

## Board Statement



# Growing Stronger

### OVERVIEW OF F&N SUSTAINABILITY REPORT 2022

The Board is pleased to present Fraser and Neave, Limited's ("F&N" or the "Group") Sustainability Report ("Report") for the Financial Year ("FY") covering the period from 1 October 2021 to 30 September 2022. The Report provides an overview of the key Environmental, Social and Governance ("ESG") topics performance of the Group.

This Report was prepared in accordance with the internationally recognized Global Reporting Initiative ("GRI") Universal Standards 2021, which is compliant with the Singapore Exchange's ("SGX") Listing Rules 711A and 711B. In addition, it complies with the SGX mandated climate reporting based on the Task Force on Climate-Related Financial Disclosures ("TCFD") recommendations and was mapped to the recommended SGX core ESG metrics. The report covers activities of the Group's operations, including 13 manufacturing sites in Singapore, Malaysia and Thailand.

Ahead of the SGX stipulated timeline, F&N had begun a phased implementation of climate-related disclosures this year. The Group conducted a gap analysis of F&N's current climate strategy and a qualitative climate-related risks and opportunities assessment.



### SUSTAINABILITY GOVERNANCE

The Board has overall responsibility for sustainability – from considering the key ESG topics in the formulation of F&N's strategy to the implementation and monitoring of sustainability performance – and has been closely involved in the development of this Report. While the Board takes the lead in the Group's sustainability direction, the Sustainability and Risk Management Committee ("SRMC") is responsible for steering the Group's sustainability efforts. The SRMC is supported by the Sustainability Development Committee ("SDC"), chaired by Mr. Hui Choon Kit, Chief Executive Officer, F&N. The SDC regularly monitors the Group's

sustainability priorities and initiatives and ensures their implementation to achieve the targets set for 2025. To ensure a holistic Group-wide management of sustainability across material ESG topics, the SRMC and the SDC are represented by management from various parts of F&N's business, including Finance, Operations, Human Capital, Research and Development, Marketing, Communications and Risk Management.

### REFRESHED SUSTAINABILITY STRATEGY

Advancing sustainability and making positive impacts on the material ESG topics remain a core focus for F&N. This year, the F&N 2021 materiality matrix and 2025



sustainability targets were reviewed, and where necessary, refined to reflect changes in the sustainability landscape. F&N continues to make progress through our sustainability roadmap to meet our 2025 sustainability goals. The 2025 sustainability targets, reviewed by the SDC, endorsed by the SRMC and approved by the Board, considered important sustainability topics that could potentially impact F&N's long-term financial and non-financial goals. Details on the 2025 sustainability targets can be found on pages 20 to 21 of this Report.

#### IMPLEMENTATION OF CLIMATE-RELATED DISCLOSURES

With the impact of climate change becoming more evident, there is an increasing global call for prioritisation of efforts to mitigate climate change, including a mandatory climate reporting requirement by the SGX by 2023 on a 'comply or explain' basis. Ahead of the SGX stipulated timeline, F&N had begun a phased implementation of climate-related disclosures this year. The Group conducted a gap analysis of F&N's current climate strategy and a qualitative climate-related risks and opportunities assessment. The minor gaps identified during the gap analysis, pertaining to the Board and Management's role on assessing and

managing climate-related risks and opportunities, have been addressed in the TCFD disclosure narrative. Details on the TCFD-related disclosure can be found on pages 26 to 34 of this Report.

The Group will continue to evolve our sustainability and climate-related strategy to create sustainable value for people, the planet and the future viability of our businesses.

#### EMERGING STRONGER FROM THE PANDEMIC

Businesses around the world have adapted to living with the COVID-19. The once stringent COVID-19 restrictions in many countries have eased, and as a result, more economies are progressively opening up and looking to recover. However, the Russia-Ukraine war has led to global supply chain disruptions, resulting in increases in raw material costs and product shortages. During these trying times, our Business Continuity Plan ("BCP") continues to help minimise business operational interruptions and protect the health and safety of our staff and customers, ensuring the continuity of our business operations.

#### RECOGNISING F&N's SUSTAINABILITY EFFORTS

F&N has been awarded the runner up in the Most Transparent Company Award (Consumer Staples category)

at the Securities Investors Association Singapore's Investors' Choice Awards 2021.

F&N is also pleased that its subsidiary, Fraser & Neave Holdings Bhd ("F&NHB"), continued to be recognised for excellence in sustainability and strong ESG practices. It won the Platinum Award (for Best Sustainability Reporting) at the National Annual Corporate Report Awards 2021 and maintained its position as a constituent member of the FTSE4Good Bursa Malaysia ("F4BGM") and FTSE4Good Bursa Malaysia Shariah ("F4GBMS") Index for the fourth and second year running, respectively.

These awards and inclusions serve as an acknowledgement of F&N's sustainability efforts and is a great encouragement as we continue to advance our sustainability journey.

#### CLOSING REMARKS

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, we do recognise the urgency to continue to do more to transform F&N, sustainably. We will continue to anchor sustainability in the Group and advance toward a sustainable circular economy, as guided by our 2025 sustainability targets.

## Message from Chairman of SDC



# Pursuing *Sustainability*

**Mr Hui Choon Kit**  
Chairman of Sustainability  
Development Committee

### OVERVIEW OF F&N SUSTAINABILITY REPORT 2022

This Report has been prepared in accordance with the GRI Universal Standards 2021, which represent the global best practice in sustainability reporting. By adhering to the GRI Universal Standards, F&N aims to provide information on sustainability performance that is useful to our stakeholders and demonstrates our progress towards achieving our targets over time.

F&N has benchmarked its sustainability performance against industry leaders, such as Thai Beverage Public Company Limited

**F&N launched the first eco-solutions manufacturing plant, Green Lab, in Singapore. This is an initiative to provide sustainable packaging solutions, such as biodegradable and compostable kraft paper bags, F&N consumables, and plastic bag substitutes made from recycled industrial waste cassava roots, to businesses.**



("ThaiBev"), our strategic partner, to improve through best practice sharing and knowledge transfer and ensure a consistent information disclosure. F&N has chosen to align and integrate our data collection processes with ThaiBev's well developed and systematic reporting parameters as ThaiBev has demonstrated its sustainability excellence. It was awarded the S&P Global Gold Class, for being the top 1% of companies in the Beverages industry who participated in the S&P Global 2021 CSA, in the S&P Global Sustainability Yearbook 2022.

### THE YEAR IN REVIEW

This year, while we continue to make further progress upon past years' sustainability initiatives, new initiatives to demonstrate commitment to sustainability through cross-function collaborations had also been launched. The following are a few of the initiatives which we would like to highlight:

#### Reporting on Climate-related Disclosures

The effects of climate change have become more evident. As a result, it is becoming increasingly important to prioritise efforts



to mitigate climate change and reduce its impact. In view of this, SGX has updated its Sustainability Reporting requirements to include mandatory climate reporting, based on the recommendations of the Task Force on Climate-Related Financial Disclosures (“TCFD”), by 2023 on a ‘comply or explain’ basis. F&N has adopted a phased implementation approach to prepare for this enhanced climate-related disclosure, ahead of the SGX stipulated timeline. This year, we started by first conducting a gap analysis of F&N’s current climate strategy, followed by a qualitative climate-related risks and opportunities assessment. The minor gaps identified during the gap analysis have been addressed in the TCFD disclosure narrative. For more details, refer to the TCFD recommendations narrative on pages 26 to 34 of this Report.

#### Refreshed 2022 Materiality Matrix and 2025 Sustainability Targets

This year, the F&N 2021 materiality matrix and 2025 sustainability targets were reviewed, and where necessary, updated to incorporate changes in the sustainability environment. The refreshed F&N 2022 materiality matrix and 2025 sustainability targets were, at the recommendations of SDC, endorsed by the SRMC and approved by the Board. F&N continues to make progress in our sustainability efforts and toward achieving our 2025 targets, which were based on material sustainability topics that potentially have a significant long-term financial and non-financial impact on the Group’s performance.

#### Healthier Products for Consumers

Through internal and external stakeholders’ feedback, ‘Nutrition’ has been identified as one of F&N’s most material ESG topics. This is aligned with our philosophy of ‘Pure Enjoyment. Pure Goodness’ where our commitment is to provide tasty and good quality products, packed with nutritional goodness, to our consumers. We constantly review our portfolio and work to improve the nutrient profile of our products, and at the same time, innovate to bring new and nutritious offerings to our customers. This year, we launched a number of new healthy beverages

such as F&N SEASONS Ice Lemon Tea Zero Sugar, F&N NUTRISOY Fresh Soya Milk with Real Purple Rice and F&N MAGNOLIA Hazelnut Chocolate Milk. F&N SEASONS Ice Lemon Tea Zero Sugar, for instance, is currently the only zero-sugar-zero-calories ice lemon tea in Singapore and has been awarded the Healthier Choice symbol by the Singapore Health Promotion Board. To discourage high sugar intake, close to 70% of F&N’s Ready-to-drink (“RTD”) products sold today in Singapore and Malaysia contain less than 5g of sugar per 100ml.

#### Human Rights Assessment

F&N conducted a robust Human Rights assessment in 2021 to identify and mitigate Human Rights risks along the Group’s value chain for our material operations in Singapore, Malaysia, and Thailand. The F&N Human Rights Policy was rolled out across the F&N Group in 2022 and included in the F&N Group Executive Human Capital Handbook for all current and new employees. This year, F&NHB also conducted an additional assessment and review of their Human Rights issues to ensure continued relevance. We will continue to identify and seek to mitigate potential Human Rights risks along the F&N value chain.

#### Environmentally Friendly Packaging

Integral to our aspiration toward a circular economy, F&N seeks to reduce its packaging material usage and waste in order to reduce our environmental impact. In May, F&N launched the first eco-solutions manufacturing plant, Green Lab, in Singapore. This is an initiative to provide sustainable packaging solutions, such as biodegradable and compostable kraft paper bags, F&B consumables, and plastic bag substitutes made from recycled industrial waste cassava roots, to businesses. F&N is exploring a switch from our current product packaging to a more sustainable and eco-friendly alternative produced by Green Lab.

#### Renewable Energy in Operations

There are urgent needs for businesses and societies to ramp up efforts to limit the increase in global average temperature to 1.5°C to avoid the detrimental effects of climate change.

F&N acknowledges that it too has a role to play in supporting this effort. To reduce our GHG emissions, F&N has progressively increased the use of renewable energy – solar energy – throughout our business. Solar panels have been installed and planned for our plants in Singapore, Malaysia and Thailand, estimated to reduce our GHG emission by over 8,900 MT each year.

#### Safeguarding Our People

Our utmost concern is the health and safety of our employees. Despite COVID-19 being largely under control due to effective vaccination programs, F&N continues to support our employees’ adjustment to remote working environments through increased adoption of digital tools, such as videoconferencing software like Zoom and Microsoft Teams, in place of in-person meetings. Flexible working arrangements are also in place to safeguard employees’ health.

#### Supporting Communities

Through various outreach programs, F&N continues to support our communities during this period of uncertainty. In Thailand, F&N worked with Soonthorn Metal Industries to deliver submersible solar water pumps and a tiller fertilizer machine to the farmers of the Dan Khun Tod Dairy Cooperative. This was part of the Sustainability and Circular Economy project, Green Farmers Green Energy, where farmers were encouraged to switch to renewable energy and utilise waste generated within the farm for a more efficient farm management. More details can be found in the ‘Community Development and Inclusive Growth’ chapter on pages 56 and 57 of this Report.

#### TOWARDS F&N’S 2025 SUSTAINABILITY AMBITIONS

As F&N progresses on its sustainability journey, we continue to identify areas where positive impact can be made to further contribute to our sustainable development. The 2025 sustainability targets will guide F&N’s sustainability efforts throughout the business and support our commitment to create long-term value for F&N stakeholders. We look forward to sharing with you our progress and achievements next year.

# At a Glance: 2021 - 2022 Sustainability Highlights




## Operational Eco-Efficiency


 **Energy intensity ratio reduced by 2%**  
from a 2020 baseline


 **F&NHB is one of the ten founding members of MAREA**  
a voluntary, industry-led Extended Producer Responsibility group of companies focused on driving initiatives to promote circular economy

 **Reduced greenhouse gas emissions intensity ratio by 5%**  
from a 2020 baseline

 **Reduced total solid waste generated by 14%**  
however total solid waste sent to landfill increased by 21% from a 2020 baseline

 **Water intensity ratio**  
increased by 3% from a 2020 baseline

 **Ground-up initiatives from employees to improve water and energy efficiencies**  
These included enhancing energy or water consumption efficiency of equipment, increasing renewable energy sourcing and implementing zero-discharge initiatives

 **All manufacturing plants**  
implemented energy, water and/or waste reduction initiatives

## Value Chain Impacts


 **23% of beverage and dairy packaging**  
contains recycled materials

 **99% of total packaging**  
is recyclable

 **Committed to avoid deforestation**  
and protect high biodiversity value areas through stakeholder engagements




## Creating Value for Society

 **68% of beverage and dairy products<sup>1</sup>**  
in compliance with Nutritional Guidelines are healthier options with less sugar


 **61% reduction in sugar index**  
(grams of sugar content per 100 ml) since 2004 for beverage and dairy products across Singapore and Malaysia

 **At least one healthier option**  
in 14 out of 15 product categories

 **24**  
annual community programmes

 **100% of operations**  
involved local community engagement, impact assessments and development programmes

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


 **Promoting human rights across our operations**  
100% of our key operations in Singapore, Malaysia and Thailand conducted Human Rights Risks Assessments

## Empowering Our People

 **Over 6,700 employees**

 **37% female**  
representation in total workforce

 **46% female**  
representation in managerial positions

 **21.11 training hours per employee**  
in the executive category and 13.40 training hours per employee for the non-executive category

 **43% reduction**  
in Lost Time Injury Frequency Rate from a 2020 baseline year

<sup>1</sup> % of beverage (excluding cordials) and dairy (excluding canned milk) products (based on formulation) are in compliance with Nutritional Guidelines

## Better Business

### Responsible Product Stewardship



#### 100% of plants are certified with the Halal Standard (or equivalent),

while 64% of plants have their production processes certified with the Food Safety System Certification ("FSSC") scheme 22000



#### 40+ new products introduced



#### Healthier products launched, including:

- ★ Reducing sugar content
- ★ Offering zero-sugar beverages
- ★ Offering plant-based nutrients
- ★ Boosting nutrients



#### Catering to customers

with dietary restrictions and preferences

### Responsible Supply Chain



#### 95% of active key suppliers

have accepted and are complying with F&N's Supplier Code of Practice



#### 11% product innovation

for commercialised F&N products



#### Engagement

with over 3,800 global and local suppliers



#### Purchased physical Roundtable on Sustainable Palm Oil ("RSPO") Certified Sustainable Palm Oil and RSPO Credits

to cover 100% of annual palm oil usage



#### Engages stakeholders to maintain high halal standards

- ★ F&NHB's partnership with the Halal Industry Development Corporation for the Halal Sourcing Partnership Programme enables us to provide technical advice and knowledge to SMEs
- ★ Successful engagements with upstream vendors redirected vendors to supply F&N with specific products that adhere to stringent halal standards

## Sustainability at F&N



### 6<sup>th</sup> consecutive standalone sustainability report

- ★ Refreshed materiality matrix and 2025 sustainability targets



### External recognition

- ★ F&NHB remains a constituent member of the F4GBM Index for the fourth year, with improved rating to 4.4 from 4.1 in 2021, for ESG practices. It is also a member of the F4GBMS Index for the second consecutive year
- ★ F&NHB has also been recognised for excellence in sustainability and strong ESG practices by being presented with the Platinum Award (for Best Sustainability Reporting) at the NACRA 2021
- ★ F&N has been awarded the runner up in the Most Transparent Company Award (Consumer Staples category) at the SIAS Investors' Choice Awards 2021



### Climate-related disclosures

based on the TCFD recommendations framework in 2022



### Qualitative climate-related risks and opportunities assessment

conducted to identify climate-related risks and opportunities in 2022



# About This Report

## THE MANAGEMENT FOCUS FOR SR2022

GRI Index: GRI 2-2, GRI 2-3, GRI 2-5

This report reviews our key ESG strategy, achievements, and provides an update on our progress toward our 2025 sustainability targets. It describes risks and opportunities and forward-looking action plans. The report is structured around three primary themes of sustainable value creation:

 <b>BETTER BUSINESS</b> <ul style="list-style-type: none"> <li>Responsible Business Practice</li> <li>Responsible Product Stewardship</li> <li>Responsible Supply Chain</li> </ul>	 <b>BETTER SOCIETY</b> <ul style="list-style-type: none"> <li>Creating Value for Society</li> <li>Empowering Our People</li> </ul>	 <b>BETTER PLANET</b> <ul style="list-style-type: none"> <li>Operational Eco-efficiency</li> <li>Value Chain Impacts</li> </ul>
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The Report, best read together with the F&N 2022 Annual Report, provides a comprehensive picture of integrating F&N financial goals with social and environmental imperatives. F&N appreciates this opportunity to share our commitments and progress in value generation for our stakeholders.

## REPORTING PERIOD AND SCOPE

### Reporting Period and Basis of Scope

This is F&N's sixth annual stand-alone sustainability report. The reporting period of this Report, from 1 October 2021 to 30 September 2022, is aligned with our financial reporting period. The report is published on 02 December 2022.

- The Report covers the activities of the Group's operations in Singapore, Malaysia and Thailand. The environmental performance data covers 13 manufacturing sites in Singapore, Malaysia, and Thailand, excluding data from Yoke Food Industries Sdn. Bhd and Sri Nona in Malaysia, and Print Lab Pte. Ltd. in Singapore. More information of F&N's operations and footprint can be found in the 'About F&N' section of the Report. The entities within the reporting scope report on their sustainability performance across all our material topics. Sustainability data consolidated across all our operations are given equal weightage in the reporting.

		
Singapore	Malaysia	Thailand
<b>Fraser and Neave, Limited</b> <b>F&amp;N Foods Ptd Ltd ("FNFS")</b> <b>F&amp;N Interflavine Ptd Ltd</b> <b>F&amp;N Treasury Ptd Ltd</b> <b>F&amp;N Global Marketing Ptd Ltd</b> <b>F&amp;N Creameries (S) Pte. Ltd.</b> <b>Times Publishing Group</b> - Times Printers Pte Ltd ("TP")	<b>Fraser &amp; Neave Holdings Bhd ("F&amp;NHB")</b> - F&N Beverages Manufacturing Sdn Bhd ("F&NBM") - F&N Dairies Manufacturing Sdn Bhd ("F&NDM") - F&N Beverages Marketing Sdn Bhd - Fraser & Neave (Malaya) Sdn Bhd - Borneo Springs Sdn Bhd <b>F&amp;N Creameries (M) Sdn Bhd ("F&amp;NCM")</b> <b>Times Publishing Group</b> - Times Offset (Malaysia) Sdn Bhd ("TOM")	<b>Fraser &amp; Neave Holdings Bhd ("F&amp;NHB")</b> - F&N Dairies (Thailand) Limited ("F&NDT") <b>F&amp;N United Limited ("F&amp;NUL")</b>

### Reporting Framework and Indices

F&N is proud to continue our sustainability journey and reporting in accordance with the GRI Universal Standards 2021 and SGX Listing Rules 711A and 711B. This year, we have also included climate-related disclosures based on the TCFD recommendations. We look to address the gaps in our sustainability performance by referring to the DJSI criteria amongst other international frameworks and benchmarking against industry leaders, such as ThaiBev.



F&NHB, our subsidiary, continues to be included as a constituent member of the F4BGM and F4GBMS Indexes, for the fourth and second year running, respectively. This year, F&NHB, invited for the second year to submit a response to the S&P Global Corporate Sustainability Assessment for inclusion in the S&P ESG Index, had been ranked as one of the top 10 companies (out of 89 companies assessed) in the Beverages industry with a score of 71 (out of a possible 100).

## F&N MATERIAL SUSTAINABILITY MATTERS

In 2020, F&N had undertaken a robust materiality assessment to determine a set of material topics which we would focus our sustainability efforts and disclosures on. We had established a set of sustainability targets to be achieved by 2025 for key material topics.

This year, F&N had reviewed the material topics and refreshed the materiality matrix and 2025 sustainability targets, where necessary, to reflect changes in the sustainability landscape. More information on the refreshed materiality matrix and 2025 sustainability targets can be found in the 'Our Sustainability Approach' chapter of this Report.

The outlined material topics below guides the next phase of our sustainability journey – spanning from 2021 to 2025:

 <p><b>Economic</b></p> <ul style="list-style-type: none"> <li>• Governance and Ethics</li> <li>• Policy and Regulation</li> <li>• Economic Performance</li> <li>• Product Quality and Safety*</li> <li>• Product and Service Labelling</li> <li>• Innovation*</li> <li>• Supply Chain Stewardship*</li> </ul>	 <p><b>Environment</b></p> <ul style="list-style-type: none"> <li>• Packaging*</li> <li>• Water Stewardship*</li> <li>• Energy*</li> <li>• Climate Change*</li> <li>• Waste Management*</li> <li>• Biodiversity</li> </ul>	 <p><b>Social</b></p> <ul style="list-style-type: none"> <li>• Nutrition*</li> <li>• Community Development and Inclusive Growth*</li> <li>• Human Capital Development*</li> <li>• Employee Health and Safety*</li> <li>• Human Rights</li> </ul>
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\*Material topics with 2025 targets

## ASSURANCE AND FORWARD-LOOKING STATEMENT

### Assurance Statement

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

Approved by the F&N SRMC, this year will be the fourth consecutive year of obtaining external assurance on the sustainability data disclosed in this report from the independent assurance provider, Lloyd's Register Quality Assurance ("LRQA").

LRQA's independent status is assured by legislation and professional ethics, and guided by their internal guidelines, LRQA had conducted a limited external assurance on selected F&N Health, Safety and Environment disclosures, based on the materiality of the professional judgement of the verifier, using the International Standard on Assurance Engagements 3000. The scope and outcome of the external assurance is reported at the respective F&N SRMC and SDC meetings to keep them constantly updated on the status.

The external assurance serves to ensure the accuracy and credibility of the sustainability data disclosed in this Report.

 Read more about LRQA's assurance statement on pages 96 and 97 of this Report.

### Forward-looking Statement

Certain statements in the report are "forward-looking statements" that reflect F&N's current views of future events, considers our present and future sustainability strategies, and the environment which F&N will operate in. These views necessarily involve risks, uncertainties and assumptions which may cause the actual performance or achievements of F&N or industry, to be materially different from the future performance or achievements expressed or implied by such forward-looking statements and financial information.

F&N expressly disclaims the obligation to publicly release any updates or revisions to any forward-looking statement to reflect any change in F&N's expectations when conditions or circumstances on which any such statement or information has changed.

## CONTACT DETAILS

F&N values and appreciates all feedback to help make future Reports more relevant to our stakeholders. Please direct any questions pertaining to our sustainability initiatives or reporting, or comments and feedback, to:

**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



## About F&N

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

The entrepreneurial spirit, embodied by our founders, remains in today’s F&N. As a soft drink company, F&N seized the opportunity and ventured into the beer brewing business in 1931 in partnership with The Heineken Company and built a very successful beer empire in Asia Pacific – through its joint venture company, Asia Pacific Breweries Limited (“**APB**”). In 1959, it entered the Dairies business by forming a canned milk joint venture with Beatrice Foods of Chicago, and in 2007, it acquired Nestle’s liquid canned milk business in Thailand, Malaysia, Singapore and Brunei, and accelerated its growth in the dairy business. Today, F&N is the largest canned milk producer in SEA. In 1985, the Group diversified into the Properties business. Starting with the redevelopment of its soft drinks and brewery sites in Singapore, F&N soon grew its property arm – Frasers Centrepoint Limited (“**FCL**”, now known as Frasers Property Limited) to become one of the leading

property companies in Singapore with multi-national businesses in residential, hospitality, retail, commercial and industrial properties.

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

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

Listed on the Singapore Stock Exchange, F&N ranks as one of the most established and successful companies in the region with an impressive array of renowned brands that enjoy strong market leadership. F&N is present in 11 countries spanning Asia and the Americas, and employs over 6,700 people worldwide.



### Food & Beverage (“F&B”)

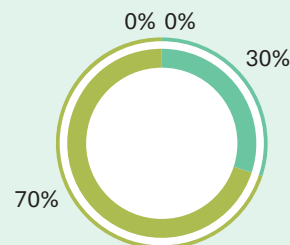
- Non-Alcoholic Beverage
- Beer
- Packaged Food

### Publishing & Printing (“P&P”)

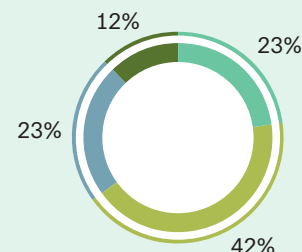
- Publishing
- Print
- Retail
- Distribution

### Employee Breakdown

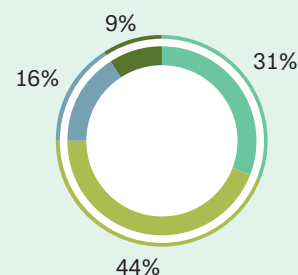
#### Contract



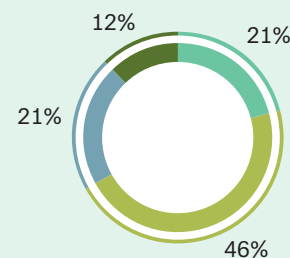
#### Full-Time



#### Executive



#### Non-Executive



#### Legend:

- Singapore
- Malaysia
- Thailand
- Others



### Employees

**6,700+**

Female  
Male

37%  
63%

### By Geography

Singapore	24%
Malaysia	46%
Thailand	20%
Others	10%

**50+**

**F&B and P&P brands**

### of which

- F&B owns 76% brands
- P&P owns 24% brands

**80+**

**offices, manufacturing and warehousing facilities in 11 countries**

### of which

- 26 offices in 11 countries
- 17 manufacturing facilities in 4 countries
- 44 warehousing facilities in 5 countries

**140+**

**export markets**

### Key Export Markets

- Africa
- Hong Kong
- Indonesia
- Mexico
- Philippines

**FY2022  
Revenue**

**\$2,003m**

**FY2022**

**Profit After Taxation**

**\$177m**

### Singapore

Revenue	<b>\$433m</b>
PBIT	<b>(\$5m)</b>
APBFE	<b>(\$29m)</b>
Total Assets	<b>\$502m</b>



**F&N HQ**

### Malaysia

Revenue	<b>\$755m</b>
PBIT	<b>\$62m</b>
APBFE	<b>\$28m</b>
Total Assets	<b>\$993m</b>



### Thailand

Revenue	<b>\$671m</b>
PBIT	<b>\$86m</b>
APBFE	<b>\$40m</b>
Total Assets	<b>\$572m</b>



### Vietnam<sup>1</sup>

Revenue	<b>\$0m</b>
PBIT	<b>\$97m</b>
APBFE	<b>\$97m</b>
Total Assets	<b>\$2,699m</b>



### Other Countries

Revenue	<b>\$144m</b>
PBIT	<b>(\$7m)</b>
APBFE	<b>(\$7m)</b>
Total Assets	<b>\$215m</b>

Brunei	
Chile	
China	
Hong Kong	

Dubai	
Indonesia	
Myanmar	
USA	

### Legend:

	Manufacturing Plants	Offices
Dairies		
Soft Drinks		
Beer		
Packaged Food		
Publishing & Printing		



**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 Value

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 right mindsets to create long-term, sustainable partnerships

<sup>1</sup> Largely from F&N's 20.4% investment in Vinamilk

## About F&N

### OUR SUPPLY CHAIN

The preparation, production, and packaging of F&N's F&B products and consumables for printing require a range of raw materials, equipment, and other goods and services. In FY2022, the Group engaged with over 3,800 global and local suppliers across its supply chain including manufacturers, wholesalers, retailers, importers/merchants, contractors, and professional services providers and spent about SGD 1.5 billion on products and services.



#### Sourcing

F&N works with quality suppliers that maintain high social, environmental, and ethical standards, to meet the expectations of our consumers and stakeholders.



#### Production

The production process throughout our operations is standardised in accordance with international standards. The Group strives for eco-efficient processes to create socio-economic value, while minimising negative environmental and social impacts.



#### Distribution

F&N has a fully integrated system to distribute products efficiently to customers and consumers. The system is continuously improved through digital innovations to improve the energy management in transportation to minimise the environmental and social impacts and safeguard the safety of F&N's personnel and local communities.



#### Marketing and Sales

F&N upholds responsible marketing and sales practices. The Group engages regulators and customers to improve marketing practices. F&N demonstrates societal responsibility by innovating for healthier products and communicating nutritional information appropriately.



#### Post-Consumption Packaging Management

F&N strives for innovative sustainable packaging that addresses consumers' needs and minimise post-consumer waste. The Group's community development efforts include raising awareness on circular economy principles and lifestyles.

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

## OUR CORE VALUES



### VISION

To be a stable and sustainable F&B leader in the ASEAN region.



### MISSION

To be ASEAN's leading provider of quality and innovative products that consumers choose and trust. To support our mission, we are guided firmly by our commitment to create value for our stakeholders by ensuring that our corporate actions positively impact the socio-economic and environmental factors.



### GLOBAL VALUES

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

#### Collaboration:

We leverage the power of inherent strengths and diversity to create inclusive synergies and commit to team goals.

#### Creating Values:

We are passionate about applying new ideas and seizing opportunities to make a positive impact on our organisation and around the world.

#### Caring for Stakeholders:

We embrace our stakeholders' perspectives with good intentions and right mind-sets to create long-term, sustainable partnerships.





# About F&N

Key Risk Categories ► Reputational | Strategic | Currency | Operational | Country | Financial

## WHAT WE DEPEND ON

### RELATIONSHIPS



#### Human

Over 6,700 talented people across the Group

#### By Geography

Singapore	24%	Thailand	20%
Malaysia	46%	Others	10%



#### Social & Relationship

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

We collaborated with over 3,800 suppliers to produce products

### RESOURCES



#### Intellectual

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

- 40+ brands in 17 beverage categories
- Internally developed systems, customised customer solutions and manufacturing processes



#### Manufactured

We operate 13 F&B manufacturing plants and 4 printing plants in Singapore, Malaysia, Myanmar, Thailand and China



#### Financial

Appropriate cash, equity and debt to invest for the long-term

- Share Capital \$861m
- Equity \$3,502m
- Debt Capital \$889m



#### Natural

Our operations are dependent on renewable and non-renewable resources particularly land, water, forests and soils

## VISION, STRATEGY, VALUES, SUSTAINABILITY TARGETS

#### Our Vision

To be a stable and sustainable Food & Beverage leader in the ASEAN region

#### Our Strategy

To deliver long-term growth and sustainable value creation:

Winning with **INNOVATIONS**

Winning in **MARKETPLACE**

Winning with **BRANDS**

Winning with **PEOPLE**

#### Our Global Values

Collaboration

Creating Value

Caring for Stakeholders



#### 2025 Sustainability Targets<sup>1</sup>

##### Environment

1. Reduce solid waste to landfill by 30%
2. Reduce energy intensity ratio by 8%
3. Reduce GHG emissions intensity ratio by 8%
4. Reduce water intensity ratio by 8%
5. 25% of packaging uses recycled materials

##### Social

6. Provide an average of at least 18 hours of training to Executives and 11 hours of training to Non-Executives
7. Zero Lost Time Injury Frequency Rate
8. 67% of F&B products to comply with Nutritional Guidelines
9. Increase community engagement programs by 10%

##### Economic

10. All key active suppliers to accept and comply with F&N's Supply Code of Practice
11. Rollout 10% new products
12. All plants to be FSSC 22000 and/or halal certified



#### Primary



#### Secondary



## THE VALUE WE CREATE

### RELATIONSHIPS



#### Human

- Paid \$255m in remuneration in FY2022
- Female representation:
  - 25% of Board
  - 37% of total employee
  - 46% of total managerial positions
- Supported employees growth by providing >68,000 training hours



#### Social & Relationship

- Upheld strong human rights practices in our operations and supply chain
- 92% of our suppliers were local
- \$1.5b paid to suppliers; close to 66% local purchase value
- 95% active suppliers who accepted F&N's Supplier Code of Practice
- About 3,100 suppliers were evaluated using social criteria

### RESOURCES



#### Intellectual/Consumers

- Continued to fulfill consumers' demand for safe and quality products
- Adopted many channels to make our products available to consumers in over 140 countries
- Introduced over 40 new products in FY2022 to meet the needs of consumers
- Excited consumers with the rollout of various limited edition beverages



#### Manufactured

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



#### Natural

- Adhered to sustainable practices to protect stakeholders
- Received several environmental excellence recognition
- Total production volume of 1.2m MT



#### FINANCIAL OUTCOMES

Revenue  
**\$2,003m**

Dividends  
**\$73m**

APBFE  
**\$129m**

Economic Value Retained  
**\$221m**

## VALUE CHAIN

### ACTIVITIES & FOCUS AREAS

#### UPSTREAM

##### Innovation

Our Marketing and R&D teams, combining consumer insights, technical excellence and in collaboration with suppliers, develop products that consumers want and need

##### Sourcing

We work closely with our suppliers to ensure their goods and services meet quality, environmental and social standards, in addition to our stringent internal standards

##### Production

We implement a standardised safe production process, in accordance with international standards, throughout most of our operations. We also strive for eco-efficient processes, to provide good value and maximum benefit without polluting the environment

#### DOWNSTREAM

##### Distribution

Our extensive distribution system and network ensure that our products are efficiently distributed to our consumers. Across our operations, we strive to minimise environmental and social impacts from transportation by managing our energy use, while safeguarding the safety of our personnel and local communities

##### Marketing & Sales

We demonstrate consumer and societal responsibility by providing healthier product options and informative product labels. We also seek feedback from our customers on our products to create sustainable value for consumers and for our business

##### Post-Consumption Packaging Management

We minimise the impact of post-consumer waste through research and development to deliver innovative and environmental-friendly packaging. We also promote environmental awareness to the communities where we operate

## STAKEHOLDERS

#### Our People

We aim to reward people fairly for the work they do, and help them reach their potential

#### Consumers & Customers

We aim to provide superior and quality products that promote good health

#### Suppliers & Business Partners

We partner with thousands of suppliers to deliver quality products, and support mutual growth

#### Regulators & Communities

We aim to develop business and social partnerships while managing environmental and other social impacts

#### Shareholders

We aim to maximise financial returns, responsibly, through operating savings, revenue enhancements and high asset utilisation

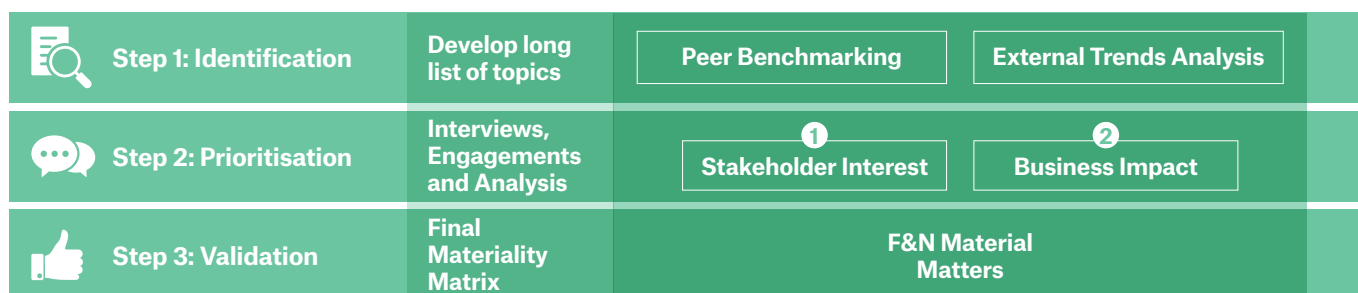
# Our Sustainability Approach

## F&N SUSTAINABILITY PRIORITIES

GRI Index: GRI 3-1, GRI 3-2, GRI 3-3

### Materiality Assessment Methodology

Understanding the priorities and evolving concerns of our stakeholders are important to us. In 2020, F&N overhauled our materiality matrix with an extensive materiality assessment with the support of an external consultant and incorporated input from internal and external stakeholders in the process.



**Step 1 – Identification:** F&N first conducted an external trends analysis to identify an initial list of 50 possible sustainability topics. After a further survey of peer best practices and a review of global initiatives and frameworks, the list was narrowed to 18 material sustainability topics. Materiality is considered based on the interactions between F&N's value chain and the physical environment and social community and its governance.

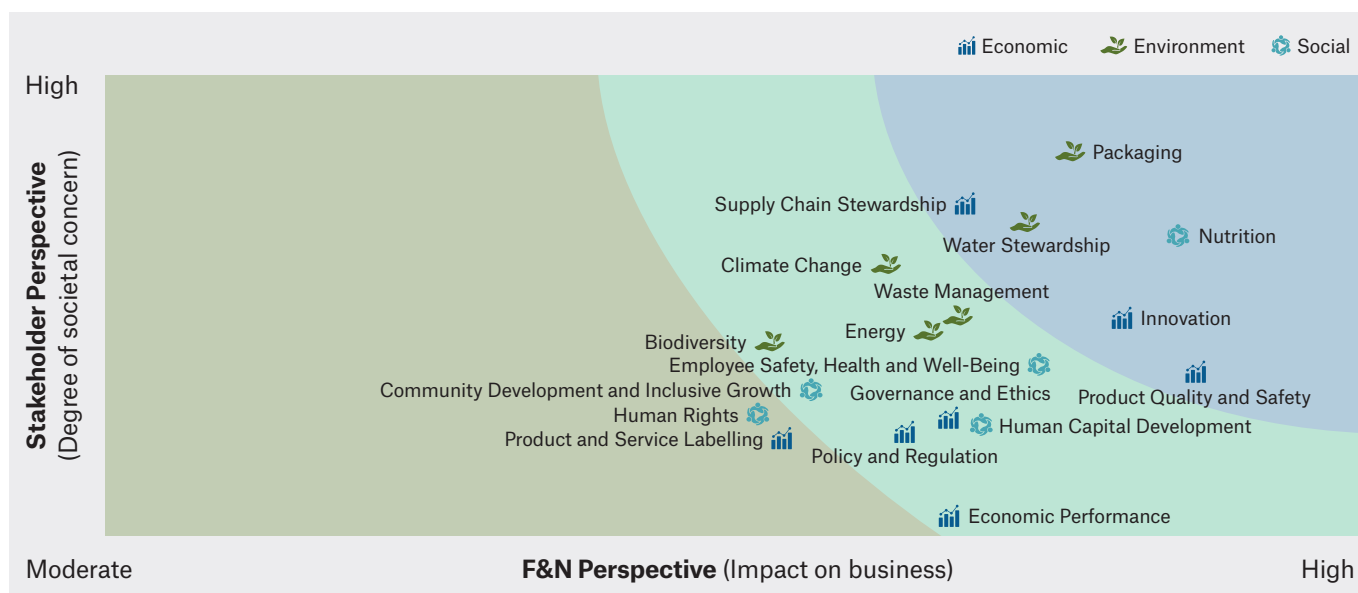
**Step 2 – Prioritisation:** Internal and external stakeholders were engaged to prioritise the 18 material sustainability topics. This ensures that our ESG materiality assessment takes into consideration relevance to the business, strategy, business model and key stakeholders across the value chain.

- Over 950 employees from across the Group were surveyed.
- Interviews with 17 key external stakeholders, including suppliers, customers, thought-leaders and regulators.
- Workshops with over 50 participants from F&N senior leaders, department heads and subject matter experts in Singapore and Malaysia.

Based on stakeholder inputs received, the list of 18 material sustainability topics were plotted in a matrix based on their priority to stakeholders (external) and to F&N's business (internal).

**Step 3 – Validation:** The materiality matrix was reviewed and endorsed by the F&N SDC at their meeting on Aug 2020 and approved by the F&N SRMC at their meeting in Sep 2020.

The materiality matrix was reviewed and refreshed this year to reflect changes in the sustainability landscape. Our most significant material topics 'Packaging' and 'Nutrition' continue to be priority topics for customers and consumers – reflecting two areas where our business can make significant impact. "Human Rights", "Product & Service Labelling", "Governance & Ethics", "Human Capital Development", and "Employee Safety, Health & Wellbeing" were shifted upward to reflect their increased importance to external stakeholders. We will continue to monitor sustainability trends and review our material issues annually.



## Material Issues and Associated ESG Risks and Opportunities

Material Issues of F&N	Opportunities for F&N If issue is addressed	Potential Risks for F&N If issue is not addressed
<b>Better Business</b>		
<b>Governance and Ethics</b> <i>Business policies and practices to ensure ethical, transparent and responsible governance.</i>	<ul style="list-style-type: none"> <li>Upholding F&amp;N reputation as a responsible business maintains trust amongst all stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Failing to put in place transparent and sound governance practices pose reputational risk</li> </ul>
<b>Policy and Regulation</b> <i>Regulatory compliance across our operations and engaging with policymakers in a responsible and transparent manner.</i>	<ul style="list-style-type: none"> <li>Engaging with regulators allows F&amp;N to prepare for emerging legislation and ensure compliance</li> <li>Operational cost savings</li> </ul>	<ul style="list-style-type: none"> <li>A risk of being unprepared when needed to comply with emerging regulations</li> <li>Failing to put in place transparent and sound governance practices pose reputational risk</li> </ul>
<b>Economic Performance</b> <i>Financial performance to deliver shareholder value and secure long-term viability of the company.</i>	<ul style="list-style-type: none"> <li>Sustainable financial performance creates long-term value for all stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Hinder F&amp;N's business continuity</li> </ul>
<b>Product Quality and Safety</b> <i>Delivering products to consumers which meet the highest quality and safety standards.</i>	<ul style="list-style-type: none"> <li>Deliver F&amp;N brand promise to consumers through product excellence</li> <li>Retain and increase market share through product range expansion and portfolio diversity</li> </ul>	<ul style="list-style-type: none"> <li>Reputational risk from supply chain disruption or compromised products</li> <li>Specific regulatory changes that may affect F&amp;N product recipe and/or packaging</li> </ul>
<b>Product and Service Labelling</b> <i>Labelling our products and services in a responsible and transparent way for consumers.</i>	<ul style="list-style-type: none"> <li>Meet regulatory requirements</li> <li>Meet consumer expectations relating to product and ingredient communication</li> </ul>	<ul style="list-style-type: none"> <li>Failure to meet stakeholders' expectations for product transparency</li> </ul>
<b>Innovation</b> <i>Building competitive advantage through innovative products and solutions to meet consumer and societal needs.</i>	<ul style="list-style-type: none"> <li>Meet customer and consumer demands and stay relevant</li> <li>Adoption of emerging and disruptive technologies increases competitive edge</li> </ul>	<ul style="list-style-type: none"> <li>Future high R&amp;D and equipment cost with uncertain commercial returns</li> <li>Risk losing market share by changing consumer preferences and/or being outcompeted</li> </ul>
<b>Supply Chain Stewardship</b> <i>Procurement policies, contractor management and supplier relationships which address material issues across the value chain.</i>	<ul style="list-style-type: none"> <li>Elevate vendors' productivity and performance in sustainability practices and compliance with food safety standards</li> <li>Cost savings with stronger collaboration</li> <li>Establish robust policies and systems to ensure competitive pricing and safeguard vendors from corruption and malpractice</li> </ul>	<ul style="list-style-type: none"> <li>Many ESG risks are present in F&amp;N supply chain (e.g. human rights, product quality); unethical practice leads to regulatory violations, monetary fines and reputational risk</li> <li>Disruption to operations</li> <li>Price fluctuation as a result of global economic performance and foreign exchange exposure</li> </ul>
<b>Better Society</b>		
<b>Nutrition</b> <i>Helping consumers' lead healthy lives by developing nutritious and accessible products.</i>	<ul style="list-style-type: none"> <li>Innovation opportunity to meet customer and consumer demands</li> <li>Offer healthier options that contribute to consumers' well-being</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory risks (e.g. sugar tax) in markets F&amp;N operates in</li> </ul>
<b>Community Development and Inclusive Growth</b> <i>Supporting economic development and creating positive social impact for communities connected to our business activities.</i>	<ul style="list-style-type: none"> <li>Investing in communities supports social and economic development and ensures F&amp;N grows alongside the society we operate in</li> <li>Working with communities strengthens our relationships, credibility and presence</li> </ul>	<ul style="list-style-type: none"> <li>Impacts F&amp;N reputation as a corporate citizen and may affect employees' morale</li> <li>Potential financial implications when there are imbalance social, economic and environmental needs</li> </ul>



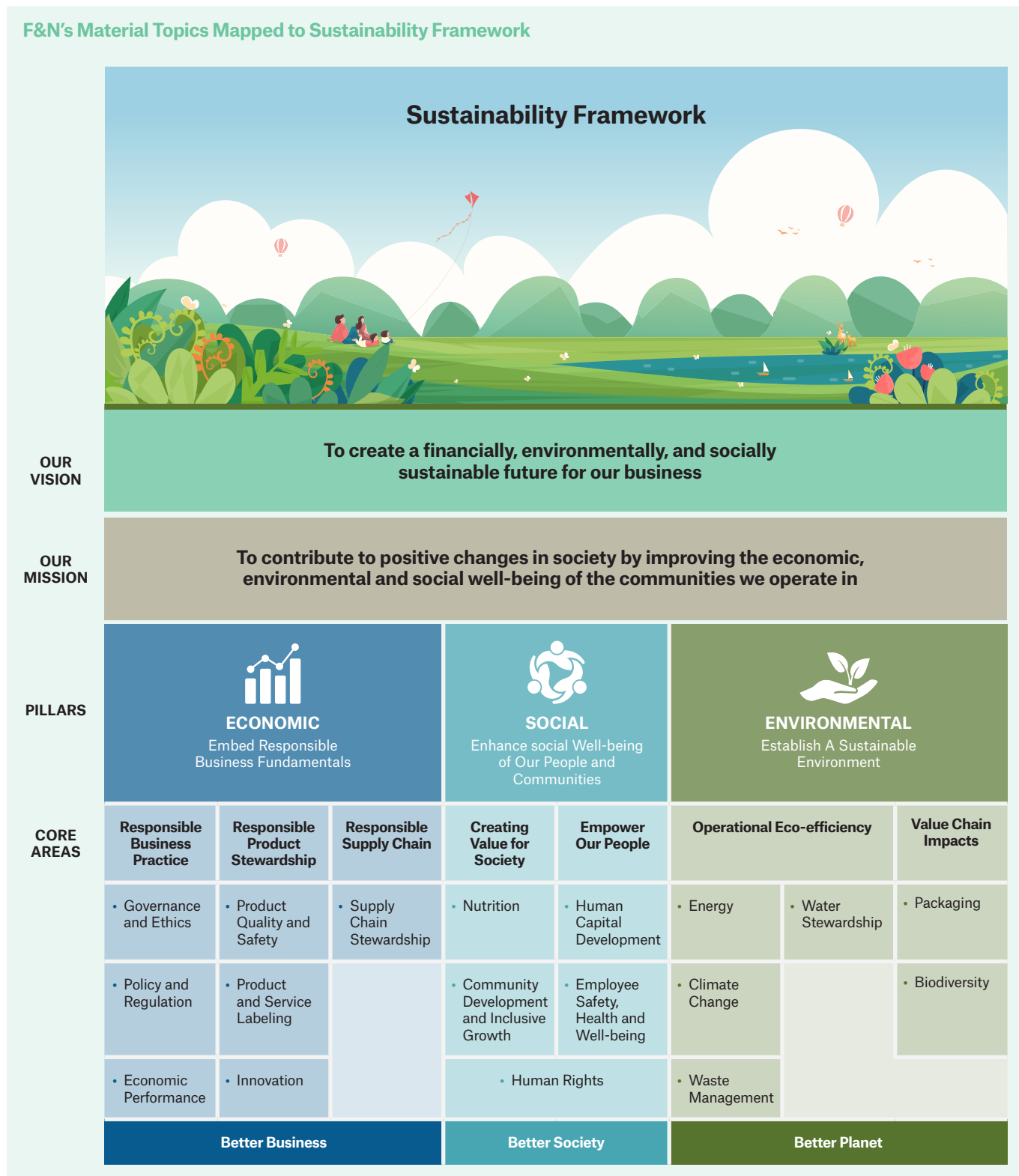
## Our Sustainability Approach

Material Issues of F&N	Opportunities for F&N If issue is addressed	Potential Risks for F&N If issue is not addressed
<b>Human Rights</b> <i>Upholding strong human rights practices in our operations and supply chain.</i>	<ul style="list-style-type: none"> <li>Proactively identify and address human rights risks to create a safe workforce in F&amp;N operations and supply chain</li> <li>Reduce inequalities (e.g. gender inequality)</li> <li>Improve productivity and resource efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Human rights violations in operations and supply chain leads to monetary penalties and reputational risks</li> <li>Disruption to operations</li> <li>Unmotivated and unproductive workforce</li> </ul>
<b>Human Capital Development</b> <i>Attracting, developing, and retaining high-performing employees, creating an inclusive and diverse culture.</i>	<ul style="list-style-type: none"> <li>Remain competitive with skilled and diverse employees</li> <li>A high-performance culture through effective training and upskilling programmes</li> <li>Provide job opportunities for the local communities where we operate</li> </ul>	<ul style="list-style-type: none"> <li>Challenge to attract and retain talent</li> <li>Financial implications when F&amp;N workforce is not developed to meet the evolving market demands</li> </ul>
<b>Employee Health and Safety</b> <i>Improving and maintaining the health, safety and wellbeing of our employees.</i>	<ul style="list-style-type: none"> <li>Increased productivity in F&amp;N operations</li> <li>Improvements in talent acquisition and retention</li> <li>Positive employer branding</li> </ul>	<ul style="list-style-type: none"> <li>Injuries, occupational hazards, lost days and fatalities will result in productivity loss and reputational risk that affects the company's license to operate</li> </ul>
<b>Better Planet</b>		
<b>Packaging</b> <i>Developing sustainable packaging solutions to reduce the impact of packaging on the environment.</i>	<ul style="list-style-type: none"> <li>Meeting customer and consumer demands for sustainable packaging</li> <li>Improve packaging resource efficiency and saves cost</li> <li>Reduce reliance on virgin materials</li> </ul>	<ul style="list-style-type: none"> <li>Failure to meet stakeholders' expectations in managing packaging pose reputational risks</li> <li>Losing market share and relevance if F&amp;N is outcompeted</li> </ul>
<b>Energy</b> <i>Minimising GHG emissions and energy use in our operations in line with global climate goals.</i>	<ul style="list-style-type: none"> <li>Reduce energy usage and emissions which saves costs</li> <li>Pre-empt future regulation (e.g. carbon tax)</li> <li>Align with targets of governments and customers</li> </ul>	<ul style="list-style-type: none"> <li>Public pressure resulting in reputation risks</li> <li>Rise in operational costs with stricter regulations and energy sourcing changes</li> </ul>
<b>Climate Change</b> <i>Adapting our business model to ensure resiliency to climate-related risks.</i>	<ul style="list-style-type: none"> <li>Meet growing expectations of investors and regulators to assess climate-related risks and opportunities, e.g. supply chain disruption, market shifts or extreme weather events</li> </ul>	<ul style="list-style-type: none"> <li>Costly damages on F&amp;N physical assets from extreme weather events due to climate change</li> <li>Failure to meet stakeholders' expectations in managing climate change</li> </ul>
<b>Water Stewardship</b> <i>Protecting and preserving shared water resources.</i>	<ul style="list-style-type: none"> <li>Cost saving opportunities with efficient water management</li> <li>Enhance water security for suppliers, increasing supply chain resilience</li> </ul>	<ul style="list-style-type: none"> <li>A direct impact on F&amp;N as water is a key resource for our operations</li> <li>Regulatory risks around water as an important national resource</li> </ul>
<b>Waste Management</b> <i>Minimising waste and safely disposing of hazardous materials.</i>	<ul style="list-style-type: none"> <li>Reducing and reusing waste supports operational efficiency, which is cost saving</li> <li>Inculcate sustainable practices and values in employees and communities</li> </ul>	<ul style="list-style-type: none"> <li>Reputational risk from the failure to meet stakeholders' expectations in managing our waste</li> </ul>
<b>Biodiversity</b> <i>Sourcing raw materials responsibly, protecting biodiversity and eliminating deforestation from our supply chain.</i>	<ul style="list-style-type: none"> <li>Mitigate reputational risks of negative environmental practices, particularly in our supply chain</li> <li>Create a sustainable business operation without exploitative processes</li> </ul>	<ul style="list-style-type: none"> <li>Reputational risk from the failure to meet stakeholders' expectations</li> </ul>

## F&N'S SUSTAINABILITY FOCUS AREAS AND 2025 TARGETS

The 18 material topics have been mapped onto the seven core areas of the F&N Sustainability Framework. The framework aligns our business and sustainability goals with a focus on the value creation process for each material topic.

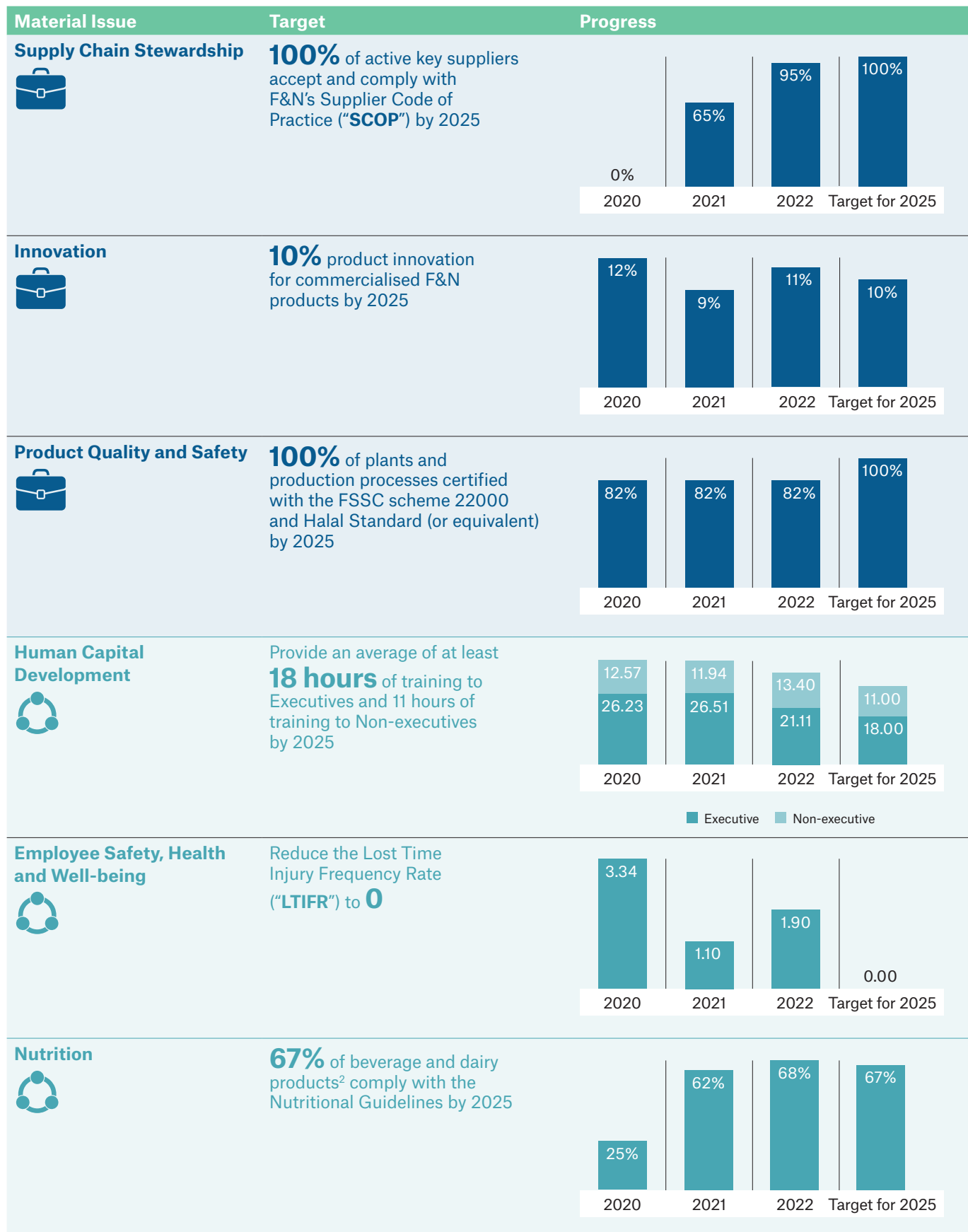
### F&N's Material Topics Mapped to Sustainability Framework










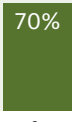






















In 2020, F&N had set sustainability performance targets, on the 12 highest priority material topics, to be achieved by 2025. The 2025 sustainability targets enable the Group to monitor our actual sustainability performance across our economic performance, impact on the environment and people. These 2025 sustainability goals strengthen our commitment to creating long-term value for our stakeholders.

# Our Sustainability Approach

## F&N's Material Topics



Material Issue	Target	Progress			
<b>Community Development and Inclusive Growth</b> 	<b>10%</b> increase in the number of community programmes offered (from a 2020 baseline) by 2025	 100%	 100%	 100%	 110%
<b>Waste Management</b> 	Reduce the solid waste sent to landfill (from a 2020 baseline) by <b>30%</b> by 2025	 100%	 103%	 121%	 70%
<b>Energy</b> 	Reduce the Group's energy intensity ratio at our plants (from a 2020 baseline) by <b>8%</b> by 2025	 100%	 101%	 98%	 92%
* Excludes trial and commissioning data from F&NHB Shah Alam plant					
<b>Climate Change</b> 	Reduce the Group's GHG emissions intensity ratio at our plants (from a 2020 baseline) by <b>8%</b> by 2025	 100%	 99%	 95%	 92%
* Excludes trial and commissioning data from F&NHB Shah Alam plant					
<b>Packaging</b> 	<b>25%</b> of beverage and dairy packaging to contain recycled materials by 2025	 22%	 22%	 23%	 25%
<b>Water Stewardship</b> 	Reduce the Group's water intensity ratio at our plants (from a 2020 baseline) by <b>8%</b> by 2025	 100%	 101%	 103%	 92%
* Excludes trial and commissioning data from F&NHB Shah Alam plant					



# Our Sustainability Approach

## Our Contribution to the UN SDG Targets

Through our sustainability framework and targets, our business contributes to the UN Sustainable Development Goals ("SDGs"), particularly towards SDG 2, 8, 9 and 12. Our business also contributes to SDG 1, 3, 4, 5, 6, 7, 10, 15, 16 and 17.

Below we summarise our business contribution to the specific SDG targets across our material topics:

## F&N Alignment with SDG Targets

Pillars		Economic (Better Business)					
Material Topics		Governance and Ethics	Policy and Regulation	Product Quality and Safety	Product and Service Labelling	Innovation	Supply Chain Stewardship
Primary SDGs							
<b>SDG 2</b>							
2.1	Improve access to safe and nutritious food						
2.2	Improve nutrition for society						
2.3	Improve productivity and incomes of small-scale food producers						
2.4	Promote sustainable food production and resilient agricultural practices						
<b>SDG 8</b>							
8.1	Sustain Economic Growth						
8.2	Diversify, innovate and upgrade for economic productivity						
8.4	Improve resource efficiency in consumption and production						
8.6	Promote youth employment, education and training						
8.7	End modern slavery, trafficking, and child labour						
8.8	Protect labour rights and promote safe working environments						
<b>SDG 9</b>							
9.2	Promote inclusive and sustainable industrialisation						
9.4	Promote the use of sustainable industrial processes						
<b>SDG 12</b>							
12.2	Sustainable management and use of natural resources						
12.3	Reduce food waste and loss						
12.8	Promote and provide information about sustainable lifestyles						
Secondary SDGs							
<b>SDG 1</b>							
1.4	Promote equal rights to ownership, basic services, technology and economic resources						
<b>SDG 3</b>							
3.4	Promote health outcomes through nutrition						

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# Our Sustainability Approach

Pillars		Economic (Better Business)					
Material Topics		Governance and Ethics	Policy and Regulation	Product Quality and Safety	Product and Service Labelling	Innovation	Supply Chain Stewardship
Secondary SDGs							
<b>SDG 4</b>							
4.4	Promote relevant skills development						
4.7	Promote sustainable development education and global citizenship						
4.B	Expand higher education scholarships for developing countries						
<b>SDG 5</b>							
5.5	Ensure women's full participation in leadership and decision-making						
<b>SDG 6</b>							
6.3	Improve water quality, reduce pollution, enhance wastewater treatment and improve water circularity						
6.4	Increase water-use efficiency and ensure sustainable use of freshwater						
6.A	Expand water and sanitation support to developing countries						
<b>SDG 7</b>							
7.2	Increase use of renewable energy						
7.3	Improve energy efficiency						
<b>SDG 10</b>							
10.2	Promote universal social, economic and political inclusion						
<b>SDG 15</b>							
15.2	Promote sustainable forest management						
15.5	Protect biodiversity and natural habitats						
<b>SDG 16</b>							
16.5	Substantially reduce corruption and bribery						
16.6	Develop effective, accountable and transparent institutions						
<b>SDG 17</b>							
17.6	Knowledge sharing and cooperation for access to science, technology and innovation						

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## Our Sustainability Approach

### Task Force on Climate-Related Financial Disclosure and Climate Risk Management

F&N is committed to exploring effective sustainable pathways to be aligned with the Paris Agreement, and have our emissions reduced to meet the goal of limiting global temperature increase between 1.5°C - 2 °C above pre-industrial levels.

To understand and manage these climate-related impacts on our business and stay accountable to our stakeholders, F&N embarked on a journey to align climate-related disclosures with the TCFD recommendations. TCFD is a widely and globally supported climate disclosure framework aiming to help companies disclose to their investors and other stakeholders the financial impacts from climate change and the company's resilience strategy to these impacts. The TCFD disclosure framework centers around four pillars: Governance, Strategy, Risk Management, and Metrics and Targets.

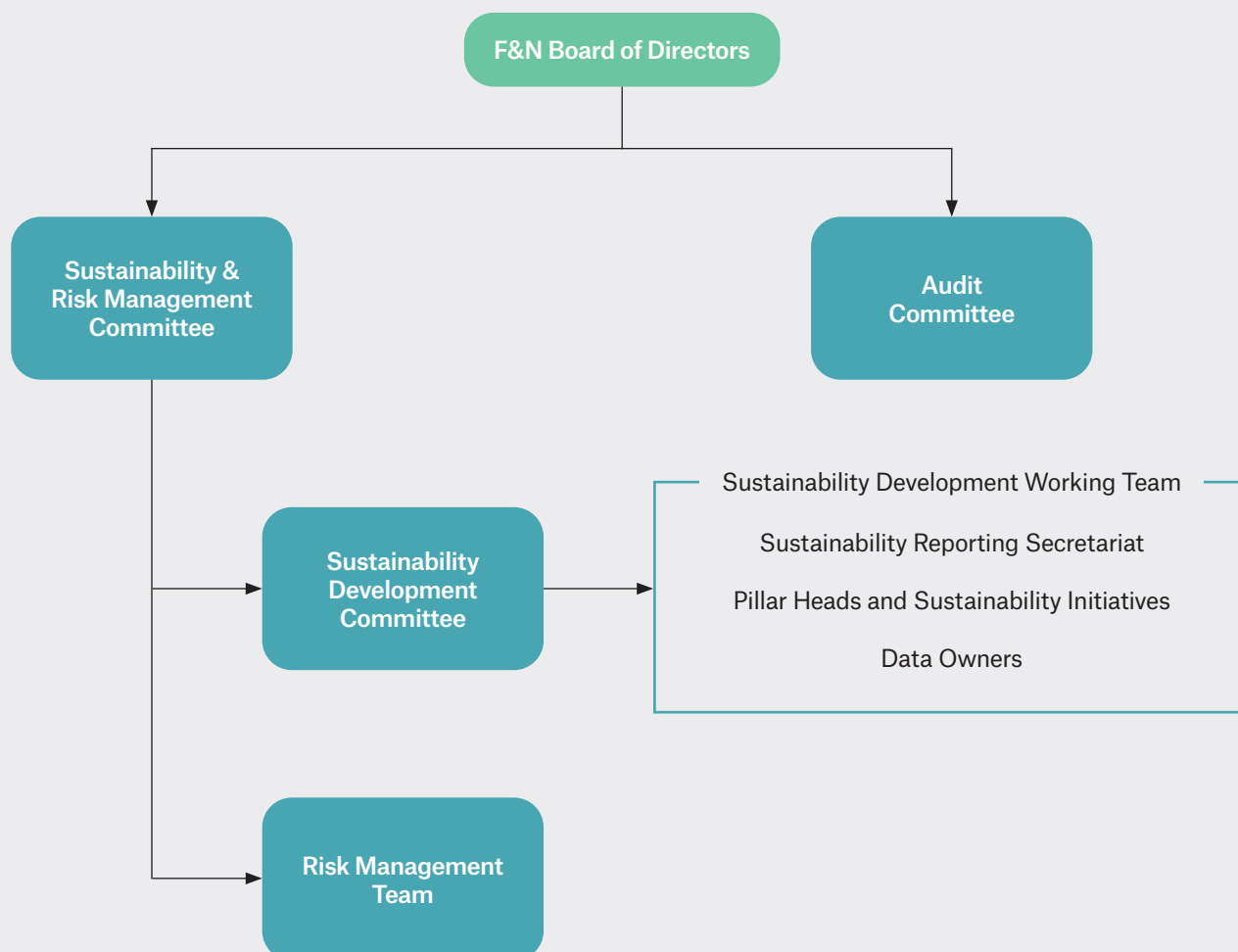
In our inaugural climate-related impact assessment this year, F&N has identified material transition drivers and physical climate-related risks on our operations and supply chain through conducting scenario analyses of transition and physical risks. In subsequent years, F&N hopes to deepen our understanding of climate-related risks by quantifying risks and opportunities to direct the development of our climate strategy.

The results of the climate-related assessment will be integrated into F&N's Enterprise Risk Management ("**ERM**") process, which are then consolidated into a corporate risk score card to be used as reference for other departments in the Group to communicate F&N's stance and actions against the identified risks and opportunities.

### TCFD Pillar – Governance

In recognising the responsibility and role that F&N has in driving climate action and in transition towards a low carbon economy and society, climate change issues have been incorporated into F&N's governance structure from the board level through to the managerial level. Dedicated roles and responsibilities of the Board, Board-level committees, and managerial functions are described below.

#### F&N Group Sustainability Development and Risk Management Governance Structure



## F&N's Climate Governance Roles and Responsibilities

F&N Functions	Climate Risks & Climate Strategy Roles and Responsibilities	Meeting Frequency
<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>Responsible for incorporating sustainability and climate issues into the formulation of F&amp;N Group's strategy.</li> <li>Annual approval of risk appetite and risk tolerance statements, including climate related risks.</li> </ul>	Five times a year
<b>Board Committee: Sustainability and Risk Management Committee</b>	<ul style="list-style-type: none"> <li>Ensures sustainability and climate risks and opportunities are considered at the highest level of F&amp;N Group. Responsible for approving all strategic initiatives and policies relating to the sustainability and climate agenda of the company.</li> <li>Receives updates on the Group's sustainability and climate agenda from the SDC three times a year.</li> <li>Guides the development of risk and sustainability frameworks, policies, guidelines and initiatives to ensure that sustainability issues, including climate related issues, are effectively managed and integrated into business operations and corporate objectives.</li> <li>Assists the board in overseeing the Group's risk management framework and policies. Review risk appetite and risk tolerance statements, including climate related risks.</li> <li>Provides strategic direction in managing sustainability-related risks and opportunities, taking into account the Group's risk appetite and risk tolerance.</li> </ul>	Three times a year
<b>Board Committee: Audit Committee</b>	<ul style="list-style-type: none"> <li>Assists the Board in reviewing and monitoring the integrity towards the Group's reporting process, the system of internal controls, audit process and compliance with legal and regulatory matters.</li> <li>Reviews key risks and recommendations from the SRMC, including sustainability and climate, and advises the board annually.</li> </ul>	Five times a year
<b>Sustainability Development Committee</b>	<ul style="list-style-type: none"> <li>Headed by the Chief Executive Officer (CEO), Fraser and Neave, Limited. Members include CEOs of F&amp;N Group businesses and senior executives across various functions.</li> <li>Monitor and gather data for reporting on the progress of sustainability and climate-related strategy, projects and goals.</li> <li>Identify and evaluate risks and material ESG factors including climate, as well as the status and effectiveness of risk mitigation measures.</li> <li>Provide updates to the SRMC on progress related to sustainability and climate-related strategies three times a year.</li> </ul>	Three times a year
<b>Sustainability Development Working Team</b>	<ul style="list-style-type: none"> <li>Consists of cross-functional representatives who take on the various roles of the Sustainability Reporting Secretariat, Pillar Heads and Sustainability Initiative Champions, and Data Owners</li> <li>Support the SDC &amp; SMC in planning and monitoring sustainability and climate goals, driving initiatives at an operational level, identifying challenges in performance and gathering data for reporting.</li> <li>Collate data and inputs from data owners for respective operational units.</li> </ul>	Ad-Hoc
<b>Risk Management Team</b>	<ul style="list-style-type: none"> <li>Risk discussion, including climate-related risks, with Business Units and corporate office as part of the Risk Management system.</li> <li>Organise climate-related risks and opportunities workshops</li> </ul>	<p>Three times a year</p> <p>Two times in FY21/22</p>

# Our Sustainability Approach

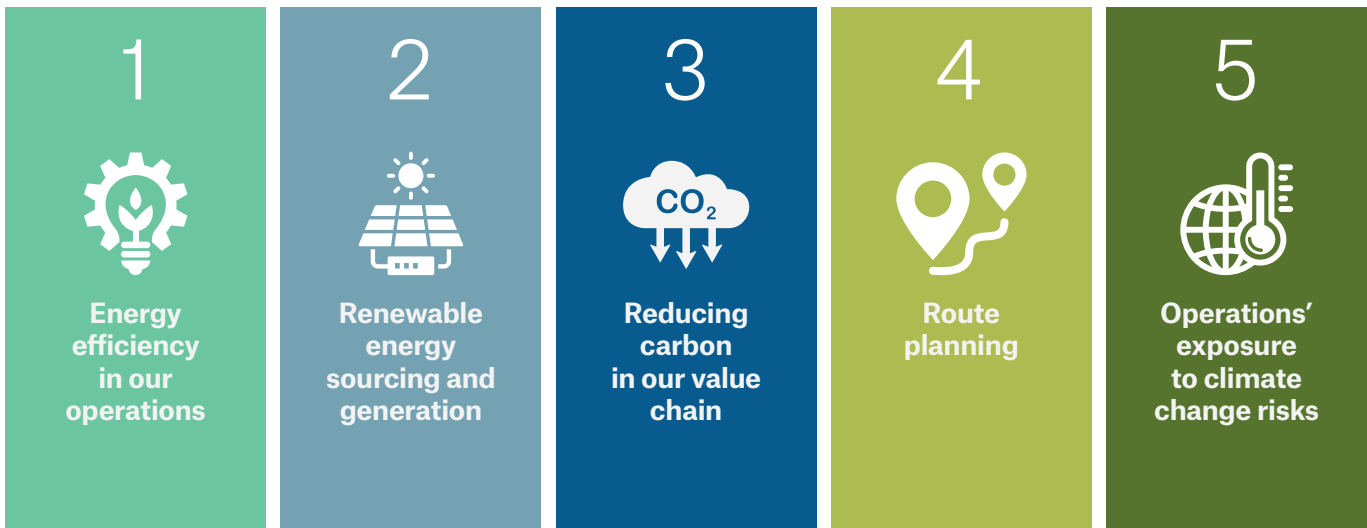
## TCFD Pillar – Strategy

Climate change will present challenges for F&N business, as physical and transition risks intensify in the future. Yet these emerging drivers present opportunities for cost savings and alignment with customer expectations. Understanding the gravity of our climate risk assessment, F&N intends to incorporate the results into our existing sustainability strategy through the “Better Planet” theme. We aim to meet the expectations of our stakeholders by transforming our strategy into action plans and manage climate-related risks and opportunities.

F&N has formalised a climate vision to support the company-wide vision *to be a stable and sustainable food and beverage leader in the ASEAN region*. Our climate vision is - **To achieve net-zero GHG emissions (for Scope 1 and 2 emissions) by 2040.**

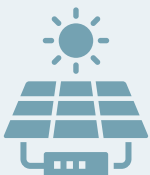
Our risk appetite and risk tolerance statements are reviewed by the SRMC and approved by the Board annually. It is intended that at the end of the financial year, the Board receives assurance from the CEOs, the chief financial officer or financial controller, other key management, who are responsible for each of the Group’s business divisions, and the Company’s Director, Group Finance, that the risk management and internal control systems are adequate and effective to address material risks, including key climate-related risks and opportunities, as identified by the Group.

F&N has developed the Energy and Climate Change Strategy since 2020 with a strategic focus on the achievement of the GHG goals and implementation of key elements to pursue climate change management. The strategy focuses on five key strategic pillars:



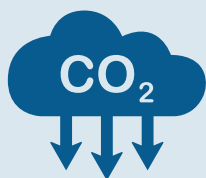
### Energy efficiency in our operations

- Reducing our energy intensity is key to reducing carbon emissions from our operations. To achieve this goal, our plants are equipped with varying energy efficient systems with the purpose of reducing energy intensity and carbon emissions.
- Some of these systems include - centralised air systems that reduces the amount of electricity needed for operations, to automatic control chiller that supplies ice and chilled water based on consumption demands.



### Renewable energy sourcing and generation

- F&N has installed solar panel rooftops and set up solar PV systems at several Non-alcoholic Beverage plants in Malaysia and Thailand.
- Beer and Printing and Publishing divisions with operations in Singapore, Malaysia, and Myanmar are planning for solar panel installations at their plants.



### Reducing carbon in our value chain

- **Low-carbon products:**

F&N is launching low-carbon products in response to customer demands. This includes plant-based products and products certified with carbon footprint labels such as the Thailand Greenhouse Gas Management Organization (TGO).

- **Responsible sourcing:**

We aim to protect biodiversity and eliminate deforestation from our supply chain. F&N sources raw materials such as sugar, palm oil and paper from sustainably certified sources (including RSPO, VIVE, BONSUCRO and FSC) wherever possible.

- **Sustainable packaging:**

To reduce the environmental footprint of our products, F&N seeks to provide sustainable packaging solutions to encourage recyclability and increase the circularity of materials to reduce the resource intensity in our packaging.

F&N has recently launched Green Lab – one of the region's largest sustainable packaging plants – offering highly-customisable biodegradable paper bags, fully compostable plant-based alternative for plastic carrier bags, an extensive range of fully-compostable F&B packaging and cutlery supplies, eco-packaging boxes and eco-pouches.

- **Sustainable inks:**

Times Publishing Limited already utilises sustainable inks – inks with lower global warming potential when dried, even though little attention is currently paid to sustainable inks within the print industry. The use of these inks would indirectly reduce the carbon emissions associated with the F&N's printing business.

- **Electric vehicles :**

F&N is currently evaluating the use of electric vehicles, such as vans, trucks and forklift trucks, in its operations. As the initial outcome seems to be promising, we will consider progressively replacing our fleet of conventional vehicles with electric vehicles, where applicable.



### Route planning

- Logistics and transportation are major sources of carbon emissions. F&N works to decentralise our distribution networks by locating our manufacturing and warehouse operations in closer proximity.
- Route planning is essentially utilising resources effectively by traveling a shorter route between the locations. A shorter route would result in savings on fuel consumption, which in turn reduces the emission of GHG.



### Operations exposure to climate change risks

- Physical climate change risks are monitored and managed as part of F&N ERM. Identified climate change related risks include flooding and mineral water sourcing and contamination. To manage these risks, we work closely with state authorities and local councils. We maintain a robust incident escalation procedures and response plans as part of our Business Continuity Management.

## Our Sustainability Approach

### Climate-Related Risks and Opportunities

A key driver in conducting a climate-related risks and opportunities assessment is to be prepared ahead of the potential risks and opportunities that may unfold along the future time horizons. In our climate-related impact assessment, F&N has identified material transition drivers and physical climate-related risks in our operations and supply chain through conducting scenario analyses of transition and physical risks.

The outcome of the climate-related risks and opportunities assessment would be disclosed, upon in-depth understanding of their impact on our business along with mitigating measures and actions plans.

### Scenario Analysis

As part of F&N ERM framework, scenario analysis within climate risks is adopted to enhance strategic thinking through the exploration of alternative pathways the world could take, factoring uncertainty.

In 2022, F&N conducted a formal qualitative assessment of climate-related risks and opportunities to identify, evaluate, and manage the potential impacts. The assessment of the risks and opportunities are considered under selected climate scenarios to assess the climate impact of key transition and physical risks under the respective climate scenarios.

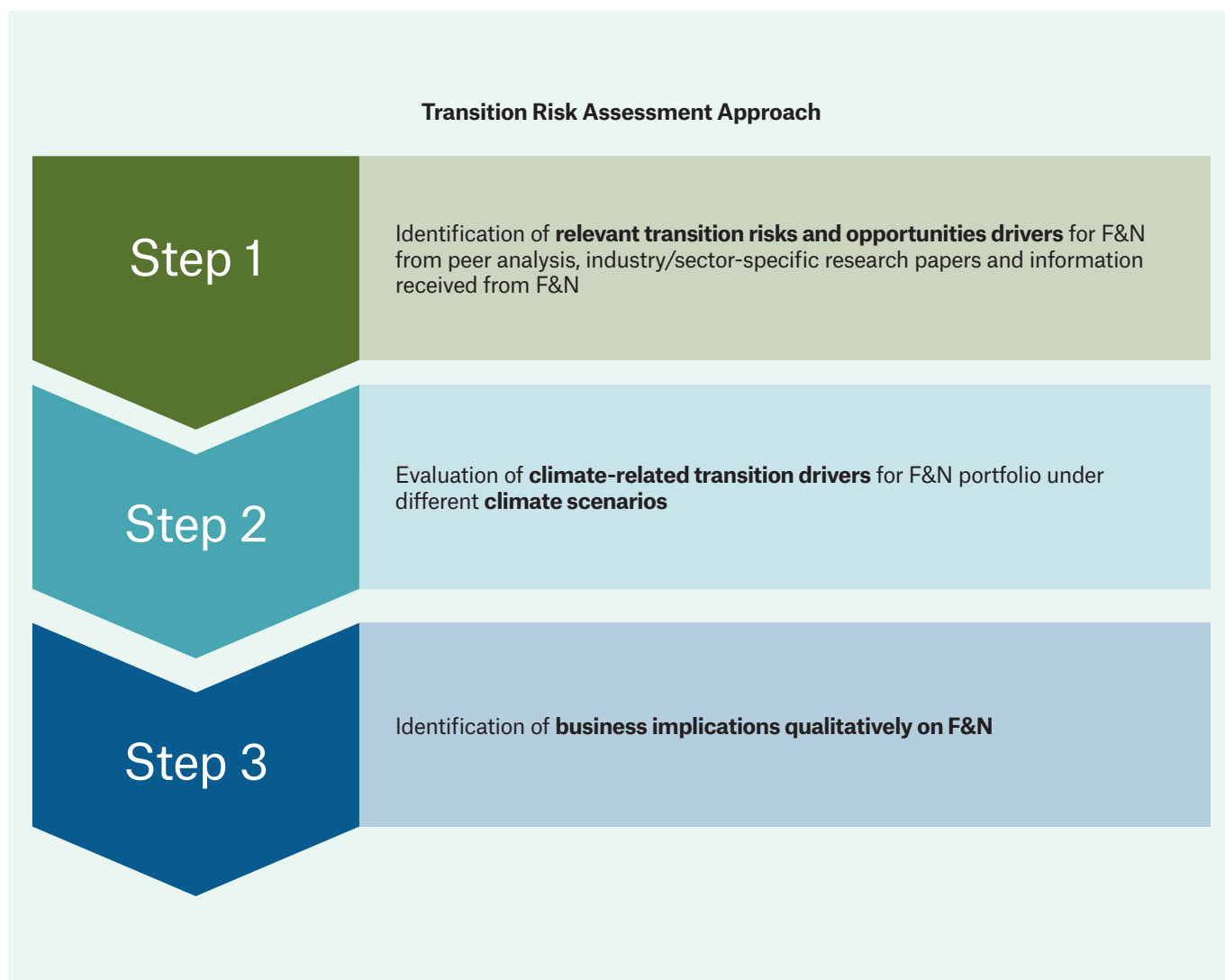
Transition and Physical Climate Change Risk Assessment Scope			
<b>Assessment Scope</b>	<p><b>Physical scenario analysis:</b> Considered impacts of climate change on 18 F&amp;N assets: 17 manufacturing facilities across four countries (Singapore, Malaysia, Thailand, and Myanmar) and 1 office in Singapore.</p> <p><b>Transition scenario analysis:</b> Assessment of impacts for Non-alcoholic Beverages, Beer, and Printing and Publishing business divisions.</p>		
<b>Time Horizons</b>	<p><b>Mid-term:</b> 5-10 years and represented by '2030'</p> <p><b>Long-term:</b> over 10 years and represented by '2050'</p>		
<b>Transition Scenarios and key assumptions</b>	<p><b>Low Carbon Scenario</b> Long-term (2100) Temperature &lt;2.0°C</p>		<p><b>Base Case Scenario</b> Long-term (2100) Temperature between 2.7-3.3°C</p>
	<p><b>International Energy Agency ("IEA") Sustainable Development Scenario ("SDS")</b> Maps the necessary technology, policies, and behavioral change for the world to achieve net zero energy related and industrial process CO<sub>2</sub>e emissions by 2070.  Actions today to limit temperature to "well below 2°C". The SDS is a gateway to the outcomes targeted by the Paris Agreement.</p>		<p><b>IEA Stated Policies ("STEPS")</b> A high emission, business-as-usual warming scenario considers current state policies, without additional policy implementation.  Existing policies and announced proposed policies, from a sector-by-sector assessment.</p>
<b>Physical Scenarios and key assumptions</b>	<p><b>Baseline</b> based on historical data of F&amp;N assets locations</p>	<p><b>Low Carbon Scenario</b> Long-term (2100) Temperature 2.7 °C</p>	<p><b>High Carbon</b> Long-term (2100) Temperature 4.4 °C</p>
<b>Assumptions</b>	<p>The present-day exposure of the asset to the chosen hazards.</p>	<p><b>IPCC SSP2-4.5</b> A more realistic view of a low emission future based on current policies.  Action today to limit temperature rise to 2.7°C by 2100 with no net-zero emissions possibility by 2100.</p>	<p><b>IPCC SSP5-8.5</b> A high emission, business-as-usual warming scenario (&gt;3°C) to review the stress which such an outcome might pose to the resilience of the business is required by TCFD.  Limited coordinated action leading to temperature rise of 2.4°C by mid-century and reach 4.4°C by 2100.</p>

The transition scenario analysis focused on drivers – Carbon Pricing, Low Carbon Land Transport, Reduction of Virgin Packaging, Consumer Demand for Sustainably Produced Products, Sustainable Inks and Reputation – across the four TCFD categories, in two IEA climate scenarios, for two time horizons. These drivers consider F&N's business operations and value chain for a holistic understanding.

Similarly, for physical scenario analysis, 18 assets across Asia Pacific were assessed under two scenarios for two time horizons.

### Transition Risks and Opportunities

The scenario analysis on transition risks and opportunities is intended to comprehensively analyse F&N's exposure to potential impacts arising from a global transition to a low carbon economy. The transition risk and opportunity assessment was a three-step qualitative process:



Transition drivers (risks and opportunities) were identified based on its relevancy to the organisation through peer benchmarking and industry/sector-specific information, and information received from F&N via surveys. F&N sought to ensure that both upstream risks, such as carbon tax, and downstream opportunities, such as decarbonisation of the land transportation sector, were included in this analysis to ensure a holistic understanding of the transition risks and opportunities that could impact F&N.

An internal stakeholder consultation was conducted to support the semi-quantitative assessment. The transition drivers were evaluated by stakeholders based on the "Likelihood" and "Impact" of the driver to F&N's business and value chain. Drivers were prioritised under the selected transition climate scenarios, and consequently, F&N explored high-level response measures to mitigate expected risks and capture potential opportunities. In subsequent years, F&N aims to conduct a deep dive assessment of the risks to understand the financial implications of climate change to the business.



## Our Sustainability Approach

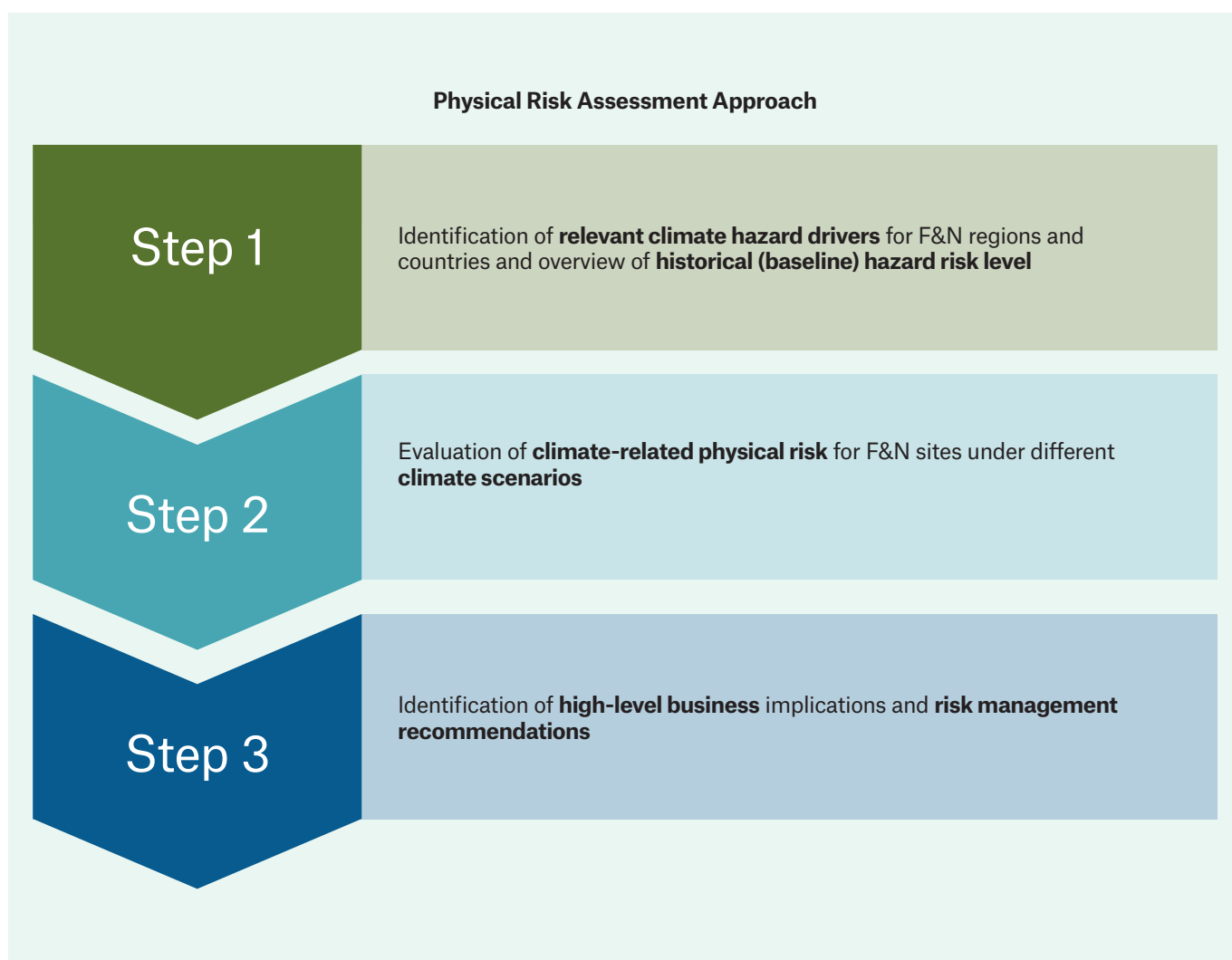
### Qualitative Assessment of Transition Risks and Opportunities

TCFD recommends organisations to disclose the resiliency of their business strategies to climate-related risk and opportunities, taking into consideration a transition to a lower-carbon economy. Where the low-carbon economy pathway is consistent with a 2°C or lower increase in temperature by the end of the century. This could lead to transition risk associated with increased operating costs due to laws and regulations on greenhouse gas (“GHG”) reduction, and higher demand for low-carbon technology investment.

We have analysed the potential impacts to our business using globally recognised climate scenarios from IEA - SDS as low-carbon scenario and IEA - STEPS as base case. IEA - STEPS is based on business-as-usual assumptions leading to global warming of 2.7 - 3.3°C. IEA - SDS is based on low carbon economy transition leading to global warming of <2.0°C.

### Physical Climate Change Risks

Acknowledging that physical climate change risks can have implications on our business continuity and operations, F&N prioritised 18 assets in Asia-Pacific to conduct a climate-related risk assessment using a three-step qualitative physical risk assessment approach as indicated in Figure 3.



### Identification of Relevant Climate Hazard Drivers

Through literature review, F&N identified natural hazards type – Water Scarcity, Inland Floods, Coastal Floods, and Extreme Heat – that could impact our assets through both acute (event driven) and/or chronic (long-term shifts in climate patterns) climate change. These natural hazards pose varying severity to our businesses.

### Physical Risks Assessment

F&N identified sites most exposed to physical risks under the **Baseline, Low Carbon Scenario, and High Carbon Scenario** within the countries of operations. Exposure refers to having a high-risk baseline and/or a significant increase in projected risk rating in 2030 or 2050.

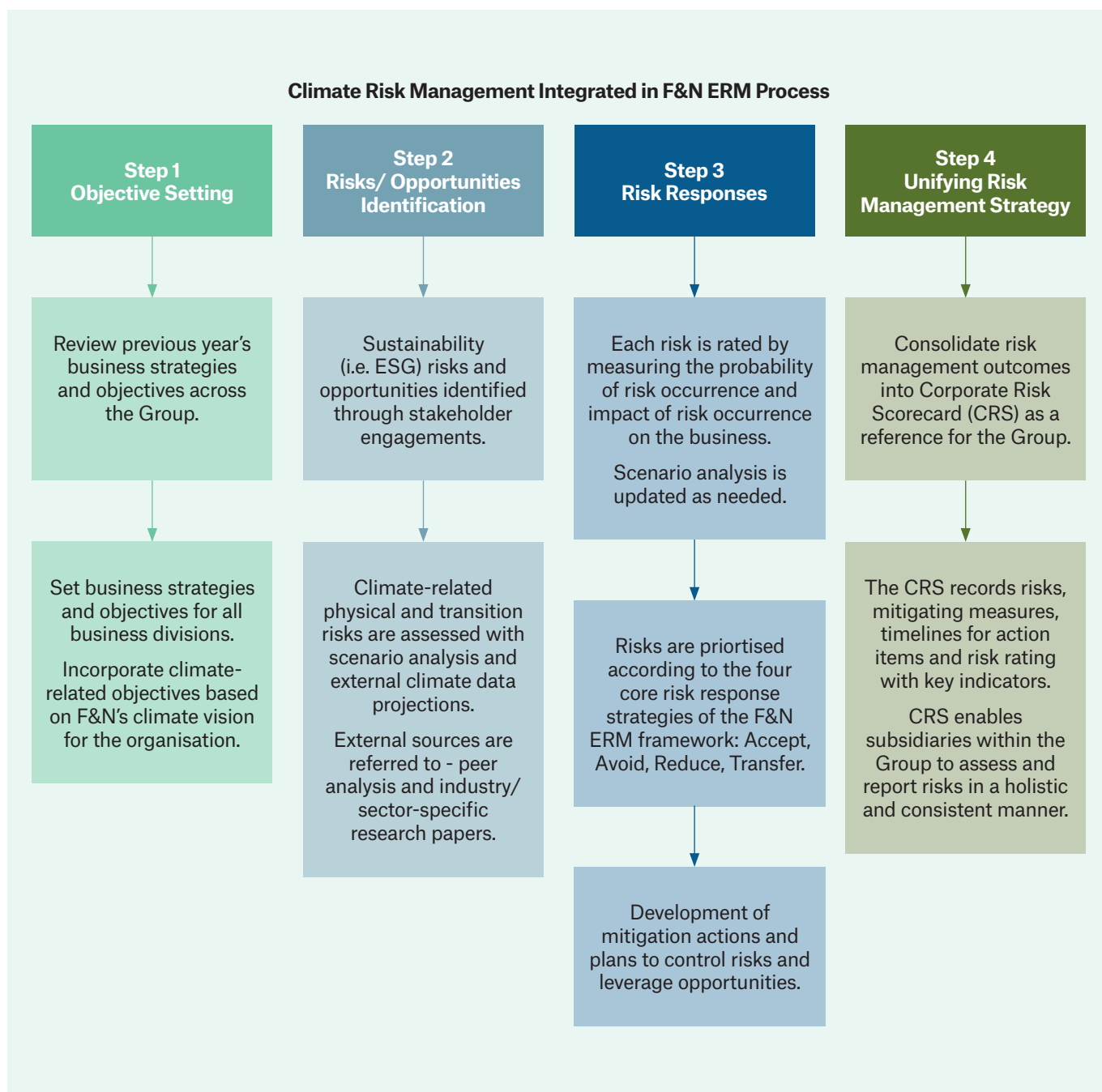
### TCFD Pillar – Risk Management

F&N integrated climate-related risks into our overall F&N ERM framework to ensure comprehensive oversight and group-wide monitoring.

Climate change oversight – the identification, assessment, monitoring and prioritising, are key responsibilities of the SDC (or SMC in F&NHB). They in turn report to the SRMC three times (four times for SRMC in F&NHB) in a financial year. The Committee is responsible for ensuring sound climate and sustainability risk management by monitoring potential impacts of climate change on the company operations, plan for mitigation actions against the identified risks.

The action plans for identified risks are consolidated in a Corporate Risk Scorecard (“CRS”) as reference for the rest of the group. The CRS is a common Group-wide platform which enables business divisions to consistently report located risks and the respective risk status. An overview of F&N ERM is detailed in Figure 4.

F&NHB has also established sustainability performance metrics based on the Group targets relating to environment, energy, and water stewardship to assess the management with 10% linkage to their performance.



## Our Sustainability Approach

### TCFD Pillar – Metrics and Targets

F&N commits to accounting for climate-related risks and leveraging on opportunities. We seek to build trust with our stakeholders by reporting climate-related metrics and targets fairly. Data on GHG Emissions Scope 1 and Scope 2 is elaborated within the 'Energy & Climate Change' chapter of this Report.

F&N has established climate goals and metrics to achieve by 2025, which are mapped to relevant climate risks and opportunities that have been identified during transition and physical risk assessments, which are further elaborated in the 'Performance Summary' chapter of this Report.

### STAKEHOLDER ENGAGEMENT

GRI Index: GRI 2-29

F&N's stakeholders include any individual or group who is impacted by or interested in our activities. We strive to build and maintain strong relationships based on trust and respect, with all stakeholders. It enables us to flag out potential negative impacts our business might unintentionally cause and implement mitigating measures to minimise the impact to a reasonable level, as determined through engagements with our stakeholders.

We identify stakeholder groups to engage by the level of interest the individual or group may have in our business, and/ or have influence over the functioning of our business. Our engagement approach is tailored accordingly to the stakeholder groups' level of interest and influence. A summary of our engagement approach for different stakeholder groups is below.

### F&N Engagements with Stakeholders

	Engagement Channels	Key Concerns	How F&N Creates Value for this Stakeholder
<b>Investment Community</b>	<ul style="list-style-type: none"> <li>General meetings of Shareholders (AGM &amp; EGM)</li> <li>Regular face-to-face meetings &amp; conference calls</li> <li>Office/plant visits, as and when required</li> <li>Investor days/briefing</li> <li>Website and SGXNET announcements, presentations, press releases</li> <li>Annual reports</li> </ul>	<ul style="list-style-type: none"> <li>Transparent &amp; accurate disclosure</li> <li>Return on investment</li> <li>Disclosure on relevant information to shareholders</li> </ul>	<ul style="list-style-type: none"> <li>Managing resources effectively to maximise profits</li> <li>Maintaining a strong balance sheet</li> </ul> <p>Relevant sections: Governance &amp; Ethics Economic Performance</p>
<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>Sports tournaments</li> <li>Communique, iConnect (intranet), F&amp;N BITES (news update), monthly email news highlights, digital TV, Fraserians Connect (mobile app), F&amp;N Voice WhatsApp channel</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>	<ul style="list-style-type: none"> <li>Career advancement and ability to reach individual potential</li> <li>Boosting earning potential of employees with training and development</li> <li>Strict hygiene practices and sanitary environment in the workplace</li> </ul> <p>Relevant sections: Human Capital Development, Employee Safety, Health and Well-being, Human Rights</p>

	Engagement Channels	Key Concerns	How F&N Creates Value for this Stakeholder
<b>Distributors &amp; 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>• Regular 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>• Supply chains disruptions</li> <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>• Efficient delivery systems</li> <li>• COVID-19 related payment challenges</li> </ul>	<ul style="list-style-type: none"> <li>• Partnering with retailers on shared opportunities</li> <li>• Source of income and job creation at our distributors</li> <li>• Case-to-case flexible payment method, if necessary</li> </ul> <p>Relevant sections: Innovation, Nutrition, Product Quality &amp; Safety, Product Labelling</p>
<b>Consumers</b>	<ul style="list-style-type: none"> <li>• Marketing &amp; sales promotions</li> <li>• Brand communication through advertising</li> <li>• On-going 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 &amp; safety</li> <li>• Fair &amp; reasonable product pricing</li> <li>• Social &amp; community engagement</li> <li>• Environmentally friendly packaging</li> </ul>	<ul style="list-style-type: none"> <li>• Launching innovative products</li> <li>• Fulfilling consumers' demand for safe and quality products</li> <li>• Providing accessible products through an extensive distribution network coverage</li> </ul> <p>Relevant sections: Innovation, Nutrition, Product Quality &amp; Safety, Product Labelling</p>
<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>• 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>• Social &amp; environmental responsibility</li> <li>• Job opportunities for locals</li> <li>• Promotion of good health &amp; quality of life</li> <li>• Skill development in sports &amp; leadership</li> <li>• Stimulating local economies</li> </ul>	<ul style="list-style-type: none"> <li>• Social investment in community projects</li> <li>• Advocating active lifestyles via sports events and activities</li> <li>• Supporting beneficiaries from vulnerable communities</li> </ul> <p>Relevant sections: Community Development and Inclusive Growth, Human Rights</p>
<b>Regulators</b>	<ul style="list-style-type: none"> <li>• Active 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 labour practices</li> <li>• Safety at work</li> <li>• Compliance with laws &amp; regulations</li> <li>• Water &amp; waste management</li> <li>• Environmentally friendly labelling &amp; packaging</li> <li>• GHG emissions</li> <li>• Recycling awareness</li> <li>• COVID-19 standard operating procedures</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with regulation to mitigate against systemic risks</li> <li>• Adhering to sustainable practices to protect stakeholders</li> <li>• Active industry collaboration and knowledge exchange</li> <li>• Adhering to COVID-19 guidelines and social distancing measures</li> </ul> <p>Relevant sections: Policy &amp; Regulation</p>
<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 &amp; corruption</li> </ul>	<ul style="list-style-type: none"> <li>• Working with local suppliers</li> <li>• Partnering with suppliers on shared opportunities</li> </ul> <p>Relevant sections: Supply Chain Stewardship, Biodiversity</p>

## Our Sustainability Approach

### OUR KEY PARTNERSHIPS AND COLLABORATIONS

GRI Index: GRI 2-28

We believe our sustainability journey is one where we proactively manage and understand the impacts of our footprint on the larger environment and society. As such, we partner with and take guidance from international organisations and sustainability thought leaders. F&N is a proud member of the RSPO, Singapore Alliance for Sustainable Palm Oil and the Buyer Supporting VIVE Sustainable Supply Chain Programme.

In Malaysia, F&NHB teamed up with key industry leaders to establish a voluntary, industry-led Extended Producer Responsibility – MAREA. The alliance is the first of its kind in Malaysia that focuses on improving collection and recycling of post-consumer packaging.

F&NHB is also part of the CEO Action Network capacity building work stream that aims to uplift the sustainability capacity in supply chains and business ecosystems. F&NHB representatives were speakers in a series of supplier and SME training sessions for two sustainability topics – Energy Management and Labour Practices.

F&N is aligned with sustainability charters, principles and standards, including the United Nations (“UN”) SDGs, GRI and the International Integrated Reporting Council.

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



#### Prime Minister’s Industry Award for F&NDT

F&NDT won the Prime Minister’s Industry Award 2021 in the category of Quality Management from the Ministry of Industry Thailand.



#### National Annual Corporate Report Awards (NACRA) 2021

Acknowledged for our excellence in corporate reporting, F&NHB received the Platinum Award for Best Sustainability Reporting at the NACRA 2021 for our 2020 SR.



#### The Edge Malaysia ESG Awards 2022

F&NHB bagged two awards – Best Performing Company in Consumer Products & Services and Top Three Performers in ASEAN – for their outstanding performance in ESG practices.

F&N participated in external sustainability ratings to communicate our commitment to our stakeholders, and to identify strengths and opportunities to improve our sustainability performance.



F&NHB was invited to participate in the **S&P Global CSA** for the second time in 2022 and was ranked as one of the top 10 companies (out of 89 companies assessed) in the Beverages industry with a score of 71 (out of a possible 100).



F&NHB received the FTSE4Good rating for **another consecutive year**, with an **improved scoring of 4.4 from 4.1** in September 2022.



F&NHB was included in the **FTSE4Good Bursa Malaysia index** and newly introduced **FTSE4Good Bursa Malaysia Shariah index**.