongly committed to supporting impacted communities in order to ensure their resilience and to help them get through this crisis.

#### **F&N’S RESPONSE TO COVID-19**

In 2020, the unprecedented situation caused by the COVID-19 pandemic resulted in a significant impact on people and businesses around the world. It has highlighted the importance of managing material social risks and opportunities among key stakeholder groups, such as employees, suppliers, customers and the

community, as they have an impact on business continuity.

Having integrated sustainability into our operations, we have implemented BCP to respond to this challenging context. As our employees’ safety, health and well-being are of utmost importance to us, we have made use of digital mediums (e.g. videoconferencing software such as Zoom and Microsoft Teams) to replace the need for physical meetings and business travels. Flexible working arrangements (e.g. staggering of working hours to start at different times, work-from-home policies, split team arrangements) have also been adopted to reduce the interactions between our employees in order to protect them. Compliance with the social distancing measures during the Circuit Breaker period in Singapore, Movement Control Order (“MCO”) in Malaysia and the emergency decree in Thailand were also ensured. Our employees are the heart of our business operations and to safeguard them would ensure the continuity of business operations.

By means of a resilient supply chain and partnership with suppliers, F&N ensured minimal disruption during this period. By having regular engagements with suppliers and working with them to ensure healthy inventory levels, F&N was equipped to cope with the negative impacts of the COVID-19 virus. For example, during the MCO in Malaysia, by working with raw and packaging material suppliers, F&NHB had strived to ensure maximum output while having to operate under reduced production hours and workforce that was stipulated by the authorities.

Maintaining the lines of communication with customers helped ensure that an adequate supply of core F&N products is made available to them amidst the uncertainties. The use of social media to introduce our latest products and the use of online platforms (e.g. F&NHB’s F&N Life website and/or mobile app) to facilitate bulk orders of products are some of the alternate methods through which we ensured continued contact with our customers and reduced disruptions to the downstream flow of business operations.

To provide support for communities affected by the COVID-19 pandemic,

F&N reinforced its engagement through product donations for less privileged and vulnerable groups. F&NHB donated products to university students, old folks’ homes, orphanages and people who were stranded in the Red Zones in Malaysia. To show our appreciation and gratitude to the front-line healthcare workers, F&N had also donated products to help them keep hydrated and energised while they worked tirelessly to fight the virus. The recipients in Singapore include National University Hospital Singapore (“NUHS”), Ng Teng Fong Hospital, Alexandra Hospital; Yishun dormitory workers, and Food Bank Singapore beneficiaries, while the recipients in Malaysia include Sungai Buloh Hospital, Selayang Hospital, Kuala Lumpur Hospital and Queen Elizabeth Hospital; the Royal Malaysia Police, the National Disaster Management Agency and a number of city councils, among others.

➤ More information regarding the initiatives being implemented during COVID-19 can be located in the ‘Response to COVID-19’ chapter of this report.

#### **TOWARDS F&N 2025 SUSTAINABILITY AMBITIONS**

F&N looks forward to 2021 as we embark on our journey towards our 2025 sustainability ambitions. As part of this journey, we aim to further expand our positive contribution to sustainable development and play our part to address the complex and interconnected challenges of sustainability.

During the course of 2020, the Group conducted a robust materiality assessment, by engaging internal and external stakeholders, in order to refresh the sustainability targets for 2025 and reflect our sustainability priorities in the face of the everchanging sustainability landscape. These 2025 sustainability targets will drive our sustainability performance throughout our business and strengthen our commitment to create long-term value for our stakeholders.

➤ More information on the conduct of the materiality assessment can be found on page 25 of this report.

F&N appreciates your interest in our 2020 Sustainability Report and is very grateful for your continuous support.

## About This Report

GRI 102-15; GRI 102-45; GRI 102-48 to GRI 102-54; GRI 102-56

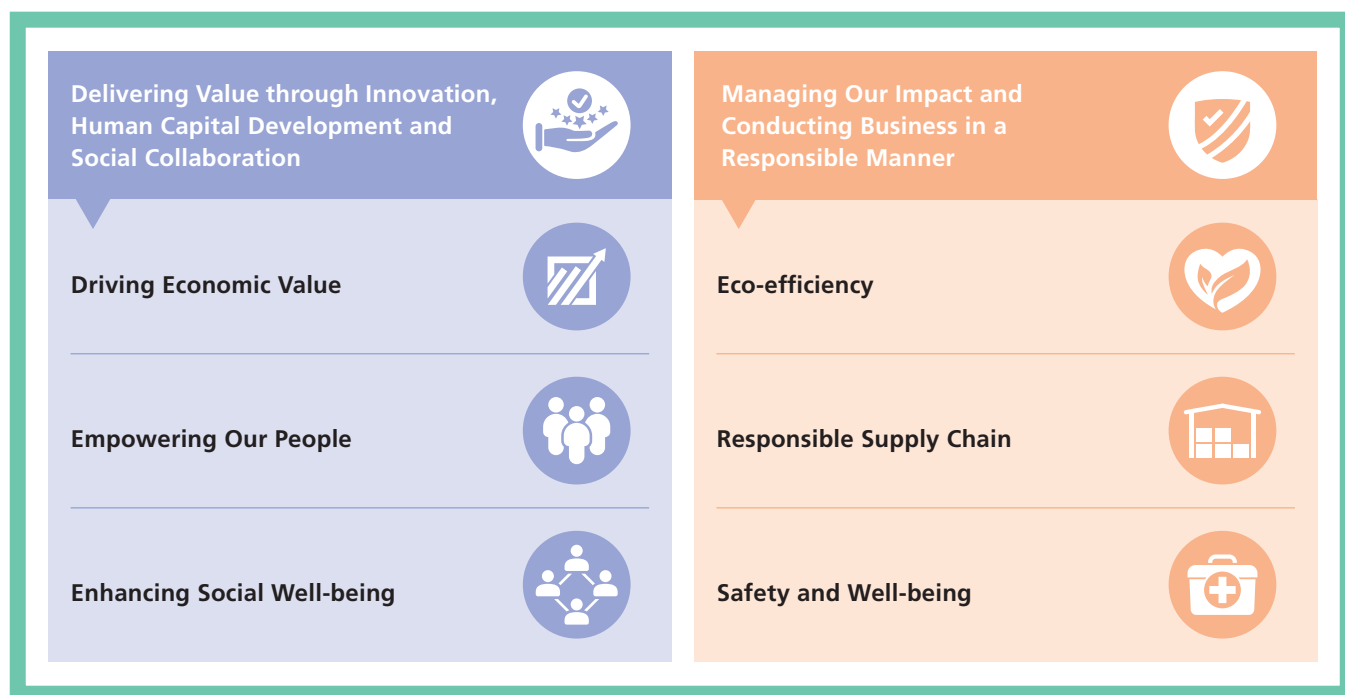
### FOCUS OF THE REPORT

F&N's Sustainability Report aims to provide our stakeholders with a concise, material and clear assessment of how we create value over time.

This report reviews our strategy and business model, risks and opportunities, operational and governance performance with the primary focus on Delivering Value Through Innovation, Human Capital Development and Social Collaboration and Managing Our Impact and Conducting Business in a Responsible Manner. We explore the three core areas of Driving Economic Value, Empowering Our People, and Enhancing Social Well-being under delivering value, and

and Enhancing Social Well-being under delivering value, and the three core areas of Eco-efficiency, Responsible Supply Chain and Safety and Well-being under managing our impacts.

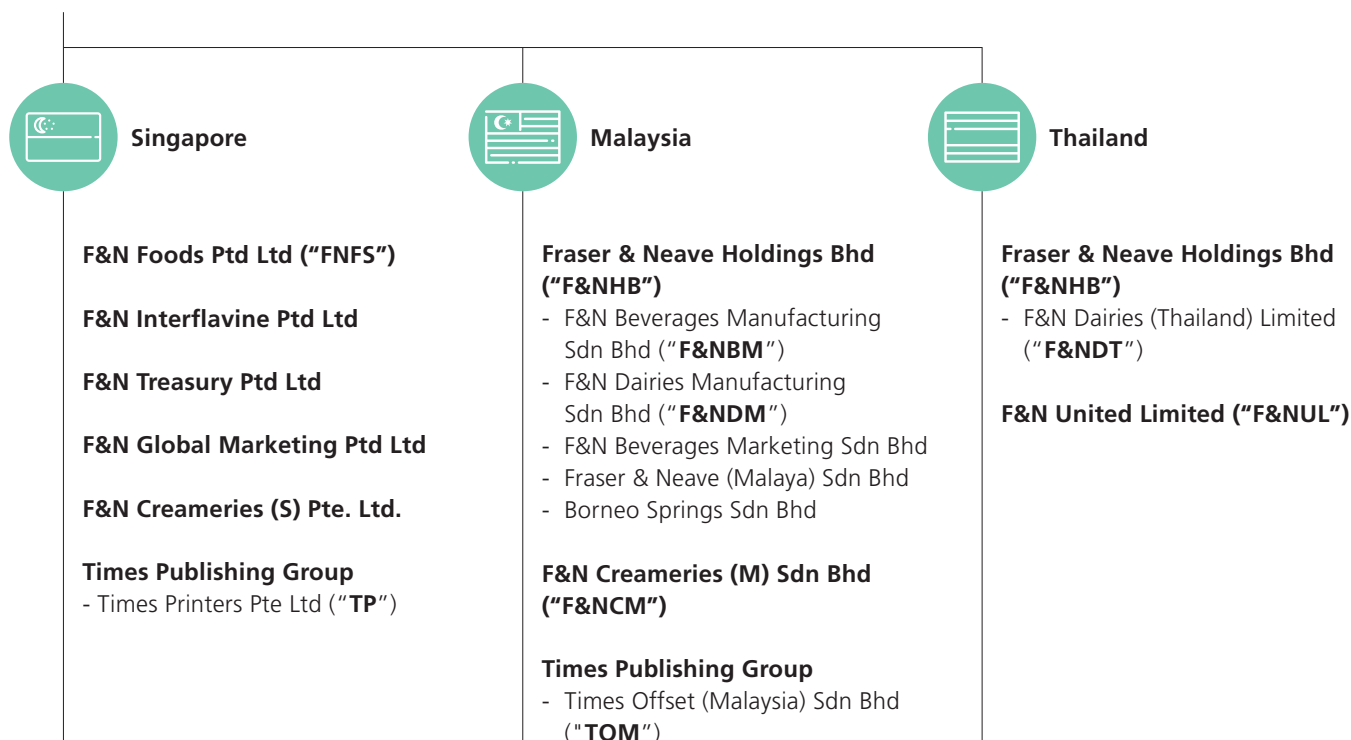
Read together with our Annual Report, this Sustainability Report gives our stakeholders a comprehensive picture of how F&N integrates financial goals with social and environmental imperatives. We are pleased to take this opportunity to share our commitments and progress in generating value for our stakeholders, while conducting our business in an environmentally and socially responsible manner.



### REPORTING PERIOD, SCOPE AND BOUNDARY

This is our fourth annual stand-alone Sustainability Report, for our reporting period of 01 October 2019 - 30 September 2020. The report covers the activities of the Group's operations in Singapore, Malaysia and Thailand.

The environmental data presented in this report covers the 13 manufacturing sites in Singapore, Malaysia and Thailand, excluding Yoke Food Industries Sdn Bhd in Malaysia and Print Lab Pte Ltd in Singapore.



## REPORTING FRAMEWORK AND INDICES

We are proud to continue our sustainability journey and reporting in accordance with the GRI Standards 'Core Option' and SGX Listing Rules 711A and 711B. This year, we continue to include disclosures and initiatives on our most important sustainability topics. We looked into addressing gaps in our sustainability performance based on the DJSI key criterion. By benchmarking our sustainability processes and performance against industry leaders such as ThaiBev, we ensure that our processes and performance will further improve through best practice sharing and knowledge transfer.

F&NHB, a subsidiary company, has again been included as a constituent of the F4GBM this year, marking the 2nd year of recognition for our strong ESG practices. Our improved ESG ratings and percentile ranking from last year is a testament that we are making positive strides in delivering value to our stakeholders in an environmentally and socially responsible manner.

## ASSURANCE STATEMENT

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 reliable data and continuously strive to improve the quality of our non-financial disclosures.

This is the second year we have obtained independent assurance for our Sustainability Report from LRQA based on the external assurance conducted on selected F&N HSE sustainability data.

## CONTACT FOR MATTERS PERTAINING TO F&N SR2020

We value and appreciate all feedback to help make our future reports more relevant to our stakeholders. Please direct any questions pertaining to our sustainability initiatives or reporting, or comments and feedback to:

Department name: F&N Sustainability Reporting

Email:	sustainability@fngroup.com.sg
Phone number:	+65 6318 9393
Mail:	Sustainability Reporting Department 438 Alexandra Road #07-00 Alexandra Point Singapore 119958



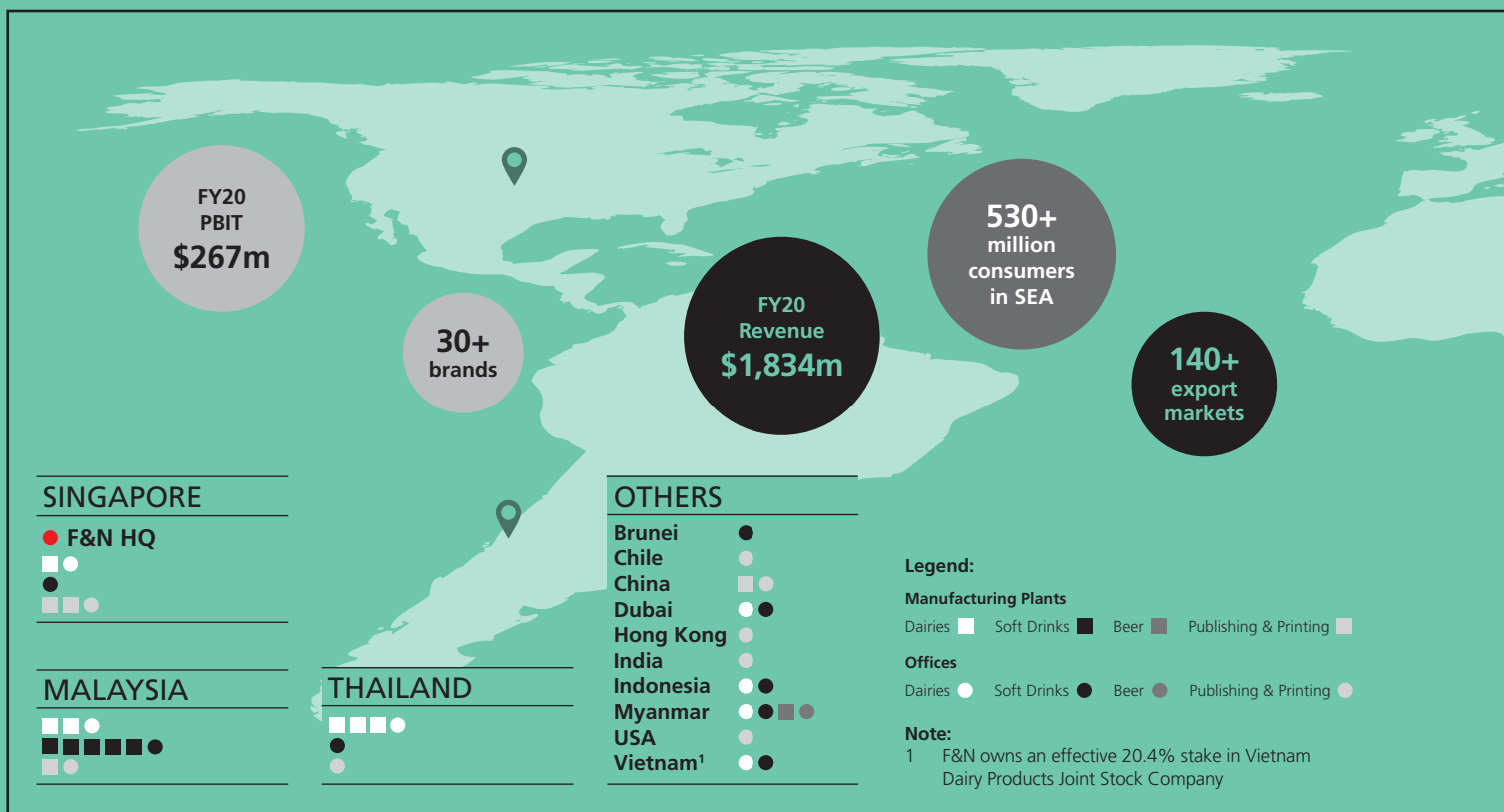
## This is F&N

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

The entrepreneurial spirit, embodied by our founders, remains in today's F&N. As a soft drink company, F&N seized the opportunity and ventured into the beer brewing business in 1931 in partnership with The Heineken Company and built a very successful beer empire in Asia Pacific – through its joint venture company, Asia Pacific Breweries Limited ("APB"). In 1959, it entered the Dairies business by forming a canned milk joint venture with Beatrice Foods of Chicago, and in 2007, it acquired Nestle's liquid canned milk business in

Thailand, Malaysia, Singapore and Brunei, and accelerated its growth in the dairy business. Today, F&N is the largest canned milk producer in SEA. In 1985, the Group diversified into the Properties business. Starting with the redevelopment of its soft drinks and brewery sites in Singapore, F&N soon grew its property arm – Frasers Centrepoint Limited ("FCL", now known as Frasers Property Limited) to become one of the leading property companies in Singapore with multi-national businesses in residential, hospitality, retail, commercial and industrial properties.

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



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



**Collaboration**  
We leverage our inherent strengths and diversity to create synergies and commit to team goals



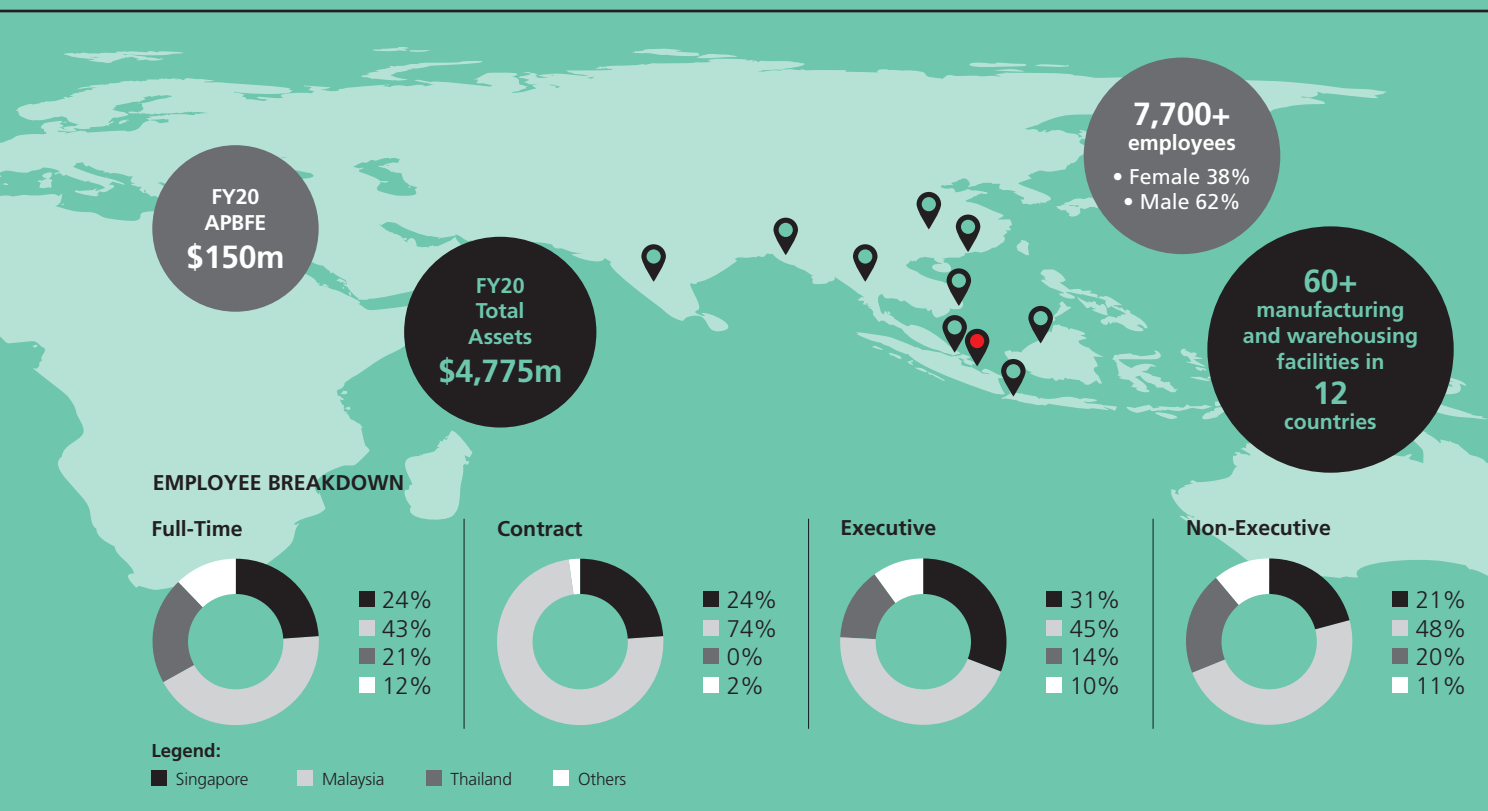
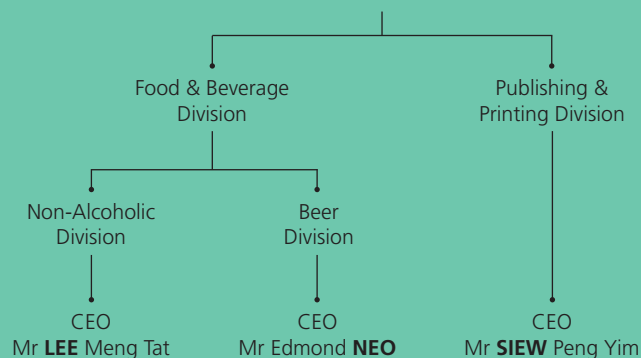
**Creating Values**  
We are passionate about applying new ideas and grasping opportunities to make a positive impact on our organisation and the world



**Caring for Stakeholders**  
We embrace our stakeholders' perspectives with good intentions and the right mindsets to create long-term, sustainable partnerships

Today, F&N is a leading Southeast Asian consumer group with expertise and prominent standing in the Food & Beverage and Publishing & Printing industries. Leveraging its strengths in marketing and distribution, research and development, brands and financial management, as well as years of acquisition experience, the Group provides key resources and sets strategic directions for its subsidiary companies across both industries.

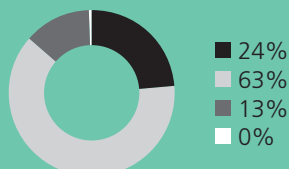
Listed on the Singapore Stock Exchange, F&N ranks as one of the most established and successful companies in the region with an impressive array of renowned brands that enjoy strong market leadership. F&N is present in 12 countries spanning Asia Pacific, Europe and the USA, and employs over 7,700 people worldwide.



#### CONTRIBUTION BY SEGMENT

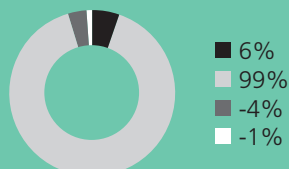
##### Revenue

**\$1,834m**



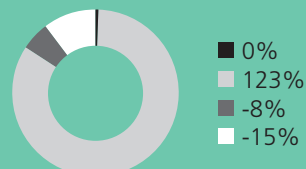
##### Profit Before Interest & Taxation ("PBIT")

**\$267m**



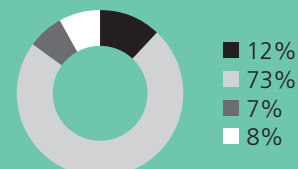
##### Attributable Profit Before Fair Value Adjustment & Exceptional Items ("APBFE")

**\$150m**



##### Total Assets

**\$4,775m**



#### Legend:

■ Beverages ■ Dairies ■ Publishing & Printing ■ Others

## Our Supply Chain

The preparation, production and packaging of our beverages and consumables for printing requires a range of raw materials, equipment, and other goods and services. In FY2020, we engaged with over 4,700 global and local suppliers across our supply chain. F&N worked with manufacturers, wholesalers, retailers, importer/merchants, contractors, professional services providers, etc. and spent a total of about SGD1.34 billion on products and services.

### Sourcing



To provide the highest quality standards for our customers and consumers, we have also been seeking out and working with suppliers who meet high quality in standards and are socially, ethically and environmentally responsible. To ensure the sustainability of our business, we have risk management mechanisms in place to manage issues associated with the commodities.

### Production



We have implemented a standardised safe production process, in accordance with international standards, throughout our operations. We strive for eco-efficient processes, in which we optimise the socio-economic value we create, while minimising our negative environmental and social impacts from all production stages.

### Distribution



We have a fully integrated and extensive distribution system to ensure that our products are efficiently distributed to our customers and consumers. Our focus is to minimise the environmental and social impacts from transportation by managing energy usage while safeguarding the safety of our personnel and local communities. We also continuously innovate our processes and implement digital technologies to drive efficiency.

### Marketing and Sales



Responsible marketing and sales practices are of great importance to F&N. We demonstrate societal responsibility by providing healthier product options and informative product labels. We also work with regulators and seek feedback from our customers on our products to improve our marketing practices.

### Post-Consumption Packaging Management



We minimise the impact of post-consumer waste by delivering innovative and environmental-friendly packaging. We continuously seek out sustainable packaging that also meets the needs of our consumers. In addition to applying Circular Economy principles throughout F&N, we also promote environmental awareness in the communities we operate.

## Sustainability Membership of **Associations**



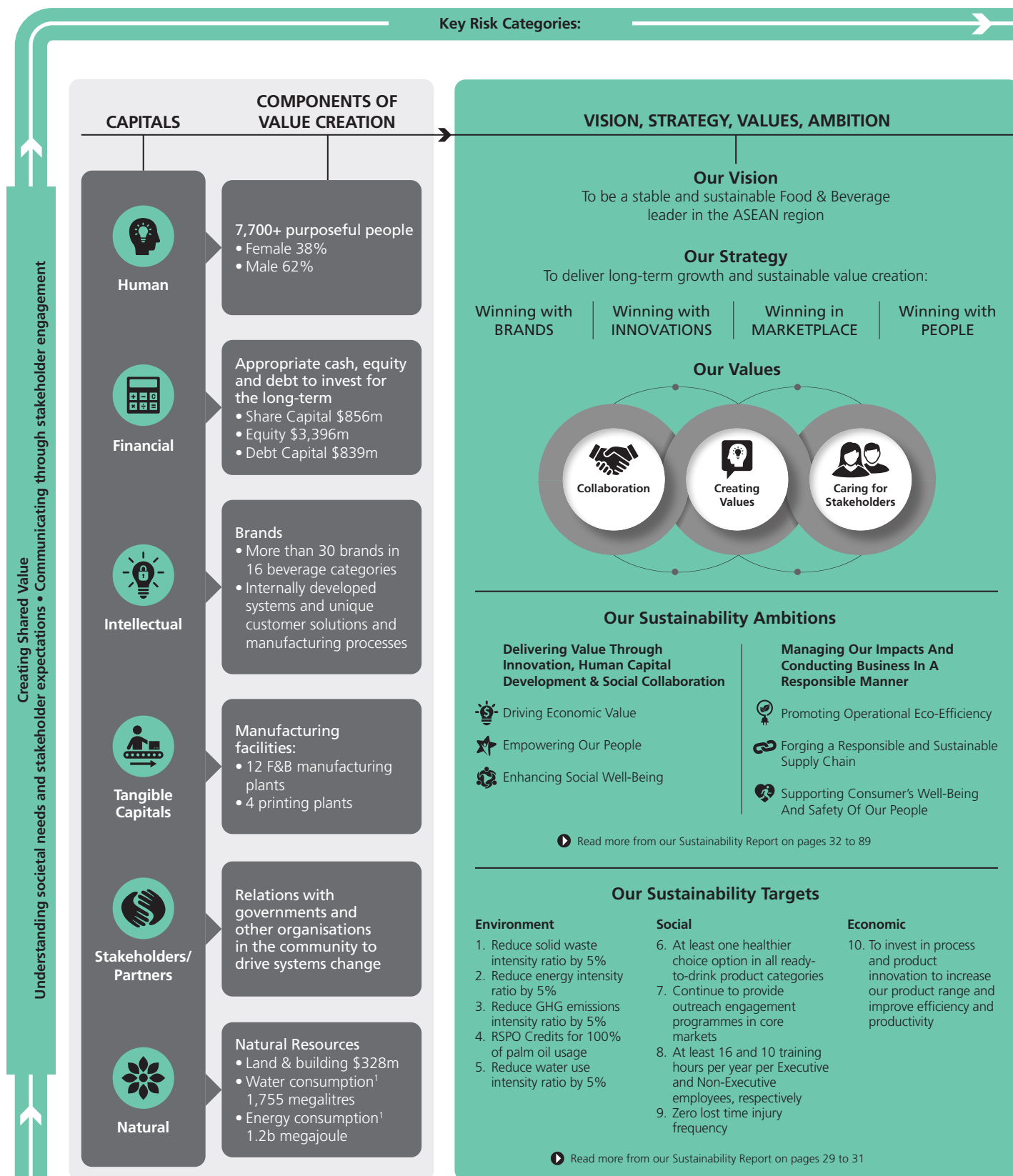
F&N believes that our sustainability journey is one where we proactively manage and understand our footprint on the larger environment and society. As such, we partner with and take guidance from international organisations and sustainability thought leaders. F&N is a proud member of the RSPO and Support Asia for Sustainable Palm Oil ("**SASPO**"). F&N also endorses various sustainability charters, principles and standards, including the United Nations Sustainable Development Goals ("**UN SDGs**") and the GRI.

 <p><b>Sustainability charters, principles or other initiatives to which F&amp;N subscribes or endorses</b></p>	<ul style="list-style-type: none"> <li>• RSPO ordinary member</li> <li>• SASPO</li> </ul>
<ul style="list-style-type: none"> <li>• UN SDGs</li> <li>• GRI</li> </ul>	 <p><b>A list of the main memberships of industry or other associations, and national or international advocacy or organisations</b></p>



## F&N Business Model

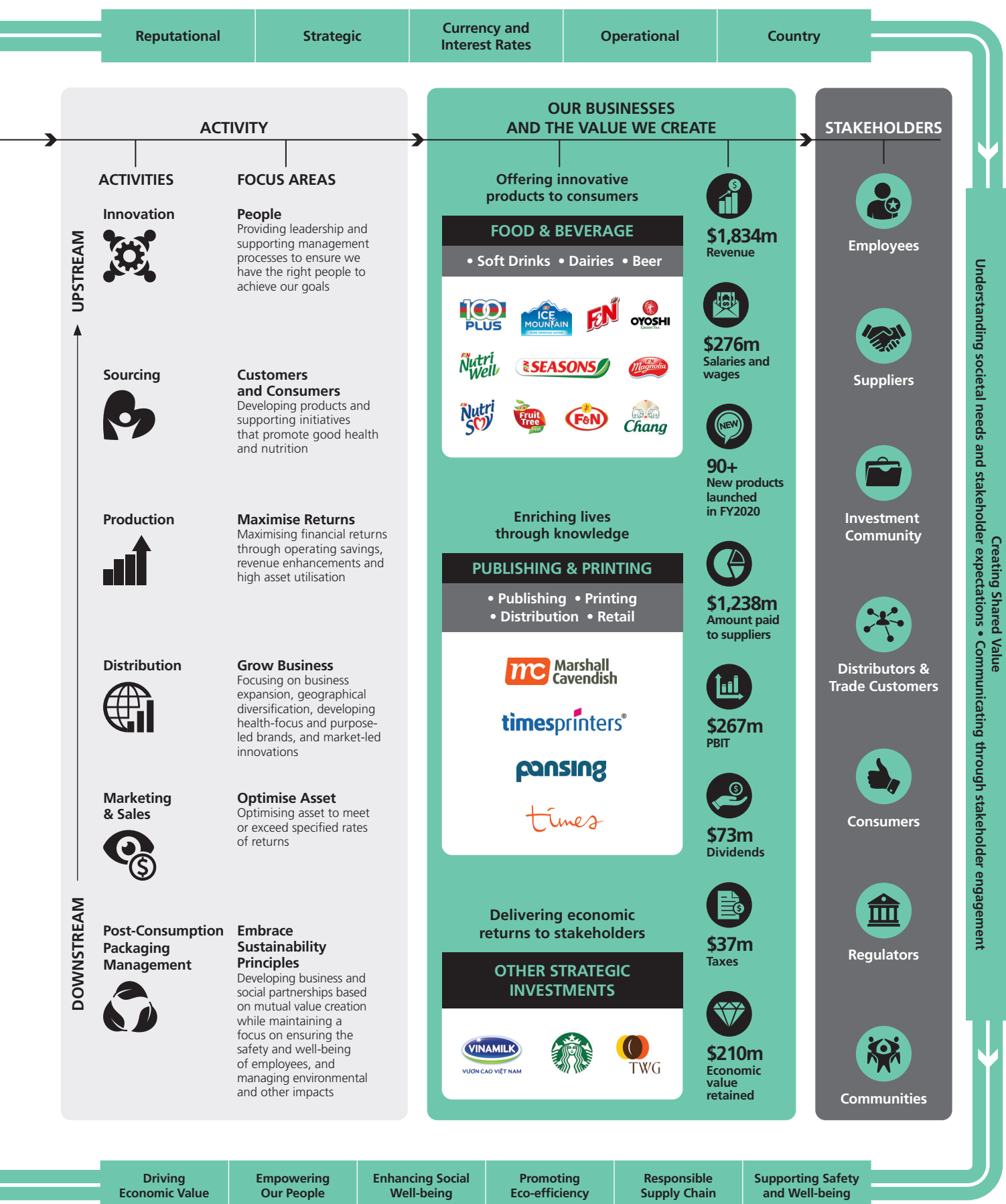
### Key Risk Categories:



#### Note:

<sup>1</sup> Included water and energy consumed at the Group's significant operations in Malaysia, Singapore and Thailand

### Core Areas of Sustainability:



## Our Sustainability Approach

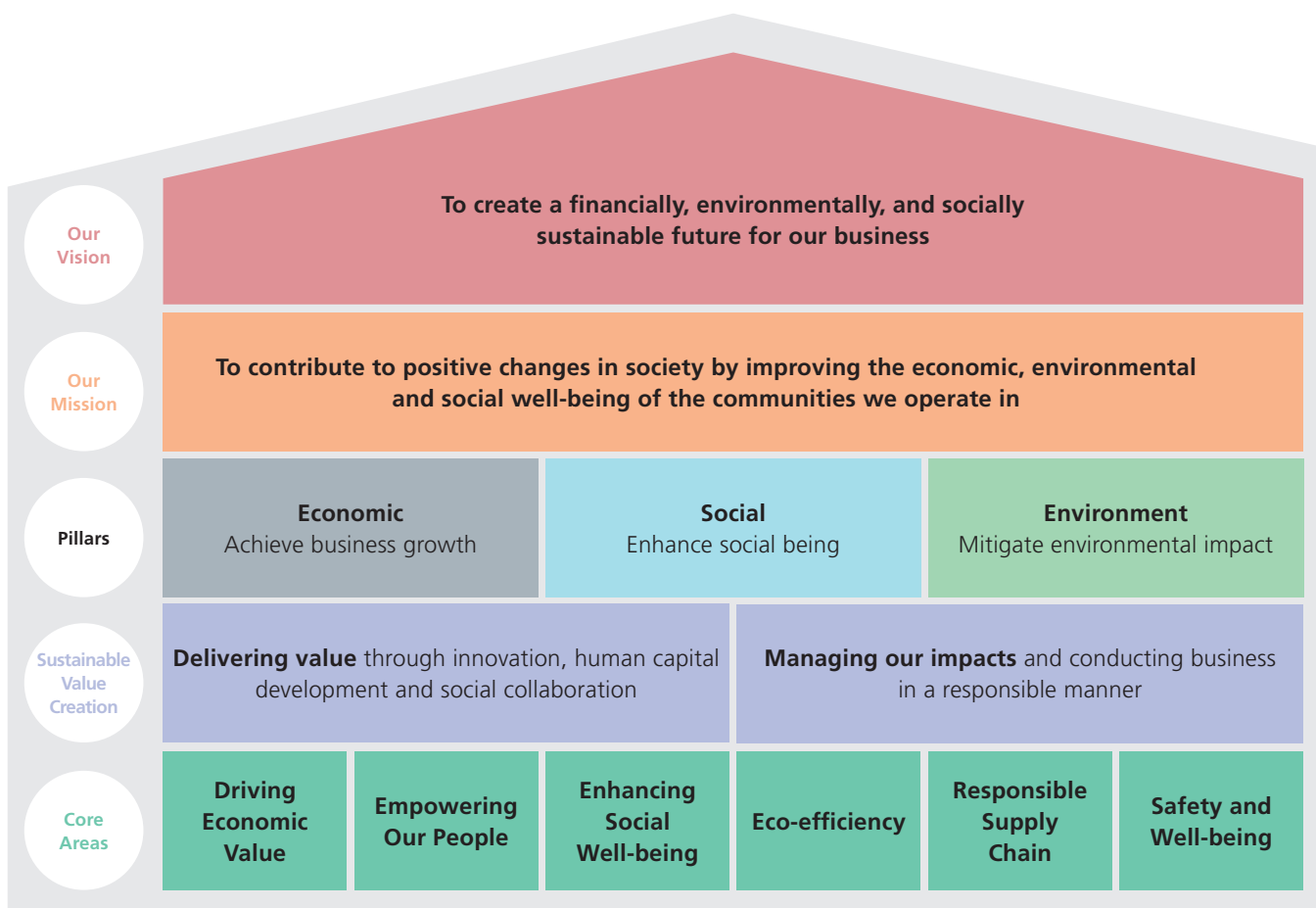
GRI 102-16, GRI 102-18, GRI 102-40, GRI 102-42 to GRI 102-44, GRI 102-46, GRI 102-47

### SUSTAINABILITY VISION AND FRAMEWORK

It is our vision **to create a financially, environmentally, and socially sustainable future for our business** through Sustainable Value Creation by:



Our sustainability framework comprises six core areas, under the



## MANAGEMENT AND GOVERNANCE

### Governance Structure

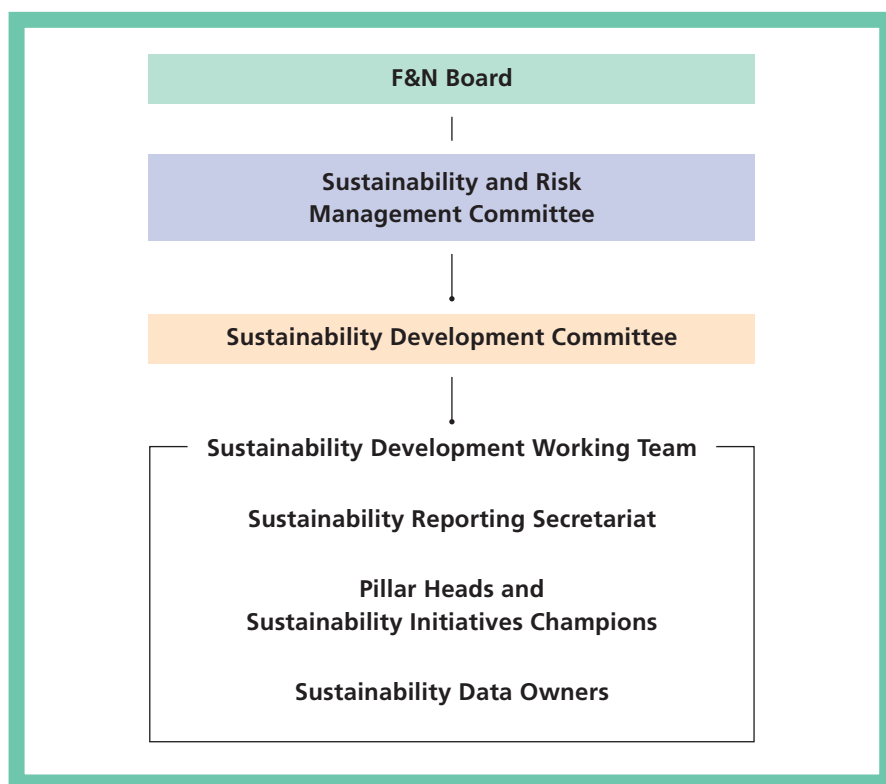
Sustainability is embedded in F&N's culture. As part of the Board's Conduct of Affairs, the Board "considers sustainability issues such as environmental and social factors as part of its strategic formulation". Hence, the Board ensures F&N's long-term business direction is guided by sustainability principles, and they have ultimate oversight of all sustainability issues.

The SRMC ensures sustainability risks and opportunities are considered at the highest level of F&N by providing strong support to the management team. The SRMC has the responsibility to approve all strategic initiatives and policies related to sustainability.

Headed by Chief Executive Officer Non-Alcoholic Beverages, and supported by senior personnel from key functions, regions and levels, the SDC supports the SRMC by providing general direction, monitoring and reporting the progress of F&N's sustainability projects.

The SDC is supported by the Sustainability Development Working Team, which consists of cross-functional representatives who take on the various roles of: Sustainability Reporting Secretariat; Pillar Heads; Sustainability Initiative Champions; and Data Owners. Together, they monitor the progress of designated goals, drive initiatives at operational level, identify challenges in performance, and gather data for reporting.

In FY2020, the SRMC and SDC each convened three times on sustainability matters.



### Sustainability Development Committee

#### Lee Meng Tat (Chairman)

Chief Executive Officer, Non-Alcoholic Beverages, F&N

#### Lim Yew Hoe

Chief Executive Officer, F&NHB

#### Siew Peng Yim

Chief Executive Officer, Times Publishing Group

#### Hui Choon Kit

Chief Financial Officer & Group Company Secretary, F&N

#### Josephine Woo\*

Senior Director, Group Human Capital, F&N

#### Lai Kah Shen

Director, Non-Alcoholic Beverages Finance, F&N

#### Dr Yap Peng Kang\*

Senior Director, Manufacturing and Corporate R&D, F&N

#### Jennifer See

Managing Director, Singapore and YFI Malaysia, FNFS

#### Waradej Patpitak\*

Director, Manufacturing, F&NDT

#### Celine Tan\*

Director, Marketing (Beverages), F&N

\* Pillar Heads in the Sustainability Development Working Team



## Our Sustainability Approach

### Risk Management

F&N integrates material sustainability topics into our overall Risk Management framework by identifying specific risks, opportunities and key priorities for the financial year in order to drive our strategic decisions. This helps us to innovate better products and create more meaningful value for our stakeholders. Specific sustainability risks are identified and dealt with as part of the Enterprise Risk Management ("ERM") framework. For instance, Management considers the potential impacts of climate change on our business, including measures to mitigate water scarcity. Risk appetite and risk tolerance statements are reviewed by the SRMC and approved by the Board annually. At the end of the financial year, the Board receives assurance from the Chief Executive Officers, senior personnel from key functions and the Chief Financial Officer that the risk management and system of internal controls in place for the Group are adequate and effective to address risks which the Group considers relevant and material to its operations.

► For more information on F&N's risk management of sustainability topics integrated with other topics, please refer to our Annual Report (pg. 60).

### Key Policies

F&N's governance system is supported by various policies and frameworks put in place to ensure that relevant controls are in place and our people are working as intended.

F&N supports the UN Guiding Principles on Business and Human Rights, International Labour Organisation ("ILO") guidelines, Singapore's Employment Act, Thailand's Labour Protection Act and the Malaysia Employment Act 1955, and have extended these guidelines and legal requirements in our internal policies.

All F&N Directors and employees pledge to adhere to F&N's Code of Business Conduct, which includes principles related to integrity, respect and excellence. The Code is reviewed with new employees as part of their induction programme, while updates are communicated to staff by email and are also made available on our intranet.

Any violation of Code can be reported via these mechanisms:

1. Reporting mechanism provided in existing F&N Group policies
2. Whistleblowing policy

In FY2020, there were no substantiated bribery and corruption cases.

F&N has stringent criterion for donations and sponsorships as according to the F&N Group Anti-Bribery Policy. Whistleblowing of suspected bribery and corruption can be reported to the Chairman of the Audit Committee. There have been zero reports of corruption and bribery in this financial year.

F&NHB also has a Code of Business Practices for Third Parties, putting in place an Anti-Bribery and Anti-Corruption Management System to consolidate and manage elements, policies, objectives and processes in relation to bribery and corruption risks. 100% of our employees in Malaysia have made the Integrity Pledge and Declaration of Conflict of Interest submissions. There have been zero number of pledge breaches recorded in FY2020.

F&N suppliers are expected to conduct their business in accordance with ethical business standards and applicable laws, following the F&N Supplier Code of Practice. Suppliers are expected to treat their employees equally, with respect and dignity, in accordance with ILO standards and applicable labour laws.

### STAKEHOLDER ENGAGEMENT

F&N's stakeholders include any individual or group who are impacted by or interested in our activities. We strive to build and maintain strong relationships based on trust and respect with all stakeholders and utilise various platforms where they can voice their opinions and suggestions, as shown in the table below. Information received via these channels is used in our planning and strategy for sustainable value creation.

Engagement Channels	Typical Issues Raised	F&N Actions
<b>Investment Community</b>		
<ul style="list-style-type: none"> <li>• General meetings of Shareholders (AGM &amp; EGM)</li> <li>• Face-to-face meetings &amp; conference calls</li> <li>• Office/plant visits</li> <li>• Investor Day</li> <li>• Website and SGXNET announcements, presentations, press releases</li> <li>• Annual reports</li> </ul>	<ul style="list-style-type: none"> <li>• Transparency in disclosure</li> <li>• Business/financial performance</li> <li>• Disclosure on relevant information to shareholders</li> </ul>	<p>Refer to:</p> <ul style="list-style-type: none"> <li>▶ Section on Our Sustainability Approach (pg. 16)</li> <li>▶ Section on Economic Performance (pg. 33)</li> </ul>
<b>Employees</b>		
<ul style="list-style-type: none"> <li>• Biennial employee engagement survey</li> <li>• Robust compensation and benefits framework</li> <li>• Annual CEO town hall/roadshow</li> <li>• Annual gatherings</li> <li>• Lunch talks</li> <li>• Exercise classes</li> <li>• Sports tournament</li> <li>• Communique, iConnect (intranet), F&amp;N Digest (biannual newsletter), email news highlights, quarterly CEO messages</li> </ul>	<ul style="list-style-type: none"> <li>• Engagement with employees</li> <li>• Learning &amp; development opportunities</li> <li>• Equitable rewards &amp; recognition</li> <li>• Safe and healthy work environment</li> </ul>	<p>Refer to:</p> <ul style="list-style-type: none"> <li>▶ Section on Economic Performance (pg. 33)</li> <li>▶ Section on Talent Management (pg. 38)</li> <li>▶ Section on Market Presence (pg. 47)</li> <li>▶ Section on Occupational Health and Safety (pg. 78)</li> </ul>
<b>Distributors and Trade Customers</b>		
<ul style="list-style-type: none"> <li>• Annual customer meetings</li> <li>• Annual factory visits</li> <li>• Annual business planning</li> <li>• Business development activities</li> <li>• Joint supply chain meetings</li> <li>• Quarterly business reviews</li> <li>• Customer appreciation events</li> </ul>	<ul style="list-style-type: none"> <li>• Latest consumer &amp; shopper trends</li> <li>• Product innovation</li> <li>• Customer relationship management</li> <li>• Shopper loyalty programmes</li> <li>• Improving customer service level</li> <li>• Business practices &amp; ethics</li> <li>• Competitive operational system</li> <li>• Efficient delivery systems</li> </ul>	<p>Refer to:</p> <ul style="list-style-type: none"> <li>▶ Section on Innovation (pg. 34)</li> <li>▶ Section on Consumer Health and Safety (pg. 83)</li> </ul>
<b>Consumers</b>		
<ul style="list-style-type: none"> <li>• Marketing &amp; sales promotions</li> <li>• Brand communication through advertising</li> <li>• Social media interactions</li> <li>• On-ground events &amp; activities</li> <li>• Dedicated consumer hotline</li> </ul>	<ul style="list-style-type: none"> <li>• Product quality &amp; safety</li> <li>• Consumer health and safety</li> <li>• Fair &amp; reasonable product pricing</li> <li>• Social &amp; community engagement</li> <li>• Environment-friendly packaging</li> </ul>	<p>Refer to:</p> <ul style="list-style-type: none"> <li>▶ Section on Innovation (pg. 34)</li> <li>▶ Section on Consumer Health and Safety (pg. 83)</li> <li>▶ Section on Product and Service Labelling (pg. 89)</li> </ul>
<b>Suppliers</b>		
<ul style="list-style-type: none"> <li>• Supplier meetings</li> <li>• Annual audits</li> <li>• Tender Management System</li> </ul>	<ul style="list-style-type: none"> <li>• Fair &amp; robust procurement system</li> <li>• Support of local businesses</li> <li>• Social &amp; environmental responsibility</li> <li>• Ethics – anti bribery and corruption</li> </ul>	<p>Refer to:</p> <ul style="list-style-type: none"> <li>▶ Section on Sustainable Sourcing (pg. 74)</li> </ul>

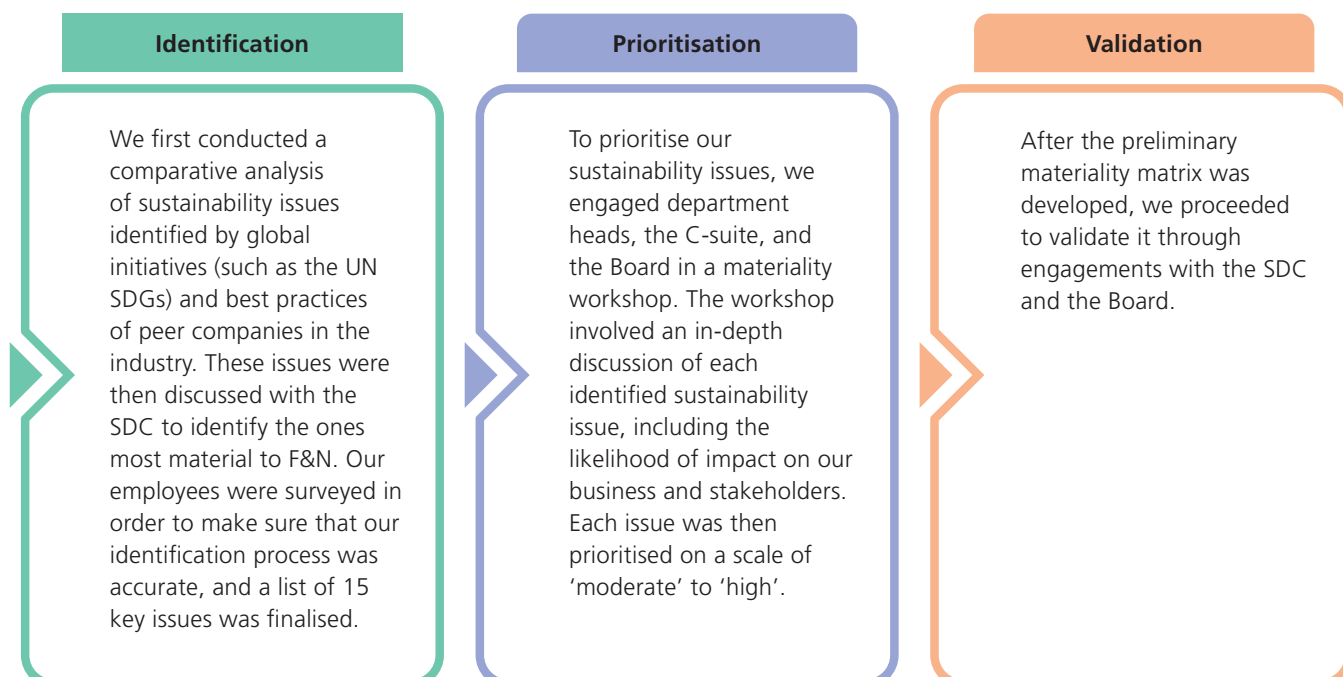
## Our Sustainability Approach

Engagement Channels	Typical Issues Raised	F&N Actions
<b>Communities</b>		
<ul style="list-style-type: none"> <li>• Collaborations &amp; partnerships</li> <li>• Outreach programmes</li> <li>• Meetings/dialogues with community representatives</li> <li>• Leadership programmes</li> <li>• Sponsorship of sporting events</li> <li>• Donation of food and beverages to the less privileged and elderly</li> </ul>	<ul style="list-style-type: none"> <li>• Consumer health and safety</li> <li>• Social &amp; environmental responsibility</li> <li>• Greenhouse gas emissions</li> <li>• Job opportunities for locals</li> <li>• Promotion of good health &amp; quality of life</li> <li>• Skills development in sports &amp; leadership</li> <li>• Stimulating local economies</li> </ul>	Refer to: <ul style="list-style-type: none"> <li>▶ Section on Consumer Health and Safety (pg. 83)</li> <li>▶ Section on Product and Service Labelling (pg. 89)</li> <li>▶ Section on Creating Value for Society (pg. 48)</li> <li>▶ Section on Market Presence (pg. 47)</li> <li>▶ Section on Water Stewardship (pg. 59)</li> <li>▶ Section on Effluents and Waste (pg. 62)</li> <li>▶ Section on Packaging (pg. 65)</li> <li>▶ Section on Energy and Climate Change (pg. 69)</li> <li>▶ Section on Talent Management (pg. 38)</li> </ul>
<b>Regulators</b>		
<ul style="list-style-type: none"> <li>• Active participation on industry collaborations e.g. Singapore's Health Promotion Board; Federation of Malaysian Manufacturers</li> <li>• Meetings with government agencies and statutory bodies</li> <li>• Collaboration &amp; partnerships with local councils</li> </ul>	<ul style="list-style-type: none"> <li>• Good governance</li> <li>• Fair &amp; legal labour practices</li> <li>• Safety at work</li> <li>• Compliance with laws &amp; regulations</li> <li>• Water &amp; waste management</li> <li>• Environment friendly labelling &amp; packaging</li> <li>• Greenhouse gas emissions</li> <li>• Recycling awareness</li> </ul>	Refer to: <ul style="list-style-type: none"> <li>▶ Section on Our Sustainability Approach (pg. 16)</li> <li>▶ Section on Consumer Health and Safety (pg. 83)</li> <li>▶ Section on Product and Service Labelling (pg. 89)</li> <li>▶ Section on Water Stewardship (pg. 59)</li> <li>▶ Section on Effluents &amp; Waste (pg. 62)</li> <li>▶ Section on Packaging (pg. 65)</li> <li>▶ Section on Energy &amp; Climate Change (pg. 69)</li> <li>▶ Section on Occupational Health and Safety (pg. 78)</li> </ul>

### MATERIAL MATTERS

We undertook our first materiality assessment in 2017 to evaluate our most important sustainability issues. This assessment was based on three steps: Identification; Prioritisation; and Validation.

#### Materiality Assessment Process

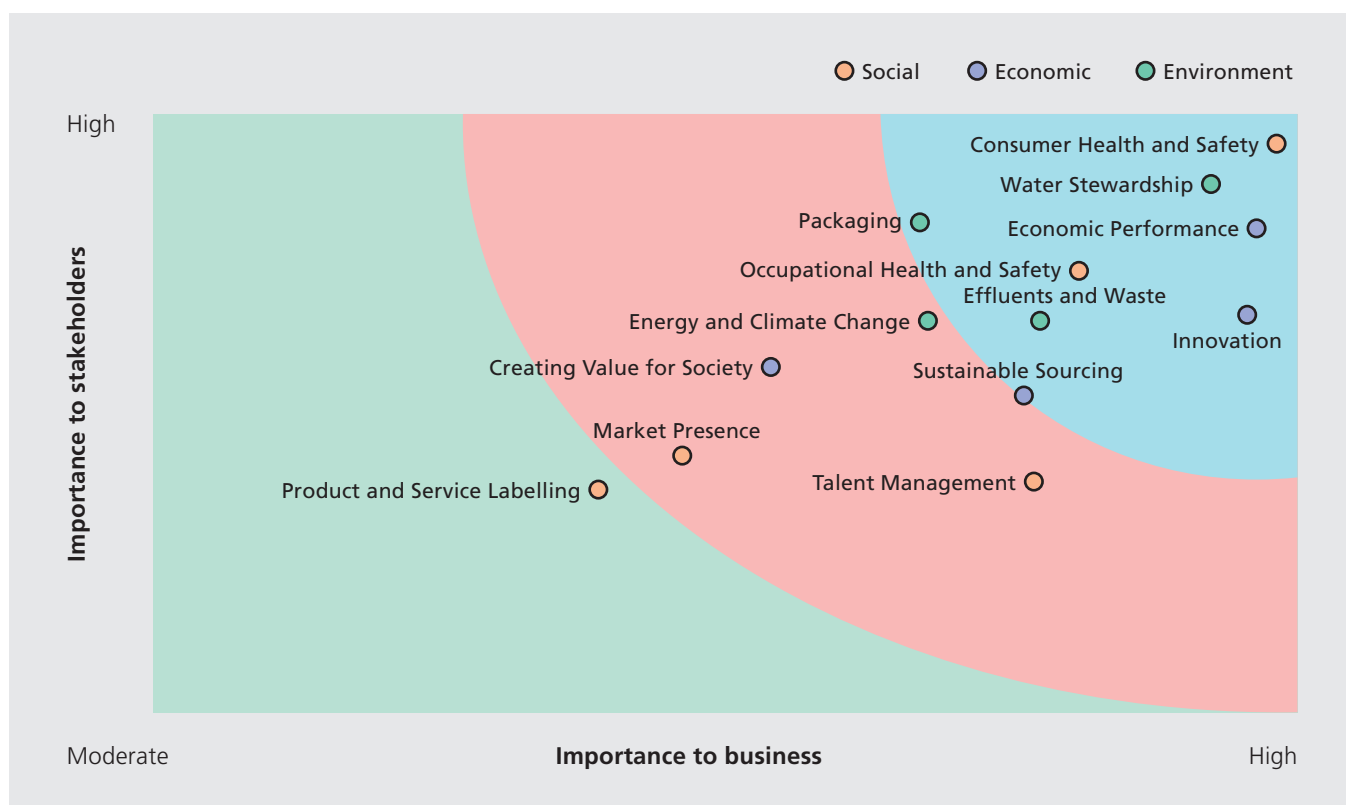


### FY2020 Materiality Matrix

Since the initial materiality assessment conducted in 2017, F&N has continued to review and refine, where necessary, the materiality topics yearly. There were no changes to the 13 material topics from 2019. The materiality topics can be seen in the FY2020 materiality matrix below.

Our most significant material topic 'Consumer Health and Safety' is extremely relevant this year amidst the COVID-19 pandemic as communities are becoming increasingly aware of the importance of their health and hygiene. 'Economic Performance' is vital as we continue to balance our

contributions to frontliners and people in need with our financial performance. 'Occupational Health and Safety' is also receiving more focus in light of the COVID-19 pandemic as we take steps to keep our employees safe.




























We endeavour to comprehensively disclose our growth strategies and measures to address the opportunities and risks affecting our operating environment. These matters have also been identified as significant to our stakeholders and have the potential to impact our delivery of value in the short, medium and long-term. To fairly and sufficiently discuss our material matters and the performance targets to which we have committed ourselves, we need to clearly define what each of these sustainability topics mean to the Group.































The material issues have been mapped following the structure of the six pillars of our Sustainability framework and the UN SDGs they contribute to. Through this framework, we align our business and sustainability goals with a sharper focus on how we create value for each material issue as well as our contribution towards the UN SDGs, particularly towards Goal 3; Goal 4; Goal 6; Goal 8; Goal 9; Goal 10; Goal 12; Goal 13; Goal 14.







## Our Sustainability Approach

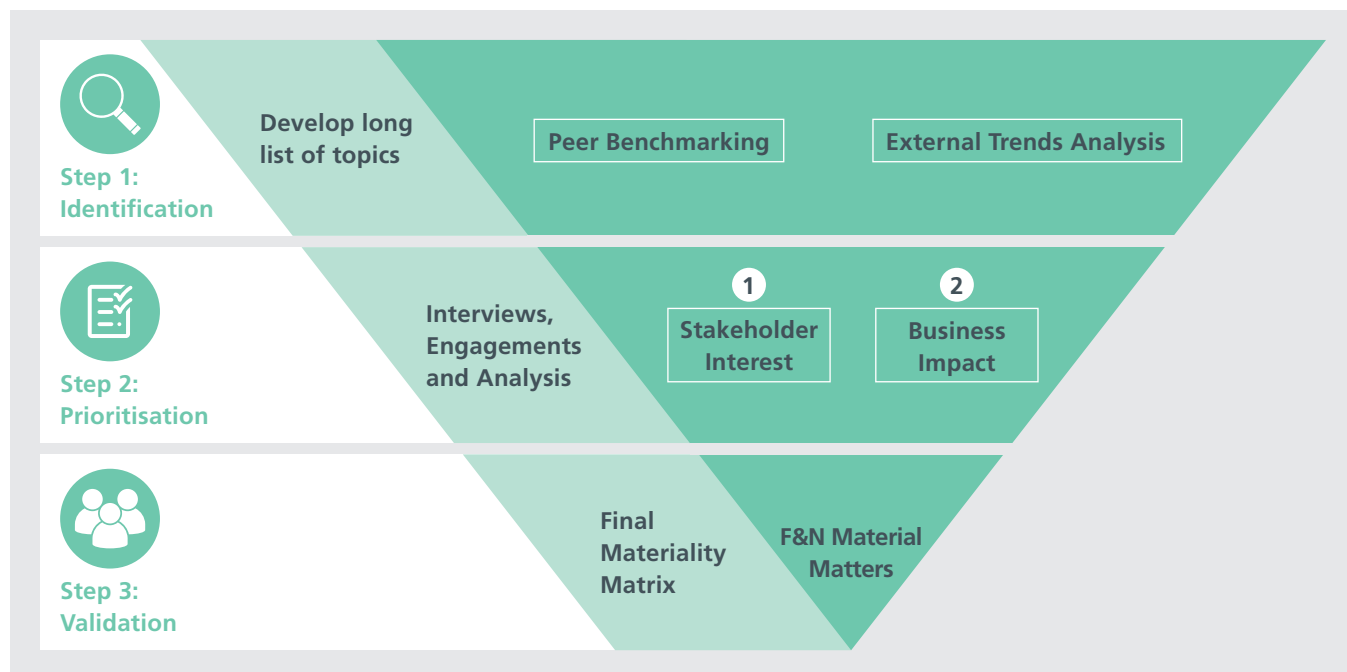
Material Topic	Importance to F&N's Stakeholders and Business	Main Sustainable Development Goals	Main Boundaries						
			Employees	Suppliers	Customers	Consumers	Investment Community	Communities	Regulators
Driving Economic Value									
Economic Performance	We are committed to creating direct economic value for our shareholders through the generation of profits and for our employees through stable and rewarding employment.  GRI 201-1 Economic Performance								
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 concern about social and environmental issues.								
Empowering Our People									
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 GRI 405-1 Diversity and Equal Opportunity	 							
Market Presence	We contribute to the economic development of 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								
Enhancing Social Well-being									
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 spreading festive cheer.  GRI 413-1 Local Communities	   							

Material Topic	Importance to F&N's Stakeholders and Business	Main Sustainable Development Goals	Main Boundaries						
			Employees	Suppliers	Customers	Consumers	Investment Community	Communities	Regulators
Eco-efficiency									
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 resources in the long-term for both our own operations and our local communities.  GRI 303-3, 303-5 (2018) Water and Effluents								
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 303-4 (2018) Water and Effluents; GRI 306-2 Effluents and Waste	  							
Packaging	We use innovative packaging to meet consumers' demand and seek out innovative processes to reduce post-consumption waste.								
Energy and Climate Change	We curb our contribution to climate change by managing the GHG emissions from our production processes and transport. This includes creating greater energy efficiencies in our operations and using as much renewable energy when possible.  GRI 302-1, 302-3 Energy GRI 305-1, 305-2, 305-4 Emissions	 							
Responsible Supply Chain									
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 economic development when possible.  GRI 204-1 Procurement Practices	 							

## Our Sustainability Approach

Material Topic	Importance to F&N's Stakeholders and Business	Main Sustainable Development Goals	Main Boundaries						
			Employees	Suppliers	Customers	Consumers	Investment Community	Communities	Regulators
Safety and Well-being									
Occupational Health and Safety	<p>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.</p> <p><i>GRI 403-9, 403-10 (2018) Occupational Health and 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## Updating Our Material Issues



### 1. Identification

We conducted a materiality assessment in March this year with the support of an independent consultant. An initial list of 50 ESG topics were identified. It was narrowed down to 18 material ESG topics through peer benchmarking and external trends analysis.

### 2. Prioritisation

To prioritise the 18 material ESG topics, we sought input from both internal and external stakeholders through

- Engaging 16 external stakeholders from across our stakeholder groups. The interviews with the stakeholders were conducted through audio calls using Microsoft Teams, and they were sent a questionnaire beforehand. One of the questions in the questionnaire requested the stakeholders to select from the list of 18 material topics and rank the material topics according to how important they felt it should be for F&N.
- Conducting two internal materiality assessment executive workshops, one in Singapore and one in Malaysia, with over 50 participants from senior management. One of the activities tasked the attendees to select from the list of 18 material topics and rank the material topics based on how important its impact would be on F&N.

- Carrying out an employee survey which had over 950 responses from across the Group. One of the questions in the survey gave our employees the choice to indicate which amongst the list of 18 material topics they felt were more important to F&N and to rank those material topics accordingly in terms of importance.

The feedback received from the internal and external stakeholders was consolidated and used in the overall ranking of the 18 material ESG topics to determine our key material ESG topics. They were plotted in a matrix based on their importance to stakeholders (external) and to F&N's business (internal).

### 3. Validation

The 2021 materiality matrix and 2025 sustainability targets were endorsed by the SDC in August 2020 and approved by the SRMC in September 2020. Detailed information on them will be disclosed in the F&N Sustainability Report 2021.

This process enabled us to refresh our materiality matrix for FY2021 and set medium term 2025 sustainability targets, especially for our 'high' materiality issues.

## Circular Economy

A circular business model can be defined as the way an organisation creates, delivers and captures value with and within closed material loops and chains. F&N is committed to work towards a more circular economy by preserving the value of resources for as long as possible, and applying **circular economy principles** of:

- Prioritising renewable inputs
- Keeping products and materials in use
- Recovering by-products and waste.

Our approach to managing materiality topics is guided by these principles. More than half of our materiality topics have links to circular economy:

- **Innovation:** We creatively design new solutions for products and processes which contribute to resource efficiency and the prevention of waste. F&N built a new innovation centre in Singapore for R&D focusing on health and sustainability. Other than packaging, the innovation centre will also look into water efficiencies, energy conservation, environmental programs and waste management with Singapore's BCA Green Mark Platinum award as the target.

➤ Refer to page 34 for more information.

- **Water Stewardship:** We manage water use and recover and reuse water where possible. In Singapore, as our soya process is one of the more water intensive processes, we evaluated our soya activities and implemented operational changes. Compared to 2019, water usage in 2020 was reduced by 42%.

➤ Refer to page 59 for more information.

- **Effluents and Waste:** We minimise waste (in production and post-consumption) and help to create by-products from the residual liquid and solid waste. We are proud to announce that we have significantly exceeded our 2020 target to reduce solid waste intensity by 5%.

➤ Specific initiatives are elaborated in page 62.

- **Packaging:** We reduce raw materials needed and aim to ensure that packaging can be recycled, reused or composted. F&N proactively innovates, develop and source sustainable packaging solutions for our products. We have implemented various packaging solutions in 2019 and are on track to meet our goal to have 100% of F&N's beverage packaging to be recyclable by 2021.

➤ Refer to page 65 for more information.

- **Energy and Climate Change:**

We reduce our energy needs, use renewable and/or recover energy from our operations. Our energy and climate change strategy includes: improving energy efficiency in our operations, renewable energy sourcing and generation, reducing carbon in our value chain, route planning and reducing operations exposure to climate change risks.

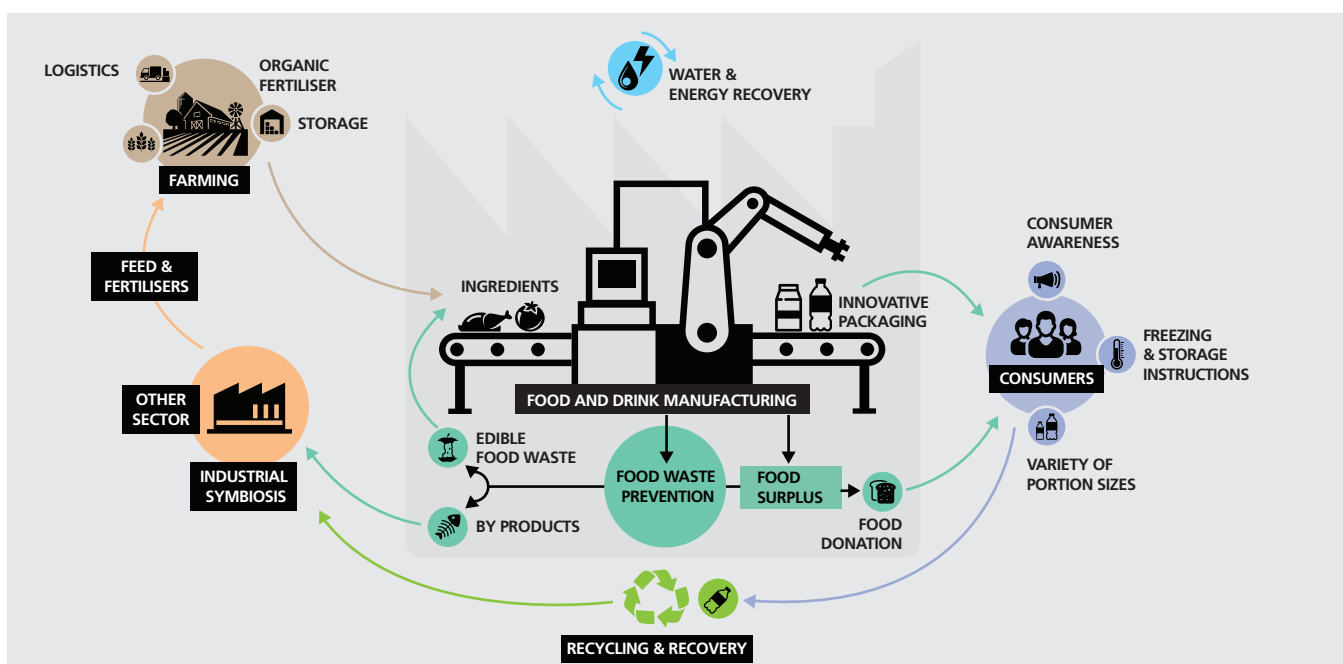
➤ Refer to page 69 for more information.

- **Sustainable Sourcing:** We favour suppliers whose environmental practices adhere to circular economy principles. In June 2020, we have launched a new Supplier Code of Practice which covers Business Ethics, Environmental Management, Human Rights and Occupational Health and Safety.

➤ Refer to page 74 for more information.

- **Creating Value for Society:** Beyond the company, F&N raises awareness of circular economy and good waste management practices through conducting education programmes for students in Malaysia and Thailand.

➤ Refer to page 48 for more information.



## Response to COVID-19

### IMPACT OF COVID-19 FOR OUR BUSINESS AND STAKEHOLDERS

In 2020, the unprecedented situation caused by the COVID-19 pandemic had significant impacts on people and businesses around the world. It has reinforced the materiality of environmental and social topics by showing just how connected we are as a global society and how sustainability risks can very quickly create an impact across the economic system. COVID-19 highlights the importance of our Economic and Social material issues including Consumer Health and Safety, Occupational Health and Safety, Sustainable Sourcing, Creating Value for Society, and Innovation.

Our commitment to addressing sustainability through our material issues helps to ensure the resilience of our business and stakeholders to external shocks such as COVID-19.

### F&N COVID-19 RESPONSE AND LEARNINGS

F&N has reacted to the pandemic with a focus on the following material topics:

#### Economic Performance:

Business continuity to deliver stakeholder value

During 2020, F&N aimed to maintain a resilient economic performance in the face of external shocks to continue to deliver value for all stakeholders. For example, in Malaysia, we worked to maximise output despite reduced production hours and workforce during the MCO period.

▶ More information can be found in the 'Economic Performance' chapter (page 33) of this report.

#### Governance & Risk Management:

Structures and plans to manage systemic shocks

COVID-19 reinforces the importance of integrating non-financial risks into

our risk management processes. This helps to prepare for possible future impacts of social and environmental shocks. F&N cannot control external factors (pandemics, climate change) but can make preparations internally to ensure business continuity.

During the COVID-19 pandemic, stakeholder engagement was critical for F&N to address key challenges and ensure business continuity. For example, F&NHB maintained ongoing dialogues with regulators, through the government and industry affairs department, to ensure operations and workforce were compliant with regulations, permits and screening mechanisms. This ensured that operations avoided unnecessary delays and disruptions.

▶ More information can be found in the 'Our Sustainability Approach' chapter (page 16) of this report.





## Response to COVID-19

### Occupational Health & Safety:

Ensuring the well-being of our employees is our first priority

Despite limitations and difficulties due to COVID-19, F&N has not compromised our ongoing safety related trainings. In 2020, we continued to conduct annual safety trainings and awareness sessions using virtual formats, as well as new training on COVID-related risks. Throughout the pandemic, we have communicated regularly with employees regarding the changing government requirements and business response. This includes best practices in personal hygiene and social distancing as well as up to date health and travel advice.

▶ More information can be found in the 'Occupational Health and Safety' chapter (page 78) of this report.

### Talent Management:

COVID-19 has accelerated the pace of our transition to the Future of Work

F&N equips employees with skills to succeed in the 'new normal'. Training and resources are available to enable employees with the skills to perform effectively in a remote working environment with focus areas such as self-management, communication with different generations and cultures, virtual people management and team-working. We expedite employees for the shift in future technology by providing training in Cyber Security, Industry 4.0, Data Analytics and Introduction to Robotic Process Automation as well as setting up digital platforms for specific functions. We have also updated our leadership development programs to focus on leading change in an uncertain world.

▶ More information can be found in the 'Talent Management' chapter (page 38) of this report.

### Consumer Health & Safety:

Reinforcing our commitment to healthy products and lifestyles

F&N continues to increase our offering of Healthier Choice products. Our product development team responded to consumer demands for healthy, immune building products. F&N has launched healthy drinks to boost the immune system such as *SUNKIST Pure*, which contains multivitamins to strengthen immunity, *F&N NUTRISOY Fresh Soya Milk with Real Oats & Quinoa*, which contains more protein and calcium as compared to other soya bean drinks, *F&N ICE MOUNTAIN Sparkling Water in Peach Flavour*, which has zero sugar and zero calories, and *OYOSHI GOLD* which includes antioxidants.

F&N implemented wider activities to encourage a healthy lifestyle during lockdown. In Thailand, F&N helped consumers stay fit and healthy during COVID-19 by sharing healthy cooking tips and recipes using social media platforms, including information on keeping a healthy diet during lockdown. In Malaysia and Singapore, F&N conducted virtual fitness challenges and organised workout sessions with athletes and influencers for consumers to participate in.

▶ More information can be found in the 'Consumer Health and Safety' chapter (page 83) of this report.

### Innovation:

Supporting consumer needs during the pandemic

At the same time, consumers are looking for quick and easy products to support new patterns of living and working. F&NHB strengthened its e-commerce presence with the launch of a flagship online store, *F&N Life*, to offer convenience and accessibility to Malaysian consumers. This platform

was rolled out in January and scaled up to support Malaysians during the COVID-19 pandemic. This provided an easier platform for consumers to bulk order their favourite F&N products at competitive prices and have them delivered to their homes.

▶ More information can be found in the 'Innovation' chapter (page 34) of this report.

### Sustainable Sourcing:

Partnering to ensure supply chain resilience and avoid disruption

We work closely with our trade partners and suppliers to ensure minimal disruption during this period. We are committed to supporting our customers, trade partners and communities with adequate supply of core F&N products amidst this uncertain period. F&N recognises the need to replace conventional business continuity planning with new ways of collaboration with suppliers and customers to continue ensuring availability of stocks.

▶ More information can be found in the 'Sustainable Sourcing' chapter (page 74) of this report.

### Creating Value for Society:

Supporting local communities through the COVID-19 pandemic

F&N supported national efforts through product donations for vulnerable groups including elderly people, low-income families, healthcare workers and migrant workers in Singapore, Malaysia and Thailand.

▶ More information can be found in the 'Creating Value for Society' chapter (page 48) of this report.

## Sustainability Target and Progress Summary

### SUMMARY

As part of F&N's commitment to sustainability, F&N had set 10 key sustainability performance targets for the F&N Group's material operations across Singapore, Malaysia and Thailand, based on the high priority material issues identified, to be achieved by 2020.

Guided by these targets, this year, we have evaluated our performance against the 2020 Sustainability Commitment Targets.

We have met five of our key sustainability targets relating to the following material topics:

- Effluents and Waste** – Reduce solid waste intensity by 5% by 2020
- Talent Management** – Average of 16 and 10 training hours for Executive and Non-executive employees respectively
- Sustainable Sourcing** – Purchase of RSPO Credits for 100% of annual palm oil usage
- Innovation** – Continuously invest in product and process innovation
- Creating Value for Society** – Continuously provide outreach and engagement programs across Singapore, Malaysia and Thailand

The five key sustainability targets, that require further effort and adaptation due to the COVID-19 circumstances and operational changes, are associated with the following material topics:

- Reason: Due to operational changes and COVID-19 circumstances
  - Water Stewardship** – Reduce of water intensity by 5% by 2020
  - Energy and Climate Change** – Reduce energy intensity by 5% by 2020
  - Energy and Climate Change** – Reduce GHG emissions intensity by 5% by 2020

More details can be found on pages 59 and 69 of this report

- Reason: No healthier choice option for the "Energy" product category due to its specific function
  - Consumer Health and Safety** – Introduce at least one healthier choice option in all our product categories

More details can be found on page 83 of this report

- Reason: The ambitious target of zero LTIFR is set to reaffirm our stance of zero tolerance for workplace accidents

- Occupational Health and Safety** – To have zero LTIFR

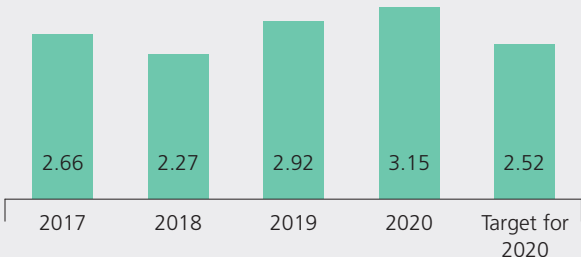
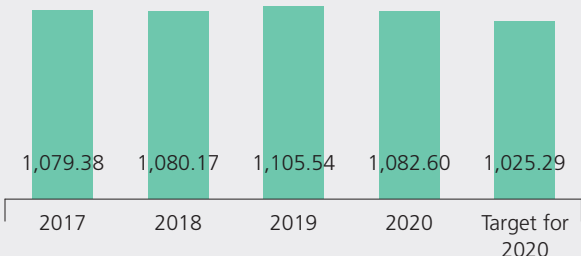
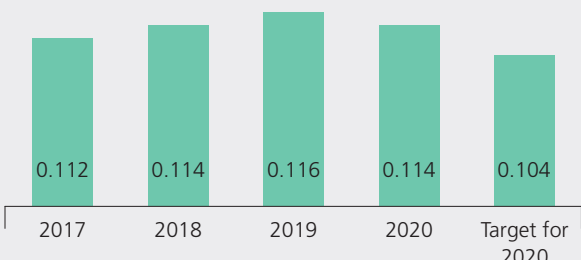
Key contributing factors supporting our performance and gaps are elaborated in the respective chapters of the Sustainability Report.

More details can be found on page 78 of this report

In 2021, F&N will embark on our journey towards our 2025 sustainability ambition. As part of a refreshed, robust materiality assessment and stakeholder engagement conducted this year, we have set medium term 2025 sustainability targets, especially for 'high' materiality issues. Changes from the latest materiality assessment and the 2025 sustainability targets will be reflected in next year's Sustainability Report. These 2025 goals will drive F&N sustainability performance throughout our business and strengthen our commitment to creating long-term value for our stakeholders.

Core Areas	Key Material Issues	2020 Sustainability Commitments	Progress																		
Driving Economic Value	Innovation	To invest in product and process innovation to increase our product range, and improve efficiency and productivity	We have implemented many innovation projects to improve our product range and improve efficiency and productivity, achieving our 2020 Sustainability Commitment Target																		
Empowering Our People	Talent Management	To provide an average of at least 16 and 10 hours of training to employee categories, Executive and Non-executive, respectively.	<p>Average training hours of 26.23 and 12.57 provided to Executives and Non-executives, respectively.</p> <p><b>Group Average Training Hour Per Employee By Employee Category</b></p> <table><thead><tr><th>Year/Target</th><th>Executive (Hours)</th><th>Non-executive (Hours)</th></tr></thead><tbody><tr><td>2017</td><td>21.56</td><td>8.39</td></tr><tr><td>2018</td><td>30.20</td><td>10.96</td></tr><tr><td>2019</td><td>29.97</td><td>11.39</td></tr><tr><td>2020</td><td>26.23</td><td>12.57</td></tr><tr><td>Target for 2020</td><td>27.00</td><td>13.00</td></tr></tbody></table>	Year/Target	Executive (Hours)	Non-executive (Hours)	2017	21.56	8.39	2018	30.20	10.96	2019	29.97	11.39	2020	26.23	12.57	Target for 2020	27.00	13.00
Year/Target	Executive (Hours)	Non-executive (Hours)																			
2017	21.56	8.39																			
2018	30.20	10.96																			
2019	29.97	11.39																			
2020	26.23	12.57																			
Target for 2020	27.00	13.00																			

## Sustainability Target and Progress Summary

Core Areas	Key Material Issues	2020 Sustainability Commitments	Progress												
Enhancing Social Well-being	Creating Value for Society	To provide outreach and engagement programmes across Singapore, Malaysia and Thailand by exploring and implementing appropriate outreach programmes to address community needs	We have continued to provide outreach and engagement programmes across Singapore, Malaysia and Thailand via several programmes, achieving our 2020 Sustainability Commitment Target												
Eco-efficiency	Water Stewardship	Reduce the Group water intensity at our plants by 5% from 2017	<p>The Group water intensity ratio is 3.15 m<sup>3</sup>/MT.</p> <p><b>Group Water Intensity Ratio (m<sup>3</sup>/MT)</b></p>  <table><thead><tr><th>Year</th><th>Ratio (m<sup>3</sup>/MT)</th></tr></thead><tbody><tr><td>2017</td><td>2.66</td></tr><tr><td>2018</td><td>2.27</td></tr><tr><td>2019</td><td>2.92</td></tr><tr><td>2020</td><td>3.15</td></tr><tr><td>Target for 2020</td><td>2.52</td></tr></tbody></table>	Year	Ratio (m <sup>3</sup> /MT)	2017	2.66	2018	2.27	2019	2.92	2020	3.15	Target for 2020	2.52
Year	Ratio (m <sup>3</sup> /MT)														
2017	2.66														
2018	2.27														
2019	2.92														
2020	3.15														
Target for 2020	2.52														
	Effluents and Waste	Reduce the Group solid waste intensity by 5% from 2017	<p>The Group solid waste intensity ratio is 3.14 kg/MT.</p> <p><b>Group Solid Waste Intensity Ratio (kg/MT)</b></p>  <table><thead><tr><th>Year</th><th>Ratio (kg/MT)</th></tr></thead><tbody><tr><td>2017</td><td>5.88</td></tr><tr><td>2018</td><td>5.58</td></tr><tr><td>2019</td><td>4.36</td></tr><tr><td>2020</td><td>3.14</td></tr><tr><td>Target for 2020</td><td>5.58</td></tr></tbody></table>	Year	Ratio (kg/MT)	2017	5.88	2018	5.58	2019	4.36	2020	3.14	Target for 2020	5.58
Year	Ratio (kg/MT)														
2017	5.88														
2018	5.58														
2019	4.36														
2020	3.14														
Target for 2020	5.58														
	Energy and Climate Change	To reduce the Group energy intensity by 5% from 2017	<p>The Group energy intensity ratio is 1,082.60 MJ/MT.</p> <p><b>Group Energy Intensity Ratio (MJ/MT)</b></p>  <table><thead><tr><th>Year</th><th>Ratio (MJ/MT)</th></tr></thead><tbody><tr><td>2017</td><td>1,079.38</td></tr><tr><td>2018</td><td>1,080.17</td></tr><tr><td>2019</td><td>1,105.54</td></tr><tr><td>2020</td><td>1,082.60</td></tr><tr><td>Target for 2020</td><td>1,025.29</td></tr></tbody></table>	Year	Ratio (MJ/MT)	2017	1,079.38	2018	1,080.17	2019	1,105.54	2020	1,082.60	Target for 2020	1,025.29
Year	Ratio (MJ/MT)														
2017	1,079.38														
2018	1,080.17														
2019	1,105.54														
2020	1,082.60														
Target for 2020	1,025.29														
		To reduce the Group GHG emission intensity by 5% from 2017	<p>The Group GHG emissions intensity ratio is 0.114 MT CO<sub>2e</sub>/MT.</p> <p><b>Group GHG emissions Intensity Ratio (MT CO<sub>2e</sub>/MT)</b></p>  <table><thead><tr><th>Year</th><th>Ratio (MT CO<sub>2e</sub>/MT)</th></tr></thead><tbody><tr><td>2017</td><td>0.112</td></tr><tr><td>2018</td><td>0.114</td></tr><tr><td>2019</td><td>0.116</td></tr><tr><td>2020</td><td>0.114</td></tr><tr><td>Target for 2020</td><td>0.104</td></tr></tbody></table>	Year	Ratio (MT CO <sub>2e</sub> /MT)	2017	0.112	2018	0.114	2019	0.116	2020	0.114	Target for 2020	0.104
Year	Ratio (MT CO <sub>2e</sub> /MT)														
2017	0.112														
2018	0.114														
2019	0.116														
2020	0.114														
Target for 2020	0.104														

Core Areas	Key Material Issues	2020 Sustainability Commitments	Progress																											
Responsible Supply Chain	Sustainable Sourcing	To purchase RSPO Credits for 100% of palm oil usage	RSPO Credits purchased for 100% of annual palm oil usage, thus achieving our 2020 Sustainability Commitment Target.																											
			<div>Total Number of RSPO Credits Purchased</div> <div><table><thead><tr><th></th><th>Malaysia</th><th>Thailand</th><th>Total</th><th>Annual Palm Oil Usage (%)</th></tr></thead><tbody><tr><td>2017</td><td>3,000</td><td>50</td><td>3,050</td><td></td></tr><tr><td>2018</td><td>5,000</td><td>3,600</td><td>8,600</td><td>30%</td></tr><tr><td>2019</td><td>13,000</td><td>8,400</td><td>21,400</td><td>70%</td></tr><tr><td>2020</td><td>25,000</td><td>19,000</td><td>44,000</td><td>100%</td></tr><tr><td>Target for 2020</td><td>25,000</td><td>19,000</td><td>44,000</td><td></td></tr></tbody></table></div>		Malaysia	Thailand	Total	Annual Palm Oil Usage (%)	2017	3,000	50	3,050		2018	5,000	3,600	8,600	30%	2019	13,000	8,400	21,400	70%	2020	25,000	19,000	44,000	100%	Target for 2020	25,000
	Malaysia	Thailand	Total	Annual Palm Oil Usage (%)																										
2017	3,000	50	3,050																											
2018	5,000	3,600	8,600	30%																										
2019	13,000	8,400	21,400	70%																										
2020	25,000	19,000	44,000	100%																										
Target for 2020	25,000	19,000	44,000																											
Safety and Well-being	Occupational Health and Safety	To have zero LTIFR	The Group Lost Time Injury Frequency Rate is 3.79.																											
			<div>Group Lost Time Injury Frequency Rate (Reported Injury Cases/Million Working Hours)</div> <div><table><thead><tr><th>Year</th><th>LTIFR</th></tr></thead><tbody><tr><td>2017</td><td>2.95</td></tr><tr><td>2018</td><td>2.88</td></tr><tr><td>2019</td><td>2.58</td></tr><tr><td>2020</td><td>3.79</td></tr><tr><td>Target for 2020</td><td>0.00</td></tr></tbody></table></div>	Year	LTIFR	2017	2.95	2018	2.88	2019	2.58	2020	3.79	Target for 2020	0.00															
Year	LTIFR																													
2017	2.95																													
2018	2.88																													
2019	2.58																													
2020	3.79																													
Target for 2020	0.00																													
	Consumer Health and Safety	To introduce at least one healthier choice option in all our product categories	<div>We have healthier alternate products for 14 of the 15 (93%) product categories.</div> <div><div>CHILLED / PASTEURIZED</div><div><ul style="list-style-type: none"><li>Milk</li><li>Drinking/Eating Yogurt</li><li>Fruit Juice</li><li>Soya</li><li>Asian Soft Drinks</li></ul></div><div>All product categories have at least one healthier choice</div></div> <div><div>AMBIENT</div><div><ul style="list-style-type: none"><li>Isotonic</li><li>Water</li><li>Carbonated Soft Drinks</li><li>Tea</li><li>UHT &amp; Sterilised Milk</li><li>UHT Soya</li><li>Juice</li><li>Energy</li><li>Asian Soft Drinks</li><li>Frozen</li></ul></div><div>Product categories which do not have at least one healthier choice</div><div>1. Energy</div></div>																											