

2023



Sustainable
TOGETHER

SUSTAINABILITY REPORT

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ABOUT US

Established in 1883, 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, F&N provides key resources and sets strategic directions and objectives for its subsidiaries.

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 7,200 people worldwide.

OUR REPORTING SUITE

Our annual reporting suite comprises two reports – the Annual Report 2023 and Sustainability Report 2023. Each includes content tailored to its specific audience and cross-references to the other reports where relevant.



F&N Annual Report 2023 is the primary report to our stakeholders, detailing our strategies and business activities, as well as initiatives toward sustainable value creation.



The Sustainability Report 2023 carries an assurance statement by LRQA on selected indicators. Prepared in accordance with the GRI Universal Standards 2021, it details F&N's efforts and commitment toward creating a sustainable business, and positioning F&N for long-term success.

F&N Sustainability Report 2023 can be downloaded at www.fraserandneave.com/investor-relations/corporate-sustainability.

#GOPAPERLESS

1 In line with the Group's efforts towards greater environmental conservation, we have elected for electronic transmission of our Annual Report and Sustainability Report. The electronic version of our Annual Report 2023 is available on Fraser and Neave, Limited's website (www.fraserandneave.com/investor-relations/annual-reports). Shareholders and other interested parties who wish to receive a printed copy may order it through the website (www.fraserandneave.com/contact-us/request-annual-report), e-mail (ir@fraserandneave.com) or telephone ((65) 6318 9393).

Our Sustainability Report 2023 is only available in electronic version, and can be downloaded at www.fraserandneave.com/investor-relations/corporate-sustainability.

2 These reports cover the period from 01 October 2022 to 30 September 2023, unless otherwise stated.

3 Unless specifically stated otherwise, all figures in these reports are quoted in Singapore Dollars.

4 Due to rounding, numbers and percentages in these documents may not always add up precisely to the totals or absolute figures stated.



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'PURE ENJOYMENT. PURE GOODNESS'

Vision

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

Mission

To be ASEAN's leading owner and 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, the community, diversity and the environment.

Values

Collaboration • Creating Value •
Caring for Stakeholders



1883- 2023

SUSTAINABLE TOGETHER

Every great journey begins with a single step, as ours started more than a century ago. As we celebrate this significant milestone in our illustrious history of 140 years, we extend gratitude to the visionaries, leaders, and partners who have played pivotal roles in shaping our humble beginnings into the formidable entity we are today. The enduring strength and innovative spirit of our people, along with their dedication to building a sustainable business, form the bedrock of our continued success. Nurtured by our rich heritage and propelled by a forward-looking vision, our commitment remains steadfast – to strive for excellence and foster growth. This is our pledge as we foster unity and continue to work collaboratively towards being *'Sustainable Together'*.

BOARD STATEMENT

INTRODUCTION

The Board is pleased to present Fraser and Neave, Limited's ("F&N" or the "Group") Sustainability Report ("Report") for the fiscal year ("FY") covering the period from 1 October 2022 to 30 September 2023. This Report offers an extensive overview of the Group's performance on key Environmental, Social, and Governance ("ESG") topics.

REPORT COMPLIANCE

This Report was prepared in accordance with the globally recognised Global Reporting Initiative ("GRI") Universal Standards 2021. Furthermore, it aligns with the Singapore Exchange's ("SGX") Listing Rules 711A and 711B and was mapped to the SGX's core ESG metrics. In addition to these compliance standards, we have incorporated SGX-mandated climate reporting, guided by the recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD").

The Report encompasses the Group's operations, including 13 manufacturing sites in Singapore, Malaysia, and Thailand.

SUSTAINABILITY GOVERNANCE

The Board holds overarching responsibility for shaping the Group's sustainability strategy and initiatives. This encompasses identifying critical ESG topics integral to the F&N Group's strategy, overseeing their implementation, and monitoring sustainability performance, and has been closely involved in the development of this Report. The Sustainability

and Risk Management Committee ("SRMC"), which reports directly to the Board, is entrusted with steering the Group's sustainability endeavours. The SRMC receives support from the Sustainability Development Committee ("SDC"), chaired by Mr. Hui Choon Kit, the Company's Chief Executive Officer. The SDC is tasked with monitoring the Group's sustainability priorities and initiatives and ensuring their effective execution to attain the 2025 targets.

To ensure a comprehensive, organisation-wide approach to managing sustainability across material ESG topics, the SDC is represented by management from various divisions within F&N, encompassing Finance, Operations, Human Capital, Research and Development, Marketing, Communications, and Risk Management.

FOCUSING ON OUR SUSTAINABILITY EFFORTS

We have reviewed and, where necessary, refined our 2021 materiality matrix and 2025 sustainability targets to reflect shifts in the external sustainability landscape. Four key material topics have been identified as increasingly important to our stakeholders and as having a greater impact on our businesses: Climate Change, Energy, Policy and Regulations, and Governance and Ethics.

F&N continues to make progress along our sustainability roadmap to achieve our 2025 sustainability targets. These targets have been reviewed by the SDC, endorsed by the SRMC, and approved by the Board. Detailed information on the 2025 sustainability targets can be found on pages 26 to 27 of this Report.

We take pride in our unwavering commitment to sustainability and the progress we've made in integrating it across our diverse businesses. While we have achieved success in certain areas, we are acutely aware of the pressing need to accelerate climate action and ensure the enduring sustainability of F&N. Our sustainability and climate strategy will continue to evolve, creating lasting value for people, the planet, and the future of our businesses.



ENHANCING CLIMATE-RELATED DISCLOSURES

The escalating incidence of extreme weather events worldwide, exacerbated by climate change, underscores the urgency of prioritising efforts to mitigate climate-related risks. SGX recognised this imperative and mandated climate reporting by 2023, following the recommendations of the TCFD, on a 'comply or explain' basis. In advance of the SGX stipulated timeline, we included a qualitative TCFD narrative in our sustainability report last year. Building upon this foundation, the Group has now quantified three of our material climate-related physical and transition risks. Comprehensive details can be found in the TCFD narrative on pages 35 to 45 of this Report.

In our pursuit of a robust climate strategy, F&N has embarked on a journey to explore decarbonisation pathways for our businesses. By gaining a deeper understanding of available green technologies, their associated costs and benefits, and the potential for reducing greenhouse gas ("GHG") emissions, F&N is better equipped to make informed decisions and determine the most suitable approach to achieving our 2040 net-zero Scope 1 and 2 GHG emissions target.

CELEBRATING SUSTAINABILITY ACHIEVEMENTS

We are delighted to share that our subsidiary, F&N Foods Pte Ltd ("FNFS"), was ranked 63rd out of over 1,700 employers in Singapore's Best Employers 2023 study conducted by Statista. Additionally, F&N Holdings Bhd ("F&NHB"), a subsidiary of F&N, continues to receive recognition for its excellence in sustainability and strong ESG practices. F&NHB was honoured with the Platinum Award for Best Sustainability Reporting at the National Annual Corporate Report Awards 2022 and received the Gold Award for the Consumer Goods and Services Sector, along with the Top Three Performers in ASEAN award at The Edge ESG Awards 2022. These awards and accolades serve as a testament to F&N's ongoing commitment to sustainability and inspire us to persevere on our sustainability journey.

CLOSING REMARKS

We take pride in our unwavering commitment to sustainability and the progress we've made in integrating it across our diverse businesses. While we have achieved success in certain areas, we are acutely aware of the pressing need to accelerate climate action and ensure the enduring sustainability of F&N. Our sustainability and climate strategy will continue to evolve, creating lasting value for people, the planet, and the future of our businesses.





CHIEF EXECUTIVE OFFICER'S MESSAGE

HUI CHOON KIT

OUR F&N SUSTAINABILITY REPORT 2023

Sustainability at F&N is more than just a commitment; it is a fundamental philosophy that guides our operations and shapes our vision for the future. With great pride, we present F&N's Sustainability Report for 2023, encapsulating our steadfast dedication to sustainable growth and transformation. This year, our strategic focus has revolved around reinforcing our sustainability commitment through a series of key initiatives. These initiatives embody our ongoing journey towards creating lasting value for our stakeholders, with a spotlight not only on environmental performance but also on the well-being of our people and the communities we serve. As we navigate the ever-evolving sustainability landscape, let's delve into the strategic highlights of the year and our resolute commitment to a sustainable future.

This Report, prepared in accordance with the GRI Universal Standards 2021, provides useful information on our sustainability performance to our stakeholders and demonstrates our progress towards achieving our targets over time. Since last year, in line with the SGX updated sustainability reporting guidelines, our climate reporting has been made more robust by aligning it with the recommendations of the TCFD.

Our sustainability performance has been benchmarked against industry leaders, such as Thai Beverage Public Company Limited ("ThaiBev"), our strategic partner, to ensure improvements through best practice sharing and knowledge transfer. ThaiBev had demonstrated their sustainability excellence by being featured in the S&P Global Sustainability Yearbook 2023 for obtaining the top 1% S&P Global ESG Score in the Beverages industry in the S&P Global 2022 Corporate Sustainability Assessment. As such, ThaiBev's well-developed and systematic reporting parameters were chosen for alignment and integration into our data collection processes to leverage on their expertise.



Sustainability at F&N is more than just a commitment; it is a fundamental philosophy that guides our operations and shapes our vision for the future. With great pride, we present F&N's Sustainability Report for 2023, encapsulating our steadfast dedication to sustainable growth and transformation.



Sustainable TOGETHER



THE YEAR IN REVIEW: Economic

- A. Reporting on Climate-Related Disclosures:** F&N commenced phased implementation of climate reporting ahead of SGX's stipulated 2023 timeline. Our efforts include conducting a qualitative climate-related risks and opportunities assessment last year, with findings detailed in a TCFD narrative included in last year's sustainability report. This year, we took further steps by quantifying the business impact of three key climate-related physical and transition risks: Flooding, Water Scarcity, and Carbon Pricing. This assessment enables us to evaluate the cost to our business and assess the effectiveness of mitigating measures. The updated TCFD narrative, inclusive of these outcomes, can be found in this Report.
- B. Refreshed 2023 Materiality Matrix and 2025 Sustainability Targets:** Our 2021 materiality matrix and 2025 sustainability targets were subject to review and updates in response to shifts in the sustainability landscape. These refreshed targets, endorsed by the SRMC and approved by the Board, guide our sustainability efforts, addressing material sustainability issues with significant long-term financial and non-financial impacts on the Group's performance.
- C. Collaborations with Stakeholders in Our Supply Chain:** F&N maintains ongoing collaborations with our business partners, suppliers, and vendors, to understand their needs, provide sustainable solutions and advance sustainability together. For instance, in Thailand, F&NDT collaborated with the KhaoYai Milk Cooperative to support farmers by constructing a new Milk Collection Centre to improve their dairy facilities. This initiative benefitted the farmers, who were our key stakeholders, with an improved quality and quantity of fresh milk yield and allows F&N to continue to procure good quality fresh milk that meets our operational needs.

THE YEAR IN REVIEW: Environment

- D. Renewable Energy in Operations:** Recognising the global need to limit global warming, F&N has embraced renewable energy by installing solar panels in our plants in Singapore, Malaysia, and Thailand. Completion of the second phase of solar panels at our Thailand plants this year is estimated to improve our Group's GHG emissions avoided to over 13,000 MT CO₂e annually. This is an equivalent to the average annual GHG emissions emitted by over 87,000 households living in four-room HDB flats in Singapore¹.
- E. Energy Efficiency in Operations:** To support the global initiative to achieve net zero by 2050, to limit global warming to between 1.5°C and 2°C above pre-industrial levels, F&N is also exploring innovative ways to reduce the GHG emissions generated from our operations. One such initiative is the Innovative Heat Recovery System by F&N Dairies Thailand ("F&NDT"), where heat waste from the cooling water of sterilisers is recovered and reused. This would result in GHG emissions reductions of around 650 MT CO₂e per year. More information on similar initiatives can be found in pages 85 to 87 of this Report.
- F. Environmental-friendly Packaging:** To support our move toward a circular economy, F&N actively reduces virgin packaging material usage and packaging waste. This includes lightweighting and increasing the use of recycled materials. Collaborations with suppliers have resulted in 25% of recycled content in our packaging, marking a 3% increase from 2020. The launch of our eco-solutions manufacturing plant, Green Lab, which provides sustainable packaging solutions to businesses, has facilitated collaborations with over 10 companies across various industries to promote a circular economy.

Note:

¹ Calculated based on the average annual electricity consumption of 353.3 kWh for a household staying in a four-room HDB flat in 2023, as per the EMA website.

CHIEF EXECUTIVE OFFICER'S MESSAGE

THE YEAR IN REVIEW:

Social

G. Healthier Products for Consumers: In response to feedback from internal and external stakeholders, we have identified "Nutrition" as one of our most critical sustainability issues, aligning with our commitment to "PURE ENJOYMENT. PURE GOODNESS.". We continuously enhance the nutrient profile of our products and innovate to offer nutritious options to our customers. This year, we launched healthy beverages, such as ÖMilk and 100PLUS Pro High Protein, designed to provide nutritional value. Notably, 100PLUS Pro High Protein, which contains protein, vitamins B3, B6 and B12, branched-chain amino acids and electrolytes for energy, muscle repair and hydration, received the Healthier Choice Symbol recognition from the Singapore Health Promotion Board and the Healthier Choice Logo from the Malaysia Ministry of Health. We have also taken further steps to reduce high sugar content in our ready-to-drink ("RTD") products, with over 73% containing less than 5g of sugar per 100ml in Singapore and Malaysia.

Due to global warming, projected further increases in future temperatures is expected to cause elevated heat stress risk for outdoor workers subject to prolonged exposure to the sun. To contribute to the solution to mitigate heat stress faced by outdoor workers, F&N had conducted a two-week trial using our 100PLUS Slushy, in collaboration with the Singapore Workplace Safety and Health Institute, Simplex, Project HeatSafe, Teambuild Construction Group, with support from The Singapore Contractors Association Ltd. Over 200 workers participated in the trial, with more than 900 liters of 100PLUS Slushy consumed. While consuming ice slurry had been ascertained to significantly reduce the workers' heat injury risk, most of them found that it had the added benefit of also improving their work efficiency.

H. Safeguarding Our People: The health and safety of our employees remain our top priority. Despite COVID-19 being largely under control, F&N continues to prioritise

the well-being of our workforce. The Group continues to support employees navigate remote working environments through increased adoption of digital tools, such as videoconferencing software like Zoom and Microsoft Teams, in place of in-person meetings. We have also reviewed medical benefits coverage and appointed a new provider with a more comprehensive plan to safeguard our employees' welfare. The medical benefits were updated to also include coverage for mental wellness and alternative medicine, such as Traditional Chinese Medicine. This extends to not only physical health of employees but also their mental well-being. F&N had in November last year joined as a founding member of MindForward Alliance Singapore – a not-for-profit membership organisation transforming workplace culture into one that supports the mental health of its employees – and had begun the phased implementation of its MindForward Alliance Singapore Localised Mental Health Framework.

I. Human Rights Training: F&N conducted a comprehensive Human Rights assessment in 2021, identifying and mitigating risks along our value chain in Singapore, Malaysia, and Thailand. Following the rollout of the F&N Human Rights Policy last year, we further drive the understanding of Human Rights and its relevance by providing our executives with a virtual interactive Human Rights Awareness Training session. This training covered international standards established by the United Nations, recent developments in business and Human Rights, and the governing principles in the United Nations Guiding Principles on Business and Human Rights. Over 350 employees benefited from this initiative.

TOWARDS F&N'S 2025 SUSTAINABILITY AMBITIONS

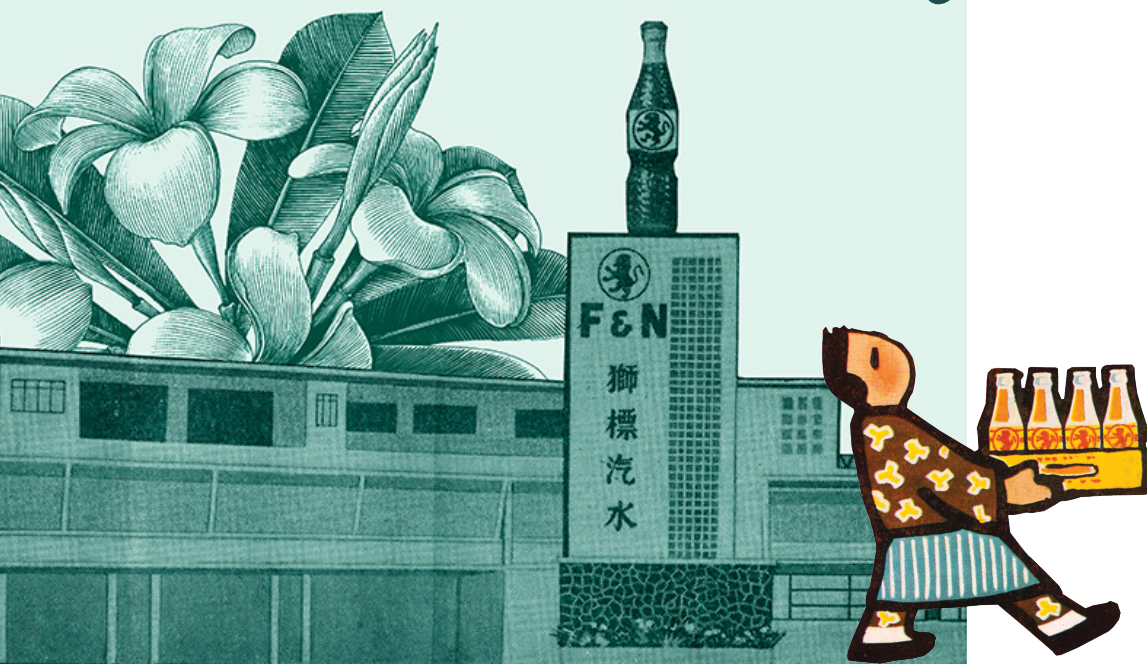
As F&N progresses on its sustainability journey, we continue to identify areas where we can make a positive impact and contribute to our sustainable transformation. The 2025 sustainability targets will guide our efforts and uphold our commitment to create lasting value for F&N stakeholders. We eagerly anticipate sharing our progress and achievements with you in the coming year.



“

The 2025 sustainability targets will guide our efforts and uphold our commitment to create lasting value for F&N stakeholders. We eagerly anticipate sharing our progress and achievements with you in the coming year.

TOWARDS F&N'S 2025 *Sustainability Ambitions*



SUSTAINABILITY HIGHLIGHTS

Growing SUSTAINABLY

BETTER Planet



Operational Eco-Efficiency



Greenhouse gas emissions intensity ratio reduced by 6% even as energy intensity ratio increased by **2%** from a 2020 baseline



Total solid waste generated reduced by 7% however total solid waste sent to landfill increased by **4%** from a 2020 baseline



Water intensity ratio increased by 5% from a 2020 baseline



Ground-up initiatives to improve water and energy efficiencies

including enhancing the 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



25% of beverage and dairy packaging contains recycled materials



99% of total packaging is recyclable



Committed to supporting conservation efforts and sustainable land management practices to safeguard high biodiversity value areas

BETTER Community



Creating Value for Society



73% of beverage and dairy products¹ qualify as healthier options



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



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



Impactful annual community initiatives across all markets



100% of the Group's operations in Singapore, Malaysia and Thailand actively engaged with local communities, conducted impact assessments, and implemented 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 7,200 employees



34% female representation in total workforce



48% female representation in managerial positions



28.71 training hours per employee in the executive category; **11.24** training hours per employee for the non-executive category



26% reduction in Lost Time Injury Frequency Rate from a 2020 baseline

Note:

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

T GETHER



Responsible Product Stewardship



Over 80% of manufacturing plants are Food Safety System Certification ("FSSC") 22000 and/or halal certified



30+ new products introduced



Portfolio of healthier products, including:

- ★ Low-sugar drinks
- ★ Zero-sugar drinks
- ★ Plant-based milk drinks
- ★ Micro-nutrients fortified drinks

Responsible Supply Chain



98% of active key suppliers have accepted and are complying with F&N's Supplier Code of Practice



Attained 5% product innovation for commercialised F&N products



Achieved interim target of purchasing physical Roundtable on Sustainable Palm Oil ("RSPO") Certified Sustainable Palm Oil ("CSPO") and credits for total palm oil consumption

- ★ 60% physical RSPO CSPO
- ★ 40% RSPO credits



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
- ★ Successfully redirected vendors to supply F&N with specific products that adhere to stringent halal standards



Sustainability AT F&N



Climate-related disclosures

based on the recommendations of the TCFD, were enhanced to include quantification of material climate-related risks



External recognition

- ★ F&NHB remains a constituent member of the F4GBM Index for the fifth year, with improved rating to **4.6** from **4.4** in 2022, for ESG practices. It is also a member of the F4GBMS Index for the third 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 2022
- ★ F&N Foods Pte Ltd ranked 63rd among over 1,700 employers in the Singapore's Best Employers 2023 study



ABOUT THIS REPORT

GRI Index: GRI 2-2, GRI 2-3, GRI 2-5, GRI 3-1, GRI 3-2, GRI 3-3

THE MANAGEMENT FOCUS FOR SR2023

This Report reviews our key ESG strategy and achievements in FY2023 and provides an update on our progress toward achieving our 2025 sustainability targets. It outlines sustainability-related risks and opportunities for the business, accompanied by forward-looking action plans. The Report is structured around three primary themes of sustainable value creation:



BETTER *Business*

- Responsible Business Practice
- Responsible Product Stewardship
- Responsible Supply Chain



BETTER *Society*

- Creating Value for Society
- Empowering Our People



BETTER *Planet*

- Operational Eco-efficiency
- Value Chain Impacts

The Report, best read together with the F&N 2023 Annual Report, provides a comprehensive picture of integrating F&N's financial goals with social and environmental imperatives. For specific references to our F&N 2023 Annual Report, refer to our GRI Index on pages 110 to 115. F&N appreciates this opportunity to share our commitments and progress in long-term value generation for our stakeholders.

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. Building on last year's efforts, we have enhanced our climate-related disclosures, based on the recommendations by TCFD, by quantifying our key climate-related physical and transition risks. 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 F4GBM and F4GBMS Indexes, for the fifth and third year running, respectively. Last year, F&NHB had once again been invited to submit a response to the S&P Global Corporate Sustainability Assessment for inclusion in the S&P ESG Index. They were ranked as one of the top 6 companies (out of 101 companies assessed) in the Beverages industry with a score of 74 (out of a possible 100).

REPORTING PERIOD AND BASIS OF SCOPE

This marks F&N's seventh annual stand-alone sustainability report, covering the period from 1 October 2022 to 30 September 2023, aligned with our financial reporting period. The report is published on 05 January 2024.

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, Cocoland and Sri Nona in Malaysia, and Print Lab Pte Ltd in Singapore. More information on F&N's operations and footprint is available in the 'About F&N' section of the Report.

Entities within the reporting scope present their sustainability performance on all our material topics. Sustainability data consolidated across all our operations are given equal weightage in the reporting.



Building on last year's efforts, we have enhanced our climate-related disclosures, based on the recommendations by TCFD, by quantifying our key climate-related physical and transition risks.



SINGAPORE

Fraser and Neave, Limited
F&N Foods Pte Ltd ("FNFS")
F&N Interflavine Pte Ltd
F&N Treasury Pte Ltd
F&N Global Marketing Pte Ltd
F&N Creameries (S) Pte Ltd
Times Publishing Group
 - Times Printers Pte Ltd ("TP")

MALAYSIA

Fraser & Neave Holdings Bhd ("F&NHB")
 - 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
F&N Creameries (M) Sdn Bhd ("F&NCM")
Times Publishing Group
 - Times Offset (Malaysia) Sdn Bhd ("TOM")

THAILAND

Fraser & Neave Holdings Bhd ("F&NHB")
 - F&N Dairies (Thailand) Limited ("F&NDT")
F&N United Limited ("F&NUL")

POINT OF CONTACT

F&N values and appreciates all feedback to help make future Reports more relevant to our stakeholders' needs. Any questions pertaining to our sustainability initiatives or reporting, or comments and feedback, can be directed to:

Department: Sustainability

Email: sustainability@fngroup.com.sg

Phone Number: +65 6318 9393

Mail: Sustainability Reporting Department
 438 Alexandra Road, #07-00 Alexandra Point,
 Singapore 119958

ASSURANCE STATEMENT

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

External assurance of the sustainability data disclosed in this Report serves to ensure accuracy and credibility of the reported data. Approved by the F&N SRMC, this year will be the fifth 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"). 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.

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. Read more about LRQA's assurance statement on pages 108 and 109 of this Report.

FORWARD-LOOKING STATEMENT

Certain statements in this Report constitute "forward-looking statements" reflecting F&N's current views of future events, considering our present and future sustainability strategies, and the environment which F&N will operate in. These views involve risks, uncertainties and assumptions which may cause the actual performance or achievements of F&N or the 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 any obligation to publicly release any updates or revisions to forward-looking statements to reflect changes in F&N's expectations when conditions or circumstances, upon which any such statement or information is based, have changed.



Approved by the F&N SRMC, this year will be the fifth 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").

THIS IS F&N

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

The entrepreneurial spirit, embodied by our founders, remains in today's F&N. As a soft drink company, F&N seized the opportunity and ventured into the beer brewing business in 1931 in partnership with The Heineken Company and built a very successful beer empire in Asia Pacific – through its joint venture company, Asia Pacific Breweries

Limited ("**APB**"). In 1959, it entered the Dairies business by forming a canned milk joint venture with Beatrice Foods of Chicago, and in 2006, 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 7,200 people worldwide.



FRASER AND NEAVE, LIMITED

Food & Beverage ("**F&B**")

- Non-Alcoholic Beverage
- Beer
- Packaged Food

Publishing & Printing ("**P&P**")

- Publishing
- Print
- Retail
- Distribution



Employee Breakdown

Contract



SINGAPORE 21%
MALAYSIA 79%
THAILAND 0%
OTHERS 0%

Full-Time



SINGAPORE 22%
MALAYSIA 42%
THAILAND 24%
OTHERS 12%

Executive



SINGAPORE 29%
MALAYSIA 47%
THAILAND 15%
OTHERS 9%

Non-Executive



SINGAPORE 19%
MALAYSIA 50%
THAILAND 21%
OTHERS 10%

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



Employees

7,200+

Female 34%
Male 66%

By Geography

Singapore	22%
Malaysia	49%
Thailand	19%
Others	10%

50+

F&B and P&P brands

of which

- F&B owns 75% brands
- P&P owns 25% brands

80+

Offices, manufacturing and warehousing facilities in 11 countries

of which

- 28 offices in 11 countries
- 21 manufacturing facilities in 5 countries
- 41 warehousing facilities in 4 countries

140+

Export markets

Key Export Markets

- Africa
- Australia
- China
- Hong Kong
- Indonesia
- Mexico
- Philippines

FY2023 Revenue

\$2,099m

FY2023 Profit After Taxation

\$205m

Singapore

Revenue	\$424m
PBIT	(\$11m)
APBFE	(\$28m)
Total Assets	\$539m



F&N HQ

Malaysia

Revenue	\$833m
PBIT	\$63m
APBFE	\$24m
Total Assets	\$1,159m



Thailand

Revenue	\$659m
PBIT	\$112m
APBFE	\$54m
Total Assets	\$600m



Vietnam¹

Revenue	\$0m
PBIT	\$89m
APBFE	\$89m
Total Assets	\$2,523m



Other Countries

Revenue	\$184m
PBIT	(\$4m)
APBFE	(\$6m)
Total Assets	\$300m

Brunei	
Chile	
China	
Hong Kong	

Indonesia	
Myanmar	
United Arab Emirates	
USA	

Legend:

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

Note:

¹ Largely from F&N's 20.4% investment in Vinamilk

OUR Business Model

Key Risk Categories ▶

Reputational

Strategic

Currency

Operational

Country

Financial

1 WHAT WE DEPEND ON

Relationships

Human

Over **7,200** talented people across the Group

By Geography

Singapore	22%
Malaysia	49%
Thailand	19%
Others	10%

Social & Relationship

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

We collaborated with over **3,700** 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 **17** 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 **\$864M**
- Equity **\$3,403M**
- Debt Capital **\$1,134M**

Natural

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

2 WHAT GUIDES US

Vision, Strategy, Values, Sustainability Targets

Our Vision

To be a stable, sustainable and profitable 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



SUSTAINABLE DEVELOPMENT GOALS

Primary



Secondary



2025 Sustainability Targets

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. **72%** 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 Supplier Code of Practice
11. Rollout **10%** new products
12. All plants to be FSSC 22000 and/or halal certified

DRIVES SUSTAINABLE GROWTH

Creating Shared Value ►

Understanding Societal Needs and Stakeholder Expectations

Communicating Through Stakeholder Engagement

3 THE VALUE WE CREATE

Relationships



Human

- Paid **\$270M** in remuneration in FY2023
- Female representation:
 - **22%** of Board
 - **34%** of total employees
 - **48%** of total managerial positions
- Supported employees growth by providing **>77,000** training hours



Social & Relationship

- Upheld strong human rights practices in our operations and supply chain
- **92%** of our suppliers were local
- **\$1.2B** paid to suppliers; close to **90%** local purchase value
- **98%** active suppliers who accepted F&N's Supplier Code of Practice
- Over **3,700** 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 **30** new products in FY2023 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 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 **\$2,099M**
- Dividends **\$80M**
- APBFE **\$133M**
- Economic Value Retained **\$254M**

4 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

5 STAKEHOLDERS

Internal

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

ABOUT THIS REPORT

ENGAGED WITH OVER

3,700

GLOBAL AND LOCAL SUPPLIERS



The stages of our supply chain are as follows:

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 FY2023, the Group engaged with over 3,700 global and local suppliers across its supply chain including manufacturers, wholesalers, retailers, importers/merchants, contractors, and professional services providers and spent about SGD 1.2 billion on products and services.

More information on the various stages of our supply chain can be found on page 17 of this Report.

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



01
SOURCING

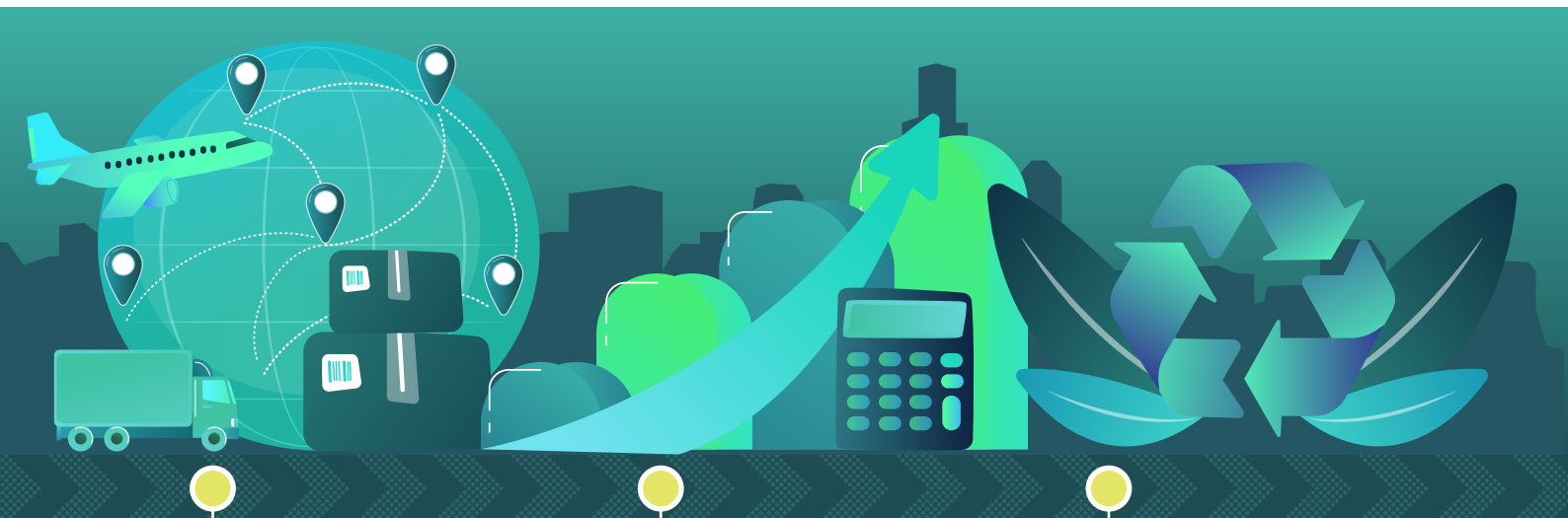


02
PRODUCTION



OUR GLOBAL VALUES

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



03 DISTRIBUTION



04 MARKETING AND SALES



05 POST-CONSUMPTION PACKAGING MANAGEMENT



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.

OUR SUSTAINABILITY APPROACH

MATERIALITY ASSESSMENT METHODOLOGY

Understanding the priorities and evolving concerns of our stakeholders is important to us. In 2020, with the support from an external consultant, F&N had overhauled its materiality matrix by undertaking an extensive materiality assessment. Internal and external stakeholders were engaged to gain insights into their primary concerns regarding sustainability at F&N.

01

Step 1: Identification

Develop long list of topics

- Peer Benchmarking
- External Trends Analysis



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.

02

Step 2: Prioritisation

Interviews, Engagements and Analysis

- 1 Stakeholder Interest
- 2 Business Impact



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 stakeholders' 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), from 'moderate' to 'high'.

03

Step 3: Validation

Final Materiality Matrix

- F&N Material Matters



The 2021 materiality matrix was reviewed and endorsed by the F&N SDC at their meeting in Aug 2020 and approved by the F&N SRMC at their meeting in Sep 2020.



This year, we thoroughly reviewed F&N's materiality assessment to ensure it accurately represented the current concerns of both internal and external stakeholders. In preparation for this review, we assessed our material sustainability issues against established standards/frameworks (GRI, SGX metrics, FTSE4Good, S&P Global CSA) to uncover potential gaps and emerging sustainability issues.

From the review, the topics of 'Packaging' and 'Nutrition' continue to be priority topics for customers and consumers

– reflecting two areas where our business can make significant impact. The material sustainability issues of Climate Change, Energy, Policy and Regulations, and Governance and Ethics had been given more priority (reflected by an upwards movement in the materiality matrix) due to their increased significance to external stakeholders.

The materiality matrix continues to be reviewed and refreshed each year to reflect changes in the sustainability landscape.

* Material topics with 2025 targets

OUR SUSTAINABILITY APPROACH

F&N MATERIALITY MATRIX



Material Matters

Environment material topic

- 1 Packaging
- 2 Water Stewardship
- 3 Climate Change
- 4 Waste Management
- 5 Energy
- 6 Biodiversity

Economic material topic

- 7 Supply Chain Stewardship
- 8 Innovation
- 9 Product Quality and Safety
- 10 Policy and Regulations
- 11 Governance and Ethics
- 12 Product and Service Labelling
- 13 Economic Performance

Social material topic

- 14 Nutrition
- 15 Employee Safety, Health and Well-Being
- 16 Community Development and Inclusive Growth
- 17 Human Rights
- 18 Human Capital Development

MATERIAL ISSUES AND ASSOCIATED ESG RISKS AND OPPORTUNITIES

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

OUR SUSTAINABILITY APPROACH

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

SUSTAINABILITY FRAMEWORK

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.



OUR SUSTAINABILITY APPROACH

2025 SUSTAINABILITY TARGETS AND FOCUS AREAS

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.

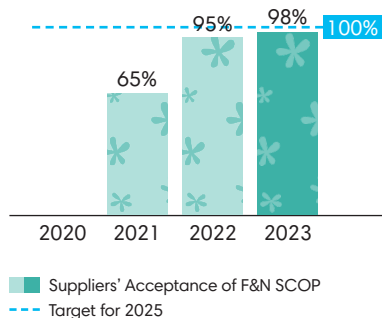
Material Issue Supply Chain Stewardship



Target

100% of active key suppliers accept and comply with F&N's Supplier Code of Practice ("SCOP") by 2025

Progress



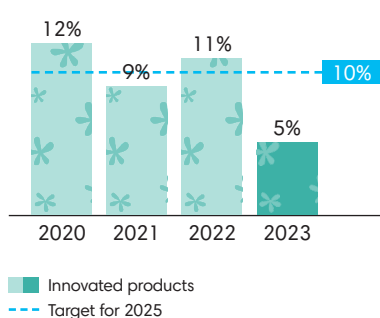
Material Issue Innovation



Target

10% product innovation for commercialised F&N products by 2025

Progress



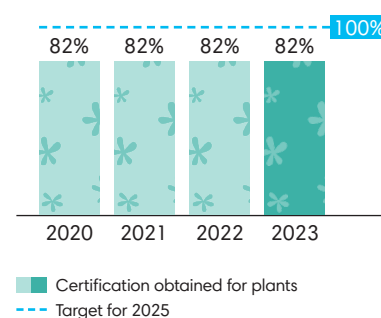
Material Issue Product Quality and Safety



Target

Food Safety System Certification ("FSSC") 22000 and Halal Standard (or equivalent) certification for all plants by 2025

Progress



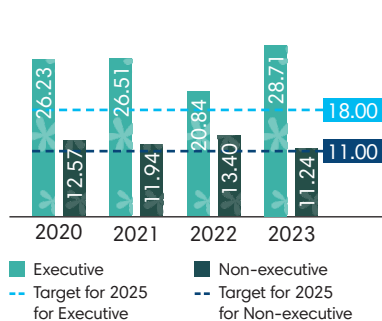
Material Issue Human Capital Development



Target

Provide an average of at least **18 hours** of training to Executives and **11 hours** of training to Non-executives by 2025

Progress



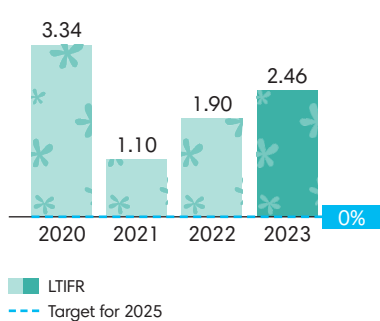
Material Issue Employee Safety, Health and Well-being



Target

Reduce the Lost Time Injury Frequency Rate ("LTIFR") to **0**

Progress



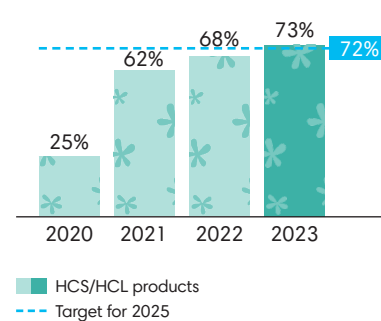
Material Issue Nutrition



Target

72% of beverage and dairy products¹ comply with the Nutritional Guidelines by 2025

Progress



Note:

¹ based on formulation, excluding canned milk and cordials

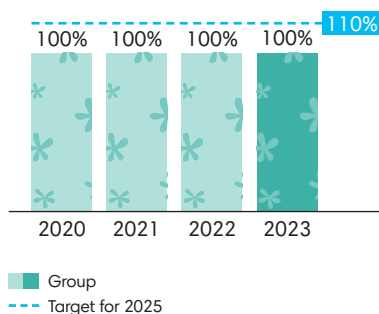
Material Issue Community Development and Inclusive Growth



Target

10% increase in the number of community programmes F&N provides (from a 2020 baseline) by 2025

Progress



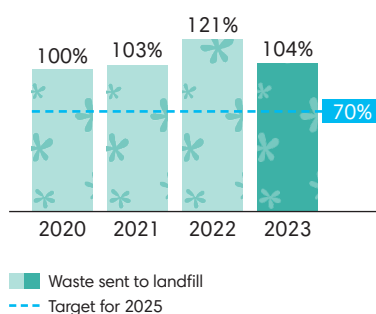
Material Issue Waste Management



Target

Reduce the solid waste sent to landfill (from a 2020 baseline) by 30% by 2025

Progress



Material Issue Energy

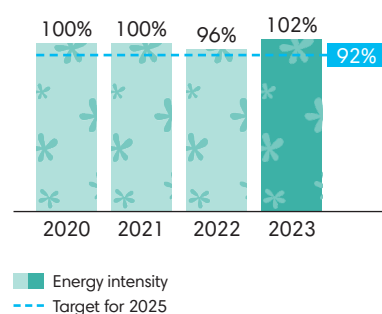


Target

Reduce the Group's energy intensity ratio at our plants (from a 2020 baseline) by 8% by 2025

* Excludes trial and commissioning data from F&NHB Shah Alam plant

Progress



Material Issue Climate Change

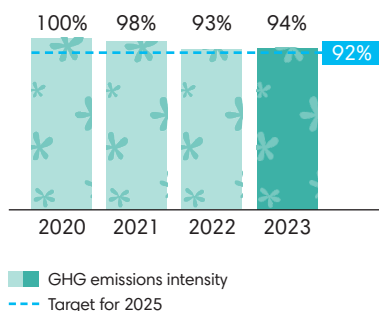


Target

Reduce the Group's GHG emissions intensity ratio at our plants (from a 2020 baseline) by 8% by 2025

* Excludes trial and commissioning data from F&NHB Shah Alam plant

Progress



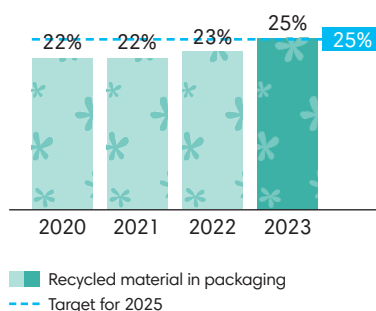
Material Issue Packaging



Target

25% of beverage and dairy packaging to contain recycled materials by 2025

Progress



Material Issue Water Stewardship

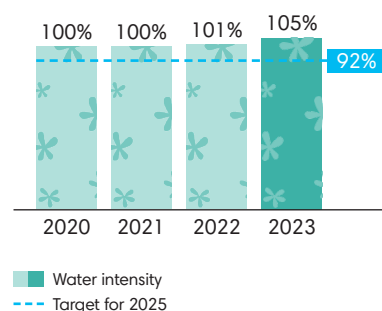


Target

Reduce the Group's water intensity ratio at our plants (from a 2020 baseline) by 8% by 2025

* Excludes trial and commissioning data from F&NHB Shah Alam plant

Progress





OUR SUSTAINABILITY APPROACH

ALIGNMENT TO UN SDGS

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:

Pillars		Economic (Better Business)					
Material Sustainability Issues		Governance and Ethics	Policy and Regulation	Product Quality and Safety	Product and Service Labelling	Innovation	Supply Chain Stewardship
Primary SDGs							
SDG 2 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							
SDG 8 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							
SDG 9 9.2 Promote inclusive and sustainable industrialisation 9.4 Promote the use of sustainable industrial processes							
SDG 12 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							
SDG 1 1.4 Promote equal rights to ownership, basic services, technology and economic resources							
SDG 3 3.4 Promote health outcomes through nutrition							

OUR SUSTAINABILITY APPROACH

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

OUR SUSTAINABILITY APPROACH

WORKING WITH OUR STAKEHOLDERS

GRI Index: GRI 2-29

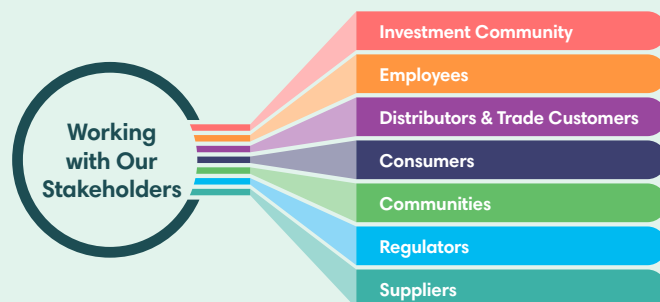
F&N's stakeholders include any individual or group who is impacted by or interested in our activities, and vice versa. We strive to build and maintain strong relationships based on trust and respect, with all stakeholders. It enables us to flag out potential negative impacts our businesses might unintentionally 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 businesses, and/or have influence over the functioning of our businesses. Our engagement approach is tailored accordingly to the stakeholder groups' level of interest and influence. We are open to feedback from our stakeholders beyond our engagements with them. A summary of our engagement approach for different stakeholder groups is below.

	Engagement Channels	Key Concerns	How F&N Creates Value for this Stakeholder	Related Sustainability Issues
Investment Community	<ul style="list-style-type: none"> General meetings of Shareholders (AGM & EGM) Regular face-to-face meetings & conference calls Office/plant visits, as and when required Investor days/briefing Website and SGXNET announcements, presentations, press releases Annual reports 	<ul style="list-style-type: none"> Transparent & accurate disclosure Return on investment Disclosure on relevant information to shareholders 	<ul style="list-style-type: none"> Managing resources effectively to maximise profits Maintaining a strong balance sheet 	<ul style="list-style-type: none"> Governance & Ethics Economic Performance
Employees	<ul style="list-style-type: none"> Biennial employee engagement survey Robust compensation and benefits framework Annual CEO town hall/roadshow Annual gatherings Sports tournaments Communique, iConnect (intranet), F&N BITES (news update), monthly email news highlights, digital TV, Fraserians Connect (mobile app), F&N Voice WhatsApp channel 	<ul style="list-style-type: none"> Engagement with employees Learning & development opportunities Equitable rewards & recognition Safe and healthy work environment 	<ul style="list-style-type: none"> Career advancement and ability to reach individual potential Boosting earning potential of employees with training and development Strict hygiene practices and sanitary environment in the workplace 	<ul style="list-style-type: none"> Human Capital Development Employee Safety, Health and Well-being Human Rights
Distributors & Trade Customers	<ul style="list-style-type: none"> Annual customer meetings Annual factory visits Annual business planning Regular business development activities Joint supply chain meetings Quarterly business reviews Customer appreciation events 	<ul style="list-style-type: none"> Supply chains disruptions Latest consumer & shopper trends Product innovation Customer relationship management Shopper loyalty programmes Business practices & ethics Efficient delivery systems COVID-19 related payment challenges 	<ul style="list-style-type: none"> Partnering with retailers on shared opportunities Source of income and job creation at our distributors Case-to-case flexible payment method, if necessary 	<ul style="list-style-type: none"> Innovation Nutrition Product Quality & Safety Product Labelling



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



	Engagement Channels	Key Concerns	How F&N Creates Value for this Stakeholder	Related Sustainability Issues
Consumers	<ul style="list-style-type: none"> Marketing & sales promotions Brand communication through advertising On-going social media interactions On-ground events & activities Dedicated consumer hotline 	<ul style="list-style-type: none"> Product quality & safety Consumer health & safety Fair & reasonable product pricing Social & community engagement Environmentally friendly packaging 	<ul style="list-style-type: none"> Launching innovative products Fulfilling consumers' demand for safe and quality products Providing accessible products through an extensive distribution network coverage 	<ul style="list-style-type: none"> Innovation Nutrition Product Quality & Safety Product Labelling
Communities	<ul style="list-style-type: none"> Collaborations & partnerships Outreach programmes Meetings/dialogues with community representatives Leadership programmes Sponsorship of sporting events Donation of food and beverages to the less privileged and elderly 	<ul style="list-style-type: none"> Social & environmental responsibility Job opportunities for locals Promotion of good health & quality of life Skill development in sports & leadership Stimulating local economies 	<ul style="list-style-type: none"> Social investment in community projects Advocating active lifestyles via sports events and activities Supporting beneficiaries from vulnerable communities 	<ul style="list-style-type: none"> Community Development and Inclusive Growth Human Rights
Regulators	<ul style="list-style-type: none"> Active collaborations e.g. Singapore's Health Promotion Board; Federation of Malaysian Manufacturers Meetings with government agencies and statutory bodies Collaboration & partnerships with local councils 	<ul style="list-style-type: none"> Good governance Fair labour practices Safety at work Compliance with laws & regulations Water & waste management Environmentally friendly labelling & packaging GHG emissions Recycling awareness COVID-19 standard operating procedures 	<ul style="list-style-type: none"> Compliance with regulation to mitigate against systemic risks Adhering to sustainable practices to protect stakeholders Active industry collaboration and knowledge exchange Adhering to COVID-19 guidelines and social distancing measures 	<ul style="list-style-type: none"> Policy & Regulation
Suppliers	<ul style="list-style-type: none"> Supplier meetings Annual audits Tender Management System 	<ul style="list-style-type: none"> Fair & robust procurement system Support of local businesses Social & environmental responsibility Ethics - anti-bribery & corruption 	<ul style="list-style-type: none"> Working with local suppliers Partnering with suppliers on shared opportunities 	<ul style="list-style-type: none"> Supply Chain Stewardship Biodiversity

OUR SUSTAINABILITY APPROACH

PARTNERSHIPS, MEMBERSHIPS AND CERTIFICATIONS

GRI Index: GRI 2-28

Collaborative efforts and shared commitments are essential for addressing complex environmental and societal challenges. Actively managing and assessing the impact of our actions on the planet and society serves as a significant driver that enables F&N to amplify our efforts, foster knowledge exchange, and validate our dedication to sustainable practices.

F&N is aligned with sustainability guidelines, principles, and standards, including the United Nations SDGs, GRI,

and the International Integrated Reporting Council. Additionally, we collaborate with and seek guidance from global organisations and thought leaders in sustainability. F&N takes pride in being a member of the RSPO, the Singapore Alliance for Sustainable Palm Oil, and the Buyer Supporting VIVE Sustainable Supply Chain Programme.

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

World Halal Excellence Award (WHEA) 2022

F&NHB won the Halal Innovation Excellence Award in recognition of their contribution to the development of Halal alternatives products through demonstrating innovations in product development and/or process.

National Annual Corporate Report Awards ("NACRA") 2022

Acknowledged for our excellence in corporate reporting, F&NHB received the Platinum Award for Best Sustainability Reporting at the NACRA 2022 for its SR2021.

The Edge Malaysia ESG Awards 2022

F&NHB bagged two awards – Gold award for Consumer Goods & Services Sector and Top Three Performers in ASEAN – for their outstanding performance in ESG practices.

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.

Additionally, 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 on two sustainability topics – Energy Management and Labour Practices – in a series of supplier and SME training sessions held previously.

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 6 companies (out of 101 companies assessed) in the Beverages industry with a score of 74 (out of a possible 100).

F&NHB received the FTSE4Good rating for another consecutive year, with an improved scoring of 4.6 (from 4.4 last year) in September 2023.



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Actively managing and assessing the impact of our actions on the planet and society serves as a significant driver that enables F&N to amplify our efforts, foster knowledge exchange, and validate our dedication to sustainable practices.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES AND CLIMATE RISK MANAGEMENT

TCFD AND CLIMATE RISK MANAGEMENT

Climate change presents an urgent need for F&N to transform the way the Group operates to manage climate-related physical risks from natural hazards, that may potentially disrupt operations and supply chain, as well as transition risks from the decarbonisation of the economy. A proactive assessment and management of these material climate-related risks enable us to create opportunities for our businesses, while protecting our stakeholders' interests.

F&N has since committed to explore effective sustainable pathways to reduce its carbon emissions and support the Paris Agreement's target of limiting the global temperature increase to between 1.5°C and 2°C above pre-industrial levels.

Since the beginning of the FY ended 30 September 2022 (FY2022), F&N had embarked on a journey to understand the potential climate-related risks and opportunities for its businesses by conducting scenario analysis for short-, medium-, and long-term time horizons.

This is the second year that F&N would be publishing climate-related disclosures in accordance with the recommendations of the TCFD. A TCFD Index can be referenced on page 117 of this Report. F&N has voluntarily provided climate reporting disclosures based on the recommendations of the TCFD,

a year ahead of the timeline stipulated by SGX. It has achieved the following milestones to strengthen its understanding and management of the material climate-related risks:

- Quantify and analyse the potential financial impacts of Flooding and Water Scarcity on F&N's key financial metrics
- Quantify the potential financial impacts of Carbon Pricing on F&N's future operating expenditure; and
- Prepare the development of a decarbonisation roadmap for Scope 1 and 2 GHG emissions at Group-level.

F&N will continue to deepen its understanding of its material climate-related risks and opportunities. The outcome would be considered in formulating the F&N Group-wide climate strategy which would be integrated into the business processes.

In the following sections, we describe how we manage our material climate-related risks and opportunities, with reference to the four key pillars, as per the recommendations of the TCFD: Governance, Strategy, Risk Management, and Metrics and Target.

TCFD PILLAR - GOVERNANCE

Recognising the role and responsibility that F&N has in driving climate action and the shift to a low-carbon economy, climate-related responsibilities have been incorporated into F&N's governance structure across the Board, Board Committees, Sustainability-related Committees and working teams.

F&N GROUP SUSTAINABILITY DEVELOPMENT AND RISK MANAGEMENT GOVERNANCE STRUCTURE



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES AND CLIMATE RISK MANAGEMENT

F&N'S CLIMATE GOVERNANCE ROLES AND RESPONSIBILITIES

F&N Functions	Roles and Responsibilities	Meeting Frequency
Board of Directors	<ul style="list-style-type: none"> Oversees material sustainability-related topics, including environmental and climate-related risks and opportunities, as part of F&N Group's overall strategy planning and risk management. Approves F&N climate-related goals, targets, strategy, and management's plans, according to the risk appetite and risk tolerance of the Group, in pursuit of its strategic objectives. Approves sustainability report which includes climate-related disclosures and metrics. 	Five times a year
Board Committee: Sustainability and Risk Management Committee	<ul style="list-style-type: none"> Supports the Board in monitoring and reviewing key sustainability and climate-related risks and opportunities and provides strategic direction in managing aforementioned risks as part of the Group's Enterprise-wide Risk Management ("F&N ERM") framework. Ensures sustainability and climate-related risks and opportunities are escalated and considered at the Board level. Guides the development of risk and sustainability frameworks, policies, and guidelines to ensure that sustainability and climate-related issues, are effectively managed and integrated into business operations and corporate objectives. Endorses sustainability report which includes climate-related disclosures and metrics. 	Three times a year
Board Committee: Audit Committee	<ul style="list-style-type: none"> Assists the Board in reviewing and monitoring the integrity of the Group's system of internal controls, audit process and compliance with applicable internal policies, laws and regulations. Reviews key risks and recommendations from the SRMC, including sustainability and climate-related matters, and advises the Board annually. 	Four times a year One time a year
Sustainability Development Committee	<ul style="list-style-type: none"> Headed by the Chief Executive Officer ("CEO"), Fraser and Neave, Limited and comprised of CEOs and senior executives of F&N Group businesses across various functions. Identifies and evaluates material ESG topics, including climate-related risks and opportunities, and the progress of climate-related risk mitigation measures. Reviews and validates climate scenario analysis, risk assessment and disclosure in alignment with TCFD framework and make recommendations to SRMC. Monitors, tracks and reports progress of the Group's sustainability and climate-related strategies, initiatives, and targets to the SRMC. 	Three times a year
Sustainability Development Working Team	<ul style="list-style-type: none"> Consists of cross-functional representatives from each Business Unit who take on the role of Sustainability Reporting Secretariat, Pillar Heads and Sustainability Initiative Champions, and/or Data Owners Develops sustainability and climate-related projects and initiatives under the five pillars of F&N Climate Strategy (i.e. energy efficiency, renewable energy, carbon reduction, route planning and exposure to climate change risks). Engages internal and external stakeholders to drive the implementation of sustainability and climate-related strategy at an operational level. Collates and analyses primary inputs from Data Owners of respective operational units to track progress towards the Group's sustainability and climate-related goals; and prepare periodic reports to SDC and SRMC. 	Ad-Hoc
Risk Management Team	<ul style="list-style-type: none"> Risk discussion, including climate-related risks, with Business Units and corporate office as part of the Risk Management system. Organises climate-related risks and opportunities workshops 	Three times a year Two times in FY22/23

TCFD PILLAR – STRATEGY

The persistent challenges arising from the adverse effects of climate change are urging F&N to actively manage the risks linked to transitioning toward a low-carbon economy and address the escalating impact of changing climate patterns. Amidst these challenges, there are emerging drivers that present opportunities which allow for cost savings and alignment with customers' expectations.

Understanding our material climate-related risks and their financial impacts on our business enables the Group to focus on strengthening climate resilience. This involves effective adaptation and implementing mitigation measures as we transition to a low-carbon economy.

F&N is committed to achieving net-zero Scope 1 and 2 GHG emissions by 2040. This commitment involves an ongoing effort to reduce GHG emissions through the adoption of renewable energy and the implementation of energy efficiency measures.

IDENTIFYING CLIMATE-RELATED RISKS AND OPPORTUNITIES

In the last FY, F&N started with a preliminary qualitative assessment to identify potential climate-related risks and opportunities for its Non-Alcoholic Beverages, and Printing & Publishing businesses.

This year, we expanded our understanding of the key material climate-related risks to our business and their potential financial impacts.

TRANSITION RISK ASSESSMENT APPROACH

STEP

1

Identification of **relevant transition risks and opportunities drivers** for F&N from peer analysis, industry/sector-specific research papers and information received from F&N

STEP

2

Evaluation of **climate-related transition drivers** for F&N portfolio under different **climate scenarios**

STEP

3

Identification of **business implications qualitatively on F&N**

PHYSICAL RISK ASSESSMENT APPROACH

STEP

1

Identification of **relevant climate hazard drivers** for F&N regions and countries and overview of **historical (baseline) hazard risk level**

STEP

2

Evaluation of **climate-related physical risk** for F&N sites under different **climate scenarios**

STEP

3

Identification of **high-level business implications and risk management recommendations**

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES AND CLIMATE RISK MANAGEMENT

ASSESSING CLIMATE-RELATED RISKS AND OPPORTUNITIES WITH SCENARIO ANALYSIS

Building on the qualitative climate-related risks and opportunities assessment conducted in the last FY, our evaluation was expanded to include the quantification of the potential financial impacts associated with our key material climate-related risks. F&N conducted a group-wide quantitative scenario analysis, addressing both transition and physical risks, including those arising from water scarcity and flooding. As recommended by TCFD, scenario analysis is a forward-looking tool that enhances strategic thinking by exploring the alternative pathways that the world may take, leading to different global temperature outcomes.

Future potential business impacts of these key material climate-related risks were estimated based on available climate research, projections, and assumptions under selected climate scenarios across different time horizons. The potential positive business impacts of key material climate-related opportunities will be progressively evaluated and disclosed.

The outcomes of this quantitative assessment will enable the Group to update its business strategy, to ensure resilience to climate-related risks and leverage on climate-related opportunities. The Group seeks to enhance the management of these key material climate-related risks by considering the range of possible financial impacts and integrating climate initiatives into F&N's existing Energy and Climate strategy.

1. Time Horizons

Climate-related issues can manifest over medium and long-term time horizons. Our selection of the time horizons – 2030 and 2050 – is intended to reflect potential future business impacts and is aligned with the most ambitious net zero target set among the countries we operate in.

The climate-related risks and opportunities will be discussed across the following time horizons:

	Short-Term	Medium- to Long-Term
Time Horizon for Transition Risk Assessment	1–7 years, to 2030	8 – 27 years, from 2031 to 2050
Time Horizon for Physical Risk Assessment	2030	2050
Year	The range of the time period is represented by '2030'	The range of the time period is represented by '2050'

2. Climate Scenarios

Two sets of climate scenarios were used to evaluate the possible business impacts from climate-related risks. The climate scenarios used in the quantitative modelling of transition risks were referenced from the International Energy Agency ("IEA") World Energy Outlook ("WEO") 2022 Report. The physical impacts of the changing climate on F&N's

businesses had been modelled using climate scenarios from the latest Intergovernmental Panel on Climate Change ("IPCC") Sixth Assessment Report.

The selected scenarios for transition risk assessment were aligned with the recommendations of the TCFD, to minimally consider a scenario where global temperature increase is limited to a 2°C rise above the pre-industrial levels by 2100.

	Low Carbon Pathway	Business-as-Usual Pathway
Description	Global temperature increase of <2.0°C by 2100.	Global temperature increase between 2.7–3.3°C by 2100.
IEA Scenario Name	Announced Pledges Scenario (APS)	Stated Policies (STEPS)
Key Assumptions	<p>All climate commitments, including NDCs and long-term net zero targets, will be fully met in time.</p> <p>In 2100, the global median temperature rise is projected to be "below 2°C", in line with the goal of the Paris Agreement.</p>	A high emissions business-as-usual global warming scenario which considers existing climate policies without implementation of additional policies.

The scenarios selected for physical risk assessment reflect the latest available data from leading scientific sources.

SSP2-4.5 scenario, the Business-as-Usual Pathway, signifies alignment with the upper boundaries of the combined Paris Agreement pledges from all the participating countries.

The High Carbon Emission Pathway, SSP 5-8.5, assumes no additional climate policy will be enacted. This scenario was included to stress test the climate resilience of the business that may be challenged by severe outcomes of the key climate-related physical risks.

	Baseline	Business-as-Usual Pathway	High Carbon Emission Pathway
Description	Scenario based on the historical data of climate change on F&N assets.	Global temperature increase of 2.7°C by 2100.	Global temperature increase of 4.4°C by 2100.
IPCC Scenario Name	N. A.	SSP2-4.5	SSP5-8.5
Key Assumptions	The present-day risk of exposure of F&N's key assets to selected material natural hazards, with consideration of their respective geographical locations.	A lower emissions scenario which provides a more realistic view of the future based on current climate policies. Actions today will limit temperature rise to 2.7°C by 2100, with no possibility of net-zero emissions by 2100.	A high emissions scenario with no additional climate policy. There is limited coordinated action, leading to temperature rise of 2.4°C by mid-century and reaching 4.4°C by 2100.

F&N will monitor the developments of climate scenarios to make an updated assessment of the climate-related risks and opportunities material to the business.

CLIMATE-RELATED TRANSITION RISKS AND OPPORTUNITIES

In the last FY, F&N identified the material climate-related transition risks and opportunities through engagement with key internal stakeholders, from Finance, Risk and Insurance, Strategy and Sustainability, and Manufacturing, across F&N's business divisions – Non-alcoholic Beverages, and Printing and Publishing. The transition risks and opportunities were evaluated according to the four categories, as recommended by TCFD, namely policy and legal, technology, market, and reputation.

In this FY, F&N conducted a quantitative assessment on one key material transition risk, Carbon Pricing, which had been identified as the most material driver. The potential financial

impact on the Group's future profits were evaluated by considering the expected future carbon pricing regulations in the countries we operate in.

1. Financial Impact of Transition Risks and Opportunities

To manage the varying levels of climate ambitions in countries F&N operates in, the CO₂ prices applied in the quantitative model were referenced from the WEO 2022 report published by the IEA.

F&N had conducted an initial screening of the low-carbon technologies that may reduce GHG emission and improve energy efficiency in operations.

Details of the transition risk arising from carbon pricing, and opportunity from increased availability of low-carbon technologies are summarised in the table below. Further details are provided in the sub-sections.

	RISK	OPPORTUNITY
	Carbon Pricing	Increased Availability of Low Carbon Technologies
Description	Carbon pricing is being considered in Malaysia and Thailand, while Singapore has implemented carbon tax for selected sectors. Carbon pricing could increase and/or be enforced in the short-to medium-term in these geographies where F&N operates.	The urgent need to decarbonise has led to an increase in investments in the development of green technologies to improve energy efficiencies and/or lower GHG emissions, such as renewable energy.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES AND CLIMATE RISK MANAGEMENT

	RISK	OPPORTUNITY
	Carbon Pricing	Increased Availability of Low Carbon Technologies
Business Implications	Gradual increase in operating costs over time.	<ul style="list-style-type: none"> Increase in capital costs in the short- and medium-term. Decrease in operating costs in the medium- to long-term from savings of energy and carbon costs.
Potential Financial Impacts	Carbon pricing will have potential incremental impact up to 2.2% of Group's annual operating profit in 2030 under the low-carbon scenario.	<p>Reduction in operating costs through cost savings from using solar energy.</p> <p>Our assessments will progressively cover the potential financial impacts of opportunities on our businesses.</p>
Methodology	Using F&N's historical Scope 1 and 2 GHG emissions to project future GHG emissions, with inputs which include IEA carbon pricing forecasts.	To be developed in the future, as we further develop and refine our climate risk analysis.
Management Response	<ul style="list-style-type: none"> In the short-term, F&N will continue to monitor developments on carbon pricing in the key jurisdictions where we operate in. Most sites have invested in on-site solar energy, increasing the use of renewable energy, and will continue to expand renewable energy investments, where applicable. Focus on energy efficiency in operations and tracking our GHG emissions against our emission reduction targets. 	<ul style="list-style-type: none"> Continue to observe the commercial viability of low-carbon technologies. Focus on ensuring resilience of energy supply through onsite renewable energy generation.

a. Carbon Pricing

To meet the Paris Agreement goal of limiting global temperature rise to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase even further to 1.5°C, carbon pricing is implemented to encourage businesses to emit less GHG emissions by internalising the external costs of GHG emissions.

The development of a carbon pricing regime varies in maturity between the different countries F&N operates in. Singapore has already begun implementing a carbon tax for selected sectors, while Thailand is in its third phase of piloting a voluntary emission trading scheme, which includes the Food sector, and Malaysia had just launched its voluntary carbon market in March 2023. As such, F&N's Singapore operations is expected to be most exposed to the impacts of carbon pricing in the short to medium-term. Carbon pricing developments in Malaysia and Thailand do not yet pose a risk to F&N, although the model shows potential impacts in the medium- to long-term time horizon to 2050.

The results from the quantitative modelling suggest that the estimated incremental operating costs incurred for the carbon pricing schemes under the APS low-carbon scenario accounts for approximately 2.2% of the Group's projected annual operating profit in 2030. This is considered manageable since F&N has begun investing in solutions to reduce GHG emissions,

such as installing solar panels. The impact of carbon pricing is expected to be gradually mitigated with the reduction of the businesses' GHG emissions.

b. Increase Availability of Low-Carbon Technologies

Over the years, F&N had explored alternative operating solutions which help to reduce energy usage and GHG emissions, such as investments in energy efficient systems. To reduce its Scope 2 GHG emissions, the Group increased its deployment of solar photovoltaic systems at most of its plants in Malaysia, Thailand, and Singapore. There are plans to explore more solar photovoltaic deployment at the remaining plants, where possible.

With growing commercial feasibility of emerging green technologies to support decarbonisation, F&N is keeping abreast of these developments and exploring the possibilities of implementing other low-carbon technologies in its future operations, if applicable.



F&N has begun investing in solutions to reduce GHG emissions, such as installing solar panels. The impact of carbon pricing is expected to be gradually mitigated with the reduction of the businesses' GHG emissions.

2. Resilience to Transition Risks

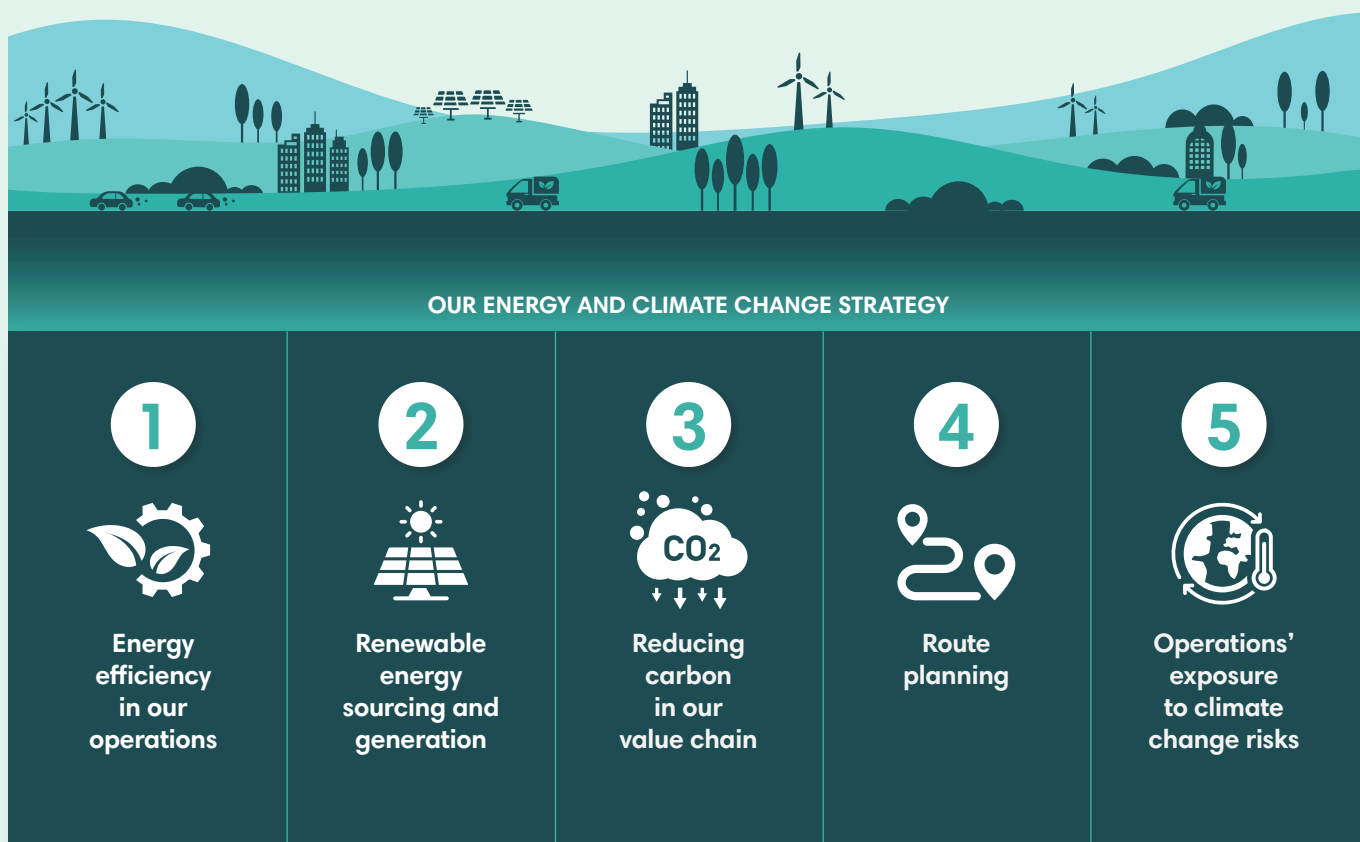
The business drivers supporting the Group's transition to a low-carbon economy are considered in its strategic development to mitigate rising operating and/or capital costs. Since FY2020, F&N had developed the Energy and Climate Change Strategy to guide the Group to achieve its GHG emissions reduction goals through proactive climate change management. It focuses on five key strategic pillars. Further details of these strategic pillars are found on pages 85 to 87 of this Report.

F&N had set a 2025 target to reduce the Group's GHG emissions intensity ratio across all the plants by 8% from a 2020 baseline. Existing and emerging green technologies present opportunities for F&N to strengthen its decarbonisation strategy.

To effectively manage the short-term impact of carbon pricing, F&N will continue to monitor developments in

climate change regulations, specifically the implementation of carbon pricing in key jurisdictions where the Group operates in. Beyond installing solar panels at selected sites, F&N would be undertaking an in-depth study of the decarbonisation options for its different business divisions. These efforts will help to mitigate the additional cost of carbon pricing in a low carbon economy. Moving forward, carbon pricing considerations will be integrated into the Group's investment decisions and strategy planning, when ready.

Over the medium-term, F&N will explore evaluating the potential financial impact of other material climate-related risks and opportunities, such as rising customer demand for sustainably produced products, if possible. To this end, F&N had begun launching low-carbon products including plant-based products and products certified with carbon footprint labels, such as TGO's Carbon Footprint Reduction Label. In our Printing & Publishing Division, Times Publishing Limited uses sustainable ink which has a lower global warming potential when dried.



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES AND CLIMATE RISK MANAGEMENT

CLIMATE-RELATED PHYSICAL RISKS

The physical risks resulting from climate change can be acute (event driven), including extreme weather events, and/or chronic (longer-term shifts in climate patterns). The geographical environment, latitude, infrastructure of a site and other factors determine its vulnerability and exposure to a physical natural hazard. The proactive implementation of adaptation measures by F&N and/or local authorities will enhance the climate resilience of a site. However, as climate change increases the frequency, intensity and duration of extreme weather events over coming decades, the resulting impact may potentially exceed current or planned resilience.

1. Financial Impact of Physical Risks

To effectively manage the Group's resilience to climate-related physical risks, quantitative scenario analysis was used to assess the potential impact of water-related hazards, identified as material to the Group, across different climate scenarios and time horizons. F&N has identified 15 sites across Singapore, Malaysia, and Thailand with relatively higher risk to coastal, river and heavy rainfall flooding. These assets were prioritised based on their importance to the Group's business, providing a meaningful representation of the Group's potential impact from climate hazards. Key internal stakeholders from Finance, Risk and Insurance, Strategy and Sustainability, and Manufacturing teams participated in the validation of the risk impact assessment.

The quantitative model considered the potential impact to assets and revenue for the different scenarios, using inputs based on historical occurrences, and predictive occurrences adapted from IPCC's developed scenarios on the future climate conditions in the Asia Pacific region (i.e. business-as-usual pathway or high-carbon emissions pathway). A summary of the material physical risks, potential impacts and management's response is shown below:



	RISK	RISK
	Water Scarcity	Flooding (Coastal, River & Extreme Rainfall)
Description	Considering the nature of F&N business as a F&B organisation, water availability is critical. Water scarcity occurs when the depleting supply is unable to meet demands. This could be exacerbated by the increase in global average temperature.	On a global level, climate projections indicate an increasing trend in sea level rise and extreme rainfall under future climate change scenarios. This may lead to an increased risk of flooding, causing damage to equipment, other assets, and disruptions to our operations.
Business Implications	<ul style="list-style-type: none"> Increase in operating cost due to an increase in water tariffs; and Decrease in potential revenue due to business disruption. 	<ul style="list-style-type: none"> Increase in cost for assets damage and repair; and Decrease in potential revenue and profits due to business disruptions.
Financial Impacts	Minimal impact expected by 2030 in the countries where F&N operates.	The actual damage from the flash floods in Malaysia in December 2021 was approximately 5% of the Group's operating profits. This was inclusive of inventories and property damage, repairs, and other related costs. The damage was mitigated by insurance.

	RISK	RISK
	Water Scarcity	Flooding (Coastal, River & Extreme Rainfall)
Methodology	Internal data, such as annual revenue, water usage volume, and level of adaptation measures, were used with external data which included World Resources Institute (“WRI”) water stress data, climate trend data and academic research.	Internal data, such as replacement value, net insurance coverage, annual revenue, and level of adaptation measures, were plotted against flood projections (e.g. flood depth) from Fathom, coupled with the assumptions based on the research by EU Joint Research Centre and the Federal Emergency Management Agency of the United States.
Management Response	<ul style="list-style-type: none"> • Regularly review water risk at our key sites through WRI. • Optimise water circularity for sustainable water management, improving water efficiency against our water intensity target. • Expand water storage systems, as necessary. 	<p>Our efforts to mitigate the risk impact include:</p> <ul style="list-style-type: none"> • Equipping key sites with physical infrastructure (e.g. flood barriers, pumps or other drainage solutions) with supporting administrative controls (e.g. emergency response plans); • Raising new assets a minimum height from their surroundings; • Insuring our assets appropriately; and • Continuing to strengthen flooding assessment and mitigation measures.

a. Water Scarcity

Water is an essential component in F&N’s manufacturing facilities. Factors, such as population growth, economic development and climate change, could exacerbate water scarcity, where increased demand for clean water exceeds the depleting supply, limiting the availability of clean water.

The Group’s revenue, water usage and level of adaptation measures for each selected site was assessed in the quantitative modelling. This set of internal information was augmented with a scientific database that was widely acknowledged, i.e. WRI Aqueduct, to project the potential days of business disruptions, and increased water tariffs – a measure by the respective authorities to manage water scarcity. Using the water risk indicators from the latest WRI Aqueduct 4.0 version, F&N expects minimal financial impact from water scarcity across all key operating facilities by 2030 under both climate scenarios.

b. Flooding (Coastal, River & Rainfall)

Flooding can affect the quality of water, as it can be polluted with contaminants, leading to an insufficient supply of clean water. The consequences of flooding include loss of life, damage to property, destruction of crops and deterioration of health conditions caused by waterborne diseases.

The latest scientific assessment of climate change projected that changes in the drivers of climate change will bring about an increase in the frequency and magnitude of flooding events. Sites located near riversides or lakesides and low-lying coastal areas are expected to face a higher risk of riverine and coastal flooding, respectively.

In December 2021, F&N suffered damages of inventories and property due to flash floods in Malaysia. Damaged stocks and assets, repairs, and other related costs, approximately 5% of the Group’s FY2022 operating profits, were mitigated by insurance. Learning from it, additional measures, such as flood barriers, pumps, or other drainage solutions, were implemented at F&N’s key operating sites exposed to similar risks. The Group will continue to review measures to increase resilience against the impacts from flooding across our key operating sites.

To further enhance the Group’s management of flooding risk, a forward-looking scenario analysis to determine its potential financial impacts was conducted across different climate scenarios and time horizons – 2030 and 2050. Data from Fathom and EU Joint Research Centre were used to project flood depths and flood damage function. The results suggested that about 14% of the Group’s key sites were highly exposed to flooding as they were in flood-prone areas. We found that without mitigating measures, flooding may potentially have the highest financial impact on capital expenditure, in terms of asset repair or replacement.

2. Resilience to Physical Risks

The Energy and Climate Change Strategy, effective since FY2020, focuses on five key strategic pillars, including the management of physical climate change risks that had been assessed as part of the F&N ERM framework.

The response measures to increase the Group’s resilience against flooding risk in the short- and medium- term have been summarised on page 40. The results of the quantitative flooding risk assessment will be integrated into the Group’s future investment decisions and strategy planning, where applicable.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES AND CLIMATE RISK MANAGEMENT

TCFD PILLAR – RISK MANAGEMENT

F&N has integrated material climate-related risks and opportunities into the organisation's existing F&N ERM framework and process by identifying, assessing, and managing them across our operations and supply chains on an ongoing basis. The F&N ERM framework drives the organisation's priorities in managing its key strategic and operational risks within the acceptable risk appetite and tolerance levels.

Climate change poses a range of risks that can potentially impact the Group's assets, revenue, operations, supply chain and others, potentially causing damage to assets and disruption to business activities. Each business unit will identify, assess, and manage risks within its own risk register by employing a risk matrix which plots the likelihood and potential impact of the risk occurring. At the Group level, climate resilience is prioritised as one of the key business risks.

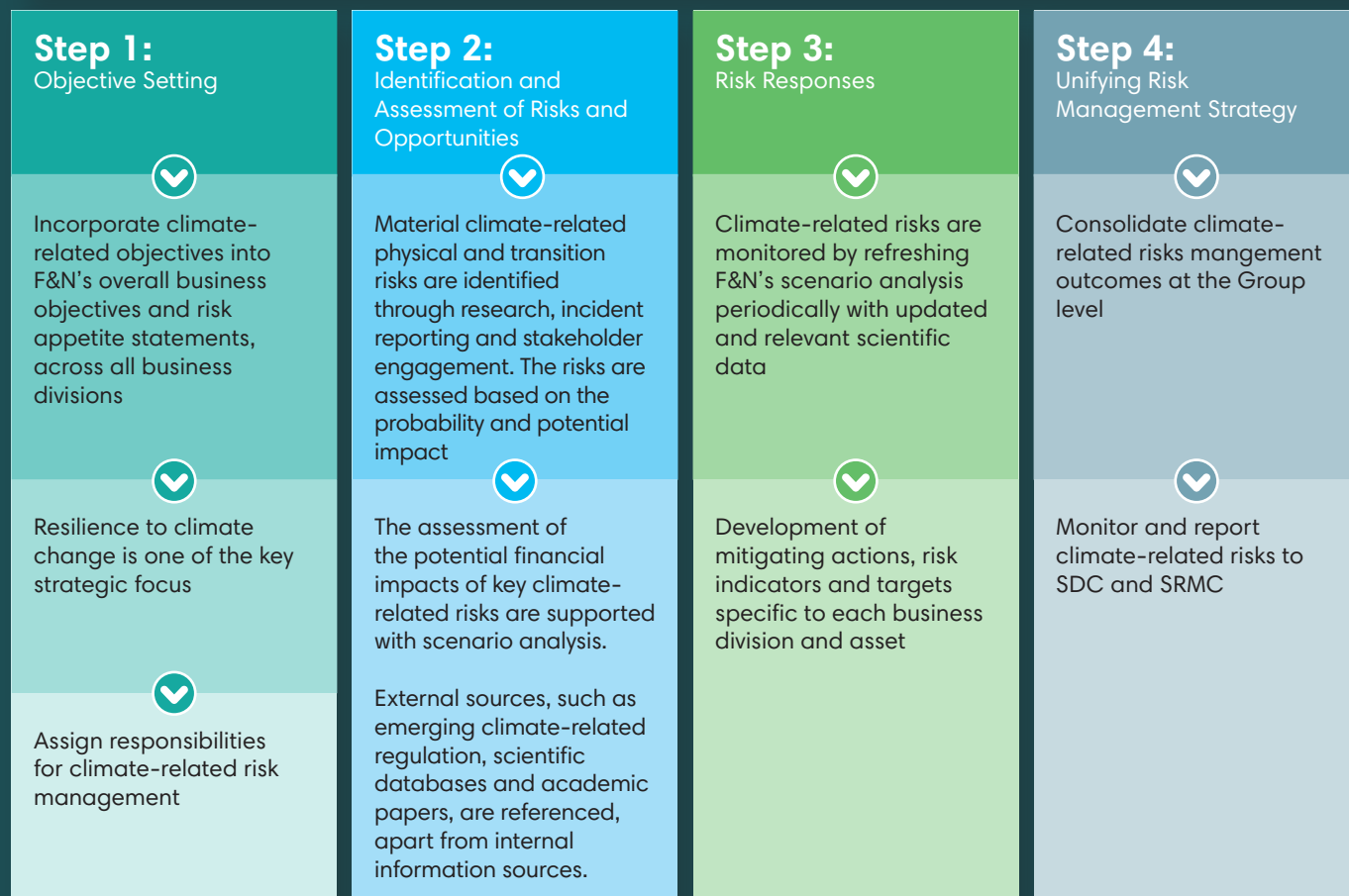
F&N aims to mitigate its risk exposure through appropriate risk management strategies by integrating relevant sustainability-related controls into its annual business

planning and budgeting process. The implementation of the control measures and key risk indicators are updated and monitored by the respective management teams and committee.

As continuous engagement and communication is integral to effective risk management, internal stakeholder discussion sessions were conducted to support the scenario analysis for the climate-related risks. Key internal stakeholders from Finance, Risk and Insurance, Strategy and Sustainability, and Manufacturing teams across F&N's business divisions – Non-Alcoholic Beverages and Printing and Publishing – participated in evaluating the material climate-related physical and transition risks and opportunities. The climate-related input data, quantification methodology, estimated impact and disclosures were validated by key internal stakeholders.

At the end of the financial year, the Board receives assurance from the key management personnel that the risk management and internal control systems are adequate and effective to address the material risks, including key climate-related risks and opportunities, as identified by the Group.

CLIMATE RISK MANAGEMENT PROCESS INTEGRATED INTO F&N-ERM



TCFD PILLAR – METRICS AND TARGETS

F&N is committed to mitigating material climate-related risks and leveraging on opportunities. It has since established climate-related targets for 2025 and relevant metrics for tracking progress. Group level environmental targets set, such as reducing Scope 1 and 2 GHG emissions, energy, and water intensities, are disclosed over the past years. Further details of these climate-related targets for 2025 can be found on page 27 of this Report.

The relevant climate-related metrics and targets are mapped to the corresponding climate-related risks and opportunities below:

Metric	2025 Target (2020 Baseline)	Progress (FY2023)	F&N's Climate Risk or Opportunity								
			Carbon Pricing	Low Carbon Refrigerant	Water Tariff	Sustainable Inks	Low Carbon Technology	Reduction of Virgin Packaging	Demand for Sustainably Produced Products	Reputation	Physical Risks
Group GHG emissions intensity at plants	8% reduction	6% reduction	✓	✓		✓	✓			✓	
Group's energy intensity at plants	8% reduction	2% increase	✓				✓			✓	
Group's water intensity at plants	8% reduction	5% increase			✓					✓	✓
Average recycled content in beverage and dairy packaging	25% recycled content	25% recycled content						✓	✓	✓	

By continuous monitoring and reporting on climate-related metrics and targets, F&N seeks to identify areas of improvement so as to advance its climate resilience journey. F&N is also committed to achieve net zero Scope 1 and 2 GHG emissions by 2040. To calculate its carbon emissions, F&N takes guidance from the operational control approach defined by the GHG Protocol Corporate Standard.

NEXT STEPS

Following the initial efforts to estimate the potential financial impacts of climate-related transition and physical risks on our business in FY2023, F&N will continue to refine its climate scenario analysis and expand its climate-related disclosures.

The strive for continuous improvement will enable F&N to identify key areas for strategic focus and leverage opportunities for our business. We will build resilience against the adverse effects of climate change, while working towards F&N climate-related targets.

Introduction to Economic Pillar

RESPONSIBLE BUSINESS FUNDAMENTALS



F&N recognises the significant impact our business has on the societies and environments in which we operate. It is our responsibility as a prominent food and beverage organisation in Southeast Asia, to make informed decisions by carefully weighing the social, environmental, and financial implications of our activities.

We strive to be a regional leader by incorporating Responsible Business Fundamentals into the fabric of our operations, which includes the way we do business, including:

Responsible Business Practice

- Governance and Ethics
- Policy and Regulation
- Economic Performance

Responsible Product Stewardship

- Product Quality and Safety
- Product and Service Labelling
- Innovation

Responsible Supply Chain

- Supply Chain Stewardship

2025 SUSTAINABILITY TARGETS AND FOCUS AREAS



PRODUCT QUALITY AND SAFETY

FSSC 22000 and Halal Standard (or equivalent) certification for all plants by 2025



INNOVATION

10% product innovation for commercialised F&N products by 2025



SUPPLY CHAIN STEWARDSHIP

100% of active key suppliers accept and comply with F&N's SCOP by 2025

Contributing to SDGs

Primary



Secondary



RESPONSIBLE BUSINESS PRACTICE

Our business is built on the foundation of upholding responsible business practices. We communicate our robust governance policies and standards of ethical behaviour transparently, to maintain trust with our stakeholders. These practices flow into every part of F&N, including our financial performance, risk management, and our interactions with suppliers and customers.

In this chapter, we elaborate on how we support responsible business practices in the organisation:

- Governance and Ethics
- Policy and Regulation
- Economic Performance

GOVERNANCE AND ETHICS

GRI Index:

GRI 2-9, GRI 2-12, GRI 2-13,
GRI 2-14, GRI 2-15, GRI 2-16,
GRI 205-3

SDG



ESG issues are incorporated in the formulation of F&N's business strategy. As part of the Board's Conduct of Affairs, the Board "considers sustainability issues such as environmental and social factors as part of its strategic formulation". F&N's long-term business direction is ensured by the Board to be guided by sustainability principles. They have an ultimate oversight of all sustainability issues.

As a Board level committee, the F&N SRMC is responsible for steering the Group's on-going sustainability efforts. This committee ensures sustainability risks and opportunities are considered at the highest level of F&N by providing strong support to the management team. The SRMC has the responsibility to approve all strategic initiatives and policies related to sustainability in F&N.

The F&N SDC supports the overall direction of the SRMC by monitoring and reporting the progress of F&N's sustainability projects. The SDC is supported by the Sustainability Development Working Team which consists of cross-functional representatives who take on various roles. They monitor the performance of designated goals, drive initiatives at an operational level, and gather data for reporting. For further information on the Sustainability Development & Risk Management Governance Structure, refer to "TCFD and Climate Risk Management" summary on page 35 of this Report. In FY2023, the SRMC and SDC convened on sustainability matters three times each.



As part of the Board's Conduct of Affairs, the Board "considers sustainability issues such as environmental and social factors as part of its strategic formulation"



Sustainability Development Committee (SDC) Composition

Hui Choon Kit (Chairman)
Chief Executive Officer

Lim Yew Hoe
Chief Executive Officer, F&NHB

Siew Peng Yim
Chief Executive Officer, Times Publishing Group

Christopher Leong
Senior Director, Group Finance

Josephine Woo*
Senior Director, Group Human Capital

Lai Kah Shen
Director, Group Finance

Dr Yap Peng Kang*
Senior Director, Group R&D and Projects

Jennifer See
Managing Director, Singapore and YFI Malaysia, FNFS

Waradej Patpitak*
Director, Manufacturing & Supply Chain, F&NDT

Celine Tan*
Director, Regional Marketing (Beverages)

* Pillar Heads in the Sustainability Development Working Team

RESPONSIBLE BUSINESS PRACTICE

Approach

Risk Management

Risk appetite and risk tolerance statements are reviewed by the SRMC and approved by the Board annually. Each business division has a dedicated risk coordinator to conduct risk analysis with management. The risk coordinators will be responsible to compile and submit the report to the division heads as well as to conduct briefings on risk policies and practices.

Management identifies risks through the Enterprise Risk Management (“ERM”) process by assessing the likelihood of the risks’ occurrences and their potential impact on business. The outcomes of identified risks are consolidated in a Corporate Risk Scorecard as a reference for the rest of the Group. At the end of the FY, the Board receives assurance from the CEO of the company, Senior Director, Group Finance, Business Unit CEOs, Chief Financial Officer, and other key management who are responsible for each of the Group’s business divisions, that the risk management and internal control systems are adequate and effective in addressing the risks, including key climate-related risks and opportunities, identified by the Group. Through our internal and external mechanisms, the Board would be informed of concerns around potential or identified negative ESG impacts raised by stakeholders.

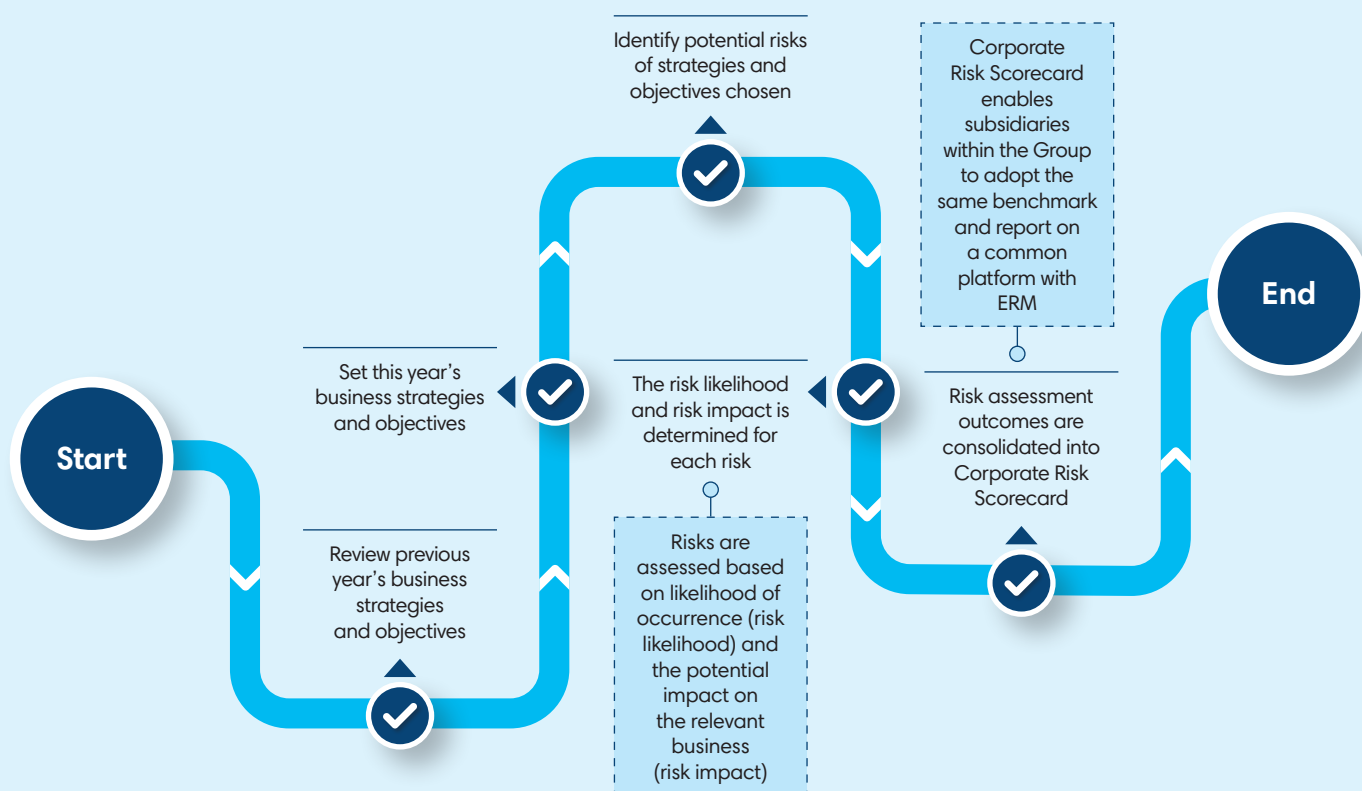
To drive our strategic decisions for the FY, we have identified the key priorities for sustainability issues, including the related risks and opportunities, and integrated it into our overall risk management framework.

Three perspectives were considered in assessing the sustainability risks:

- Review risks from external sources. For example, environmental trends, consumer trends, stakeholders’ expectations, and legal and regulatory developments;
- Review potential impact which F&N products might have on the environment; and
- Review new and emerging risks from external sources as well as within the organisation

Some of the examples of key sustainability-related risks F&N had identified were:

- Increasing awareness of sugar consumption among consumers
- Plastic usage and its impact on health and the environment
- Supply chain management
- Talent management
- Product quality and safety
- Human Rights
- Climate Change



CORPORATE GOVERNANCE

F&N's governance system is supported by policies and frameworks to ensure relevant controls and processes are in place. The Group supports the UN Guiding Principles on Business and Human Rights, International Labour Organisation ("ILO") guidelines, Thailand's Labour Protection Act and Malaysia Employment Act 1955, and has covered these guidelines and legal requirements in our internal policies.

List of policies

- Anti-Bribery Policy
- Human Rights Policy
- Supplier Code of Practice
- Code of Business Conduct
- Personal Data Protection Policy
- Whistle-Blowing Policy
- Workplace Safety, Health & Security Policy

Violations of any codes can be reported through any of these mechanisms:

1. Email to fnlwhistleblowing@fngroup.com.sg
2. Contact us at +65 6273 6789
3. Any reporting mechanism provided in existing F&N policies

The F&N Code of Business Conduct states the principles upheld by F&N, which are related to integrity, respect, and excellence. This Code is communicated to our employees and is made available on our intranet. To disclose possible conflicts of interest with F&N, an annual acknowledgement and declaration by employees is required.

F&N Executives went through training on risk management, ESG, anti-bribery, whistleblowing, and business ethics.

The Board sets good principles of ethics and values for the Group, ensures proper accountability within the Group, and seeks to ensure that obligations to shareholders and other stakeholders are understood and met. In FY2023, 100% of our operations were assessed for corruption, and there were no known substantiated bribery and corruption cases.

POLICY AND REGULATION

GRI Index:

GRI 2-23, GRI 2-24, GRI 2-26, GRI 2-27

SDG



F&N places high importance on regulatory compliance across our operations and engages with policymakers in a responsible and transparent manner.

Ensuring halal compliance and maintaining halal integrity is of utmost importance in Malaysia, a pre-dominantly Muslim country. It is F&N's imperative to ensure strict adherence and implementation of halal standards throughout our operations, and even the supply chain, to provide confidence to our Muslim consumers.

➔ Approach

Halal Policy

Halal integrity is maintained throughout F&N's supply chain, including our distributors and retailers, to meet the needs and provide confidence to our local and global Muslim consumers. F&N scrutinises the handling process of our ingredients in our operations and supply chain to prevent mixing non-halal ingredients with the halal ingredients.

F&NHB has adopted a 2-tier halal management structure to drive halal development at the Group level:

- With support from the Halal Affairs Department, F&NHB established a Group Halal Council in 2016 to determine policies and strategies.
- Each of its manufacturing facilities has an internal Halal Committee which is responsible for all matters pertaining to Halal compliance in the supply chain; from the procurement of ingredients and raw materials, management of manufacturing facilities and personnel involved in production processes, to the storage, warehousing, and transportation of our products.

F&N is awarded with product halal certifications by complying with the halal audit requirements by regulatory authorities, such as the Department of Islamic Development Malaysia (JAKIM) and other relevant Islamic certification authorities, such as MUI, CICOT, MUIS, and adherence to the Good Halal Manufacturing Practices.

RESPONSIBLE BUSINESS PRACTICE

Halal Standards

F&NHB's products are halal certified by JAKIM and other relevant authorised Islamic certification bodies, in accordance with the Halalan Toyyiban standards and the Islamic Shariah Law requirements.

F&NHB contributes to developing halal-related standards with the Federation of Malaysian Manufacturers ("FMM") and JAKIM through trade associations, such as the Sertu standards and Malaysian Standard 1514 Good Manufacturing Practice (GMP for food).

F&N commits to adhering to the halal standards and requirements by strengthening our employees' awareness and understanding through the following initiatives:

- Regular halal awareness training programme
- Auditing our distributors and training transporters to actively ensure the downstream of our supply chain is halal compliant
- Perform Sertu (ritual cleansing) on our second-hand machines brought into our factories
- Strictly prohibit non-halal food/drinks within factory premises, including the office and canteen.



Performance

F&N is an apolitical company and does not contribute in any way to any political party or activity.

We are an active member of various trade associations such as FMM, Thai Chamber of Commerce, Federation of Thai Industry and Thai Dairy Industry Association.

Policy and Regulatory Body Engagements

Product and Service Labelling

We ensure that our marketing and advertising activities do not violate any ethical standards. F&NHB adheres to the Malaysian Code of Advertising Practice in Malaysia and the Consumer Protection Act of B.E. 2522 (1979) in Thailand. In Malaysia, F&NHB is a signatory to the 'Responsible Advertising to Children' initiative and has pledged to restrict marketing to children under 12 years of age.

Quality Management

We adhere to all health and safety regulations applicable to the F&B industry for the markets in which we operate. All F&N products are manufactured under stringent international quality and food safety standards. Every stage of our production processes is subjected to rigorous quality control procedures.

Nutrition

F&N has collaborated with authorities like Singapore's Health Promotion Board, Singapore Food Agency, Ministry of Health, and FMM to adhere to food safety regulations.

Employee Safety, Health and Well-being

Safety is integrated across our operations through the implementation of Environmental, Safety and Health ("ESH") systems and monitoring processes. Our alignment with international standards – ISO 14001 and ISO 45001 for our major sites – demonstrates our commitment to extend our safety practices beyond compliance with national regulations. All employees, workers and activities are covered by our ESH systems, and all workers receive adequate training and appropriate safety equipment, where applicable.

Environmental Compliance and Management

The F&B manufacturing process involves the generation of liquid (effluent) and solid wastes. We strive to improve our solid waste management by identifying key waste streams from which we can recycle and reduce waste.

Our ESH Policy and adherence to the circular economy principles provides waste management guidance to F&N – e.g. the quality of our effluent discharges. We apply strict standards to our waste management and continuously explore alternative uses for 'waste' from our operations.

New SGX Sustainability Reporting guidelines

SGX had updated the Sustainability Reporting guidelines to also mandate listed companies to subject

- The sustainability reporting process to internal review by the Internal Audit ("IA") function; and
- All Board directors to undergo sustainability training.

In line with the SGX Listing Rule 711B, the IA Department conducts an internal review of the Group's sustainability reporting process. Such a review focus on the design of the internal controls and compliance with policies and procedures; ensuring data accuracy and integrity of the sustainability reporting process for selected business units included in the approved internal audit plan. In FY2023, no material issues were identified through this review.

F&N had also ensured that the Board Directors had attended the recommended sustainability training courses. All of the Board Directors in office, as at the end of FY2023, had completed the required training on sustainability matters, as prescribed by SGX, during the course of FY2023.

ECONOMIC PERFORMANCE

GRI Index:
GRI 201-1

F&N's business success is based upon long-term value creation for our stakeholders. This is achieved by maintaining leadership in our core markets, leveraging innovative technologies, engaging our employees' expertise to meet consumers' evolving demands, and to enter new markets. Our economic performance provides us with a firm foundation to continue delivering the products our customers love.

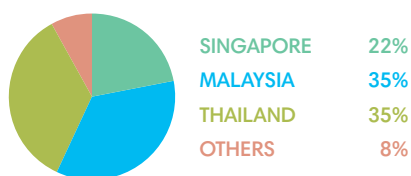
The F&N Business Model is explained in detail on pages 16 and 17 of this Report. F&N's economic performance depends upon six capitals – Financial, Manufactured, Intellectual, Human, Social and Relation, and Natural. Our sustainability initiatives support F&N's abilities to create financial value.

Our full economic performance can be found in our audited financial statements, as part of our FY2023 Annual Report:

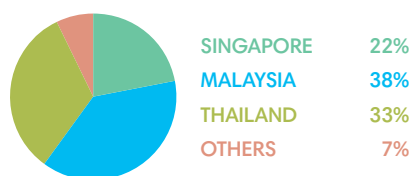
- Group Financial Highlights, pages 14 to 15
- Group Financial Statements, pages 107 to 114

Performance

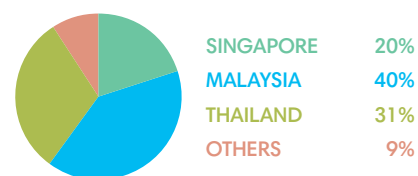
FY2021 Revenue \$1,879m



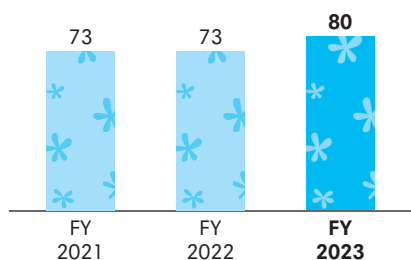
FY2022 Revenue \$2,003m



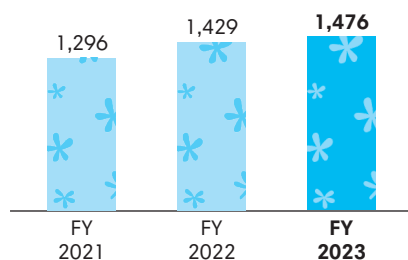
FY2023 Revenue \$2,099m



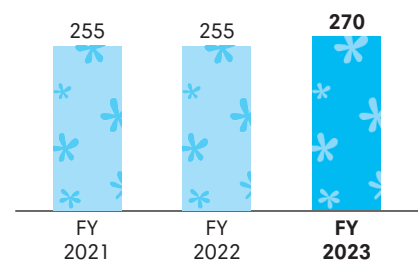
Dividend (\$m)



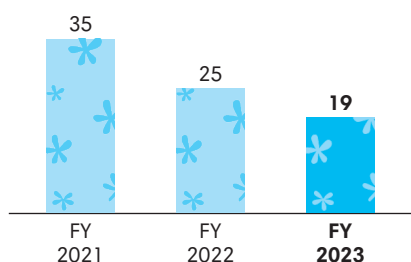
Cost of Sales (\$m)



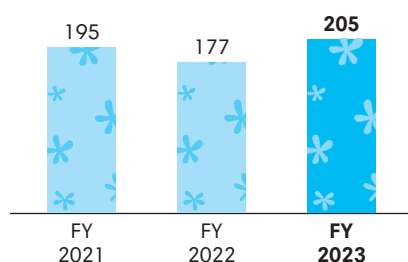
Employee Benefit Expenses¹ (\$m)



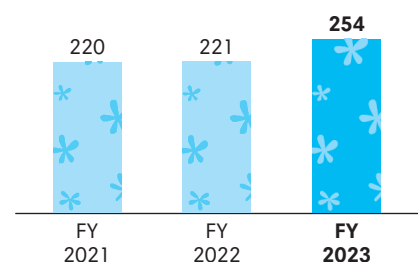
Taxation (\$m)



Profit After Tax (\$m)



Economic Value Retained² (\$m)



Notes:

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

RESPONSIBLE PRODUCT STEWARDSHIP

Our philosophy ‘Pure Enjoyment. Pure Goodness’ is our commitment to consumers to deliver good quality products that adhere to safety standards. Putting our customers first in our product stewardship approach, we are committed to provide product information that is viewed as important by our customers. We also continuously innovate to meet the changing needs and wants of our customers.

In this chapter, we elaborate on how responsible product stewardship is ensured:

- Product Quality and Safety
- Product and Service Labelling
- Innovation

PRODUCT QUALITY AND SAFETY

GRI Index:
GRI 416-2

SDG



Approach

From boots to boardroom, we promote a culture of good product quality and safety standards. F&N adheres to all health and safety regulations applicable to the F&B industry for the markets we operate in. Our plants are certified with international standards – FSSC 22000, ISO 22000 and HACCP Food Safety management systems, and our production processes at all stages are subjected to rigorous quality control procedures. The F&N SRMC regularly reviews the key risks related to product quality and safety.

All critical suppliers were audited on food safety regulations and standards, and none were found to be non-compliant this year. We assess a range of quality assurance and food security criteria to safeguard the health of consumers and the safety of workers in our supply chain. Our suppliers are assessed on the basis of: the implementation and monitoring of good manufacturing processes, use of protective clothing, food safety management systems, and chemical management.

We are committed to good product quality and food safety and have obtained local and international certifications, such as:

FNFS	F&NHB (including F&NDT)	F&NUL	F&NCM
<ul style="list-style-type: none"> • FSSC 22000 – Food Safety System Certificate • Halal certification 	<ul style="list-style-type: none"> • ISO 22000:2005 0 Food Safety Management System • FSSC 22000 – Food Safety System Certificate • Halal certification • Food Safety According to Hazard Analysis and Critical Control Point (HACCP) System MS 1480:2007 • Good Manufacturing Practice 	<ul style="list-style-type: none"> • ISO 22000:2005 0 Food Safety Management System • FSSC 22000 – Food Safety System Certificate • Halal certification 	<ul style="list-style-type: none"> • FSSC 22000 – Food Safety System Certificate • Halal certification • Food Safety According to HACCP System MS 1480:2007 • Veterinary Health Mark (VHM) Certification (required for the export of dairy products)

Our production facilities follow strict operational procedures to ensure our products are stored and transported in good condition, e.g., appropriate temperature range, lighting, and stress on packages.



At F&N, we believe listening and acting on customers' feedback is critical to the customer experience. We provide multiple communication channels for customers to connect with us and share their feedback or enquiries – our product website, email address, or F&N's social media accounts like Facebook and Line. In Singapore, we have a hotline for customers to contact us directly.



Product Quality and Safety is a core principle embedded in F&N's culture. Our 140 years of success is built on offering products that have earned the trust, created the satisfaction, and have considered the well-being of our consumers.

2025 Target

Target

FSSC scheme 22000 and Halal Standard (or equivalent) certification for all plants by 2025



Performance

At the end of FY2023, 100% of our plants are certified halal, with 63% certified with FSSC 22000.

We focus our efforts on ensuring high halal standards through a holistic approach – incorporate a high halal standards culture, strengthen internal control, engage private and public stakeholders, and maintain halal communications.

Performance

GRI 416-2

All product categories comply with product labelling requirements



0 incidents of non-compliance concerning the health and safety impacts of products and services.

PRODUCT AND SERVICE LABELLING

GRI Index:

GRI 417-1, GRI 417-2

SDGs



We communicate information about our product quality, nutrition, safety, and disposal methods in a transparent manner by means of our packaging and labelling. It is essential that our labelling is comprehensive, accurate and clear for our consumers to make informed purchasing decisions.

Approach

Our comprehensive processes and controls ensure our labelling adheres to Singapore Food Regulations and to the guidelines set by the Singapore Food Agency. F&N adheres to the Food Act in Malaysia and all requirements of the Food and Drug Administration in Thailand.

All information disclosed on our labels are reviewed regularly by internal experts from Research and Development (“R&D”) teams, Scientific & Regulatory Affairs teams, and dieticians, to ensure rigorous quality standards. Labels are then submitted to government authorities for verification and endorsement.

F&N goes beyond mandatory labelling requirements because we believe our customers deserve clarity and transparency in their purchases. Some of such comprehensive information included in our labels are – the Nutrition information panel at the back-of-pack which is not mandated by current regulations, the HCS and Healthier Choice Logo (“HCL”) for

relevant products in Singapore and Malaysia, respectively, and the energy icon at the front-of-pack for selected products in Malaysia. The Halal logo is also displayed on our Halal certified products for our Muslim consumers to easily identify suitable products that meet their diet requirements.

Our customers are increasingly concerned about the environmental footprint of our products. 100% of F&N products with carton packaging are Forest Stewardship Council (“FSC”) certified cartons and labelled as such. FSC cartons are from responsibly managed forests and other controlled sources where new trees replace the ones harvested, through planting or natural regeneration.

We strictly adhere to marketing and advertising policies – the Singapore Code of Advertising Practice, Malaysian Code of Advertising Practice and the Consumer Protection Act of B.E. 2522 (1979) in Thailand. In Malaysia, F&NHB is a signatory to the ‘Responsible Advertising to Children’ initiative and have pledged to restrict marketing to children under 12 years of age. F&NHB adopts the guidelines by the Malaysian Advertisers Association, which pledges to ethical marketing standards, on a voluntary basis. F&N ensures our employees are aware and up to date with our stance on marketing ethics. Existing employees go through an annual training as a refresher course and our new marketing and communication hires participate in marketing ethics training during their new hire orientation.

RESPONSIBLE PRODUCT STEWARDSHIP

Performance

GRI 417-1 (2016)
Requirements for product and service information and labelling



The sourcing of components of the product or service



Content, particularly with regard to substances that might produce environment or social impact



Safe use of the product or service



Disposal of the product and environmental/ social impacts



Other such as Halal logo, Certification on HACCP, Nutritional information

All product categories comply with product labelling requirements

GRI 417-2 (2016)
Incidents of non-compliance concerning product and service information and labelling



Throughout our product information, labelling and marketing communications efforts in FY2023, to the best of our knowledge, there was no incident of non-compliance with regulations or voluntary codes resulting in a fine, penalty or warning.

INNOVATION

SDGs



Innovation plays a pivotal role in securing F&N's long-term business success. It serves as a proactive approach to address the growing concerns surrounding societal and environmental issues. F&N evolves to deliver new and unique product offerings, catering to consumers' changing needs and improving production efficiency. We are further guided by the principles of circular economy, driving us to continually innovate to extend product shelf life and enhance recyclability of our packaging to minimise waste.



Innovation plays a pivotal role in securing F&N's long-term business success. It serves as a proactive approach to address the growing concerns surrounding societal and environmental issues.

Approach

The R&D Unit of F&N in Singapore receives backing from teams located in Malaysia and Thailand. This unit leads the efforts for driving continuous improvements to our product formulations, in alignment with consumer preferences and regulatory requirements. Simultaneously, exploring innovative approaches to enhance the functional benefits and shelf life of our products.

F&N engages in a collaborative partnership with Nanyang Technological University ("NTU") through the F&N-NTU Food & Beverage Innovation Lab based in Singapore. This collaboration aims to nurture research endeavours focused on advancing food packaging technology and converting waste from food processing into valuable resources for the future. Our collaboration with NTU extends beyond the lab to include research. Our Group R&D team had also co-authored 3 innovation-related research papers with NTU around the topics of food nutrition.

Priority Areas

Continuous improvement to deliver high-quality innovative beverage products to consumers.

More new products to expand our target consumer groups.

External Collaboration

Collaborate with authorities such as Singapore's Health Promotion Board, Singapore Food Agency ("SFA"), Ministry of Health ("MOH"), Federation of Malaysian Manufacturers and Thailand's Food and Drug Administration to adhere to food safety regulations and support national health priorities.

Collaborate with research institutes to access cutting-edge research and scientific studies to discern the efficacy of our products.

Innovation Culture

Develop products based on scientific research, consumer insights and tastes relevant to evolving Asian lifestyles.

Constantly refine our products to meet the changing needs of consumers and ensure consistent delivery of good taste and the right nutritional values.



2025 Target

Target

10% product innovation for commercialised F&N products by 2025



Performance

At the end of FY2023, we achieved 5% of product innovation for commercialised F&N products.

Consumer-Focused Product Innovation

Innovation in F&N is guided by changing consumer demands with regards to – Health & Wellness, Convenience, and Sustainability. These concerns are addressed by F&N in the following ways:

Convenience – Our consumers can easily order F&N products on e-commerce platforms and have it delivered to them. The F&N flagship online store – F&N Life – was launched in January 2020 in Malaysia and November 2021 in Singapore to allow consumers to order F&N products in bulk at competitive prices, with delivery to their homes. F&N Life offers product details and nutritional values, recipes, and loyalty programmes.

Health & Wellness – Developing healthy and nutritious products that our consumers love. More details can be found in the 'Nutrition' section of this Report.

Sustainability – Choosing materials sourced sustainably. More details can be found in the 'Supply Chain Stewardship' section of this Report.



Innovation in F&N is guided by changing consumer demands with regards to – Health & Wellness, Convenience, and Sustainability.

RESPONSIBLE PRODUCT STEWARDSHIP

INN VATIVE

Beverage and Dairy Products

Key launches in Singapore,
Malaysia and Thailand in FY2023



Singapore



SINGAPORE

- | | | |
|--------------------------------------|--|--|
| 1. FARMHOUSE Café Latte – 475ml | 4. F&N Sweetened Condensed Milk – 380g | 6. ICE MOUNTAIN Original New Limited Edition Sparkling – 325ml |
| 2. F&N Evaporated Creamer – 385g | 5. ÖMILK – 1L | 7. F&N Sweetened Creamer – 2.5kg |
| 3. F&N Evaporated Filled Milk – 385g | | |

Malaysia

Thailand



MALAYSIA

THAILAND

8. F&N MAGNOLIA SMOO UHT Milk Plain – 180ml
9. F&N MAGNOLIA SMOO UHT Milk Chocolate – 180ml
10. 100PLUS Pro High Protein – 500ml

1. 100PLUS Zero – 1.75L
2. 100PLUS Pro – 500ml
3. TEAPOT UHT Evaporated Creamer – 1L
4. F&N SEASONS Apple – 1L
5. F&N SEASONS Lychee – 1L

1. TEAPOT Sweetened Condensed Milk Nom Yen Flavoured – 150g

RESPONSIBLE PRODUCT STEWARDSHIP

Employee-Driven Process Innovation

At F&N, the two aspects of employee-driven process innovation are:

Cost and eco-efficiency – F&N reviews the current system processes to improve efficiency in our plants through innovation – enabling water savings, reduction in GHG emissions and minimising resource consumption. We leverage on circular economy principles to reuse and recycle wastewater where possible. More details can be found in 'Energy and Climate Change' and 'Water Stewardship' section of this Report.

Cultivating an innovative mind-set – We encourage a ground-up empowerment of employees throughout our Business Units by cultivating an innovative culture. This year, our employees had contributed to F&N's innovation efforts through the flagship Innovation Excellence Day 2022 – a special event to recognise and showcase innovations.

Excel as One Convention 2023

Our F&NDT team organised its annual World Class Manufacturing – Excel as One Convention 2023, where manufacturing teams were encouraged to propose and implement innovative and cost-saving initiatives. This year, innovative ideas initiated through the convention was expected to potentially result in average cost savings of around THB 31 million (about SGD 1.18 million).



Excel as One Convention

RESPONSIBLE SUPPLY CHAIN

Collaborating with upstream value chain partners is key to mitigating supply chain risks. More importantly, working with suppliers help drive efficiencies and provide better insights into our supply chain, thereby amplifying our operational strengths, allowing identification of areas for improvement and forming a resilient and robust supply chain, which is essential for business success.

In the following chapter, we elaborate on how F&N engages and works with suppliers to reduce environmental and social impacts of our products.

SUPPLY CHAIN STEWARDSHIP

GRI Index:
GRI 204-1, GRI 308-1, GRI 414-1

SDGs



Climate-related disruptions are projected to intensify in coming years as global warming continues. While the impacts of climate change affect all aspects of society, it can be particularly potent to global supply chains, which have an important role in facilitating required products and services to people. Other key supply chain risk factors include regulatory changes imposed by the government and human rights risks – poor working conditions and forced and child labour. Having a resilient and sustainable supply chain enables us to manage the cost of raw materials and ensure it is sustainably sourced as they have direct impact on F&N operations and the bottom line of the business.

Approach

Being a market leader in the F&B industry, we maintain ongoing collaborations with our supply chain counterparts, encompassing business partners, suppliers, and vendors, to understand their needs and provide sustainable solutions to foster enduring value for all parties involved. We actively promote the enhancement of sustainability performance among our stakeholders within the supply chain, whenever feasible, and set the standard through our own actions.

The cornerstones to our Supply Chain Stewardship are as follows:

- Sustainable Sourcing
- Sustainable Supply Chain Policies
- Supplier Management
 - Identify Risks: Screening and Critical Suppliers Identification
 - Manage Risks: Supplier Capacity Building and Partnerships
 - Monitor Risks: Monitoring, Auditing and Corrective Action Planning



As of September 2023, 98% of key active suppliers have accepted and complied with F&N's SCOP.

2025 Target

Target

100% of active key suppliers accept and comply with F&N's SCOP by 2025

Performance

As of September 2023, 98% of key active suppliers have accepted and complied with F&N's SCOP.

Performance

GRI 204-1

Proportion of spending on local suppliers



F&N works with about 92% local suppliers, where possible, representing over 90% of our purchase value expenditures.

GRI 308-1

New suppliers that were screened using environmental criteria



Over the year, a total of over 60 new suppliers were screened using the environmental criteria.

GRI 414-1

New suppliers that were screened using social criteria



Over the year, a total of over 60 new suppliers were screened using the social criteria.

Note:

Local suppliers refer to suppliers who conduct their businesses within the respective countries where F&N's operations (as covered in this report) are based, namely Singapore, Malaysia and Thailand.

RESPONSIBLE SUPPLY CHAIN

Performance

Group Suppliers by Supplier Category



Notes:

- 1 Direct suppliers refer suppliers who supply materials that are related to the production of finished goods.
- 2 Indirect suppliers refer to suppliers who supply materials that are not related to the production of finished goods.

Proportion of Spending on Materials



Initiatives

Sustainable Sourcing

As a F&B business, we are dependent on the supply of raw materials for production operations. We aim to source raw materials certified with eco-credentials, including RSPO and FSC, whenever possible, as part of our sustainable supply chain strategy.

1. Sustainable Palm Oil

Palm oil is a widely used raw material in F&B products and is one of the raw materials in our supply chain. Irresponsible palm oil cultivation has caused — and continues to cause — significant environmental and social damage. As such F&N understands the importance of our actions and business practices on the support for sustainable palm oil production.

F&N became an ordinary member of the RSPO, in August 2017, to reiterate our support for the use of CSPO in products. Currently, 100% of palm oil used at F&N is RSPO certified. As of September 2023, we had achieved our interim target, to purchase 60% physical RSPO CSPO and 40% RSPO credits for our palm oil consumption, for 2023³.

2. Sustainable Paper

Paper is an essential component in F&N's printing operations, we understand the importance of sourcing paper sustainably and supporting sustainable forest management.

Times Publishing Group, our subsidiary firm, is certified with Programme for the Endorsement of Forest Certification ("PEFC") Chain of Custody. The PEFC Chain of Custody certification tracks forest-based products from sustainable sources to the finished product. Each step of the supply chain is closely monitored through independent auditing to ensure that unsustainable sources are excluded. This is an ongoing initiative since 2009.

Our beverage and dairy paper carton packaging carries the FSC certification, ensuring that the paper products used to produce them comes from responsibly managed forests that provide environmental, social, and economic benefits.

Notes:

- 3 As calculated by calendar year in alignment with the RSPO Annual Communication of Progress.
- 4 Antitrust, business gift, legal compliance, confidentiality and conflict of interest.

Sustainable Supply Chain Policies

F&N supports the UN Guiding Principles on Business and Human Rights and F&NHB is a member of the Supplier Ethical Data Exchange. The 2025 target is to ensure that suppliers are compliant with the F&N SCOP. By the end of FY2023, 98% were compliant with the F&N SCOP.

Our SCOP includes the following requirements: business ethics⁴, whistle blowing, communications, competitors, environmental management, human rights, and occupational health and safety. Suppliers are expected to treat their employees equally, with respect and dignity, in accordance with the ILO standards and applicable labour laws under the SCOP. This covers child and compulsory labour, equality, human capital development, layoff practices, wages and benefits, and working hours.

Supplier Management

1. Identify Risks

High or variable costs and uncertain availability of raw materials pose commercial risks to F&N. To mitigate these risks, especially key risks, we established a BCP to proactively ensure product supply.

a. Screening

F&N has a systematic screening process for all new suppliers on environmental and social criteria. These criteria reflect the commitments towards the environment (such as reducing waste, pollution and water usage) and society (including human rights and labour practices). Suppliers are assessed annually to verify if they have:

- Implemented an environmental policy
- Undertaken audits to monitor environmental performance and compliance
- Maintain an ISO14001 compliant Environmental Management System

During the pre-qualification screening of suppliers, we assess our suppliers on delivery capacity, technical capabilities, ESG company policies and certifications.

b. Critical Suppliers Identification

Critical suppliers are active direct (tier 1) material suppliers with a sales value greater than MYR 1 million per annum (for F&NHB suppliers) and/or irreplaceable suppliers. Direct material suppliers are those who supply packaging materials, raw ingredients and auxiliary materials. Irreplaceable suppliers are single-source suppliers. We conduct a vendor performance evaluation for critical suppliers annually and consider their sustainability performance.

2. Manage Risks

a. Supplier Capacity Building and Partnerships

In FY2023, we had engaged with over 3,700 global and local suppliers across our supply chain, including manufacturers, wholesalers, retailers, importers/merchants, contractors and professional service providers. A successful case study on our supplier capacity building and partnership programme is the Farming Excellence System in Thailand.

FARMING EXCELLENCE SYSTEM Thailand

Since 2013, F&N had been collaborating with local Thailand-based farmers in cooperatives that supply F&N with fresh milk. The capacity building and partnership efforts of the 'Farming Excellence System' initiative encompasses over 2,000 farmers. It consists of 3 key programmes:

- Sharing information about good farming practice to improve milk quality through booklets, guidelines, newsletters, and training programmes;
- Conducting assessments at farms and engaging with farmers; and
- Sustainability projects

Supplier engagement at F&N takes a ground-up and collaborative approach. For instance, F&N contributed about THB 1.1 million (about SGD 41,800) toward the construction of a new Milk Collection Centre in Nakorn Rachasima to upgrade the facilities of the KhaoYai Milk Cooperative to support the farmers. This helped improve the quality of milk produced and ensured that farmers could continue their farming operations sustainably, enhancing the resiliency of F&N's supply chain.



3. Monitor Risks

a. Monitoring, Auditing and Corrective Action Planning

The Group works closely with our suppliers and conducts regular audits to ensure standards and practices for food safety and the environment are maintained throughout the value chain. Non-compliant or underperforming suppliers

must demonstrate their commitment to taking necessary corrective actions within a predefined period, or risk having contracts terminated.

F&N is exploring the update of the evaluation checklist to include additional ESG criteria, such as corporate governance and human rights.

Introduction to Social Pillar

WELL-BEING OF OUR PEOPLE, COMMUNITIES AND SOCIETIES



F&N's successes over the last 140 years have been made possible through the unwavering commitment of our people, the support of our consumers, and the steadfast backing of the communities in which we operate. Maintaining a collaborative relationship with our stakeholders is imperative for our sustained success and growth. These relationships foster trust, innovation, and resilience, demanding continuous effort and adaptability to changing needs, ultimately driving our shared success.

We do so by offering a robust portfolio of high quality and nutritious products for consumers, providing vulnerable groups with the support they need, empowering our employees by providing tools for long-term growth and rewarding work environments, and respecting the human rights of all stakeholders.

Creating Value for Society

- Nutrition
- Community Development and Inclusive Growth
- Human Rights

Empowering Our People

- Human Capital Development
- Employee Safety, Health and Well-being

2025 SUSTAINABILITY TARGETS AND FOCUS AREAS



NUTRITION

72% of beverage and dairy products (based on formulation), excluding canned milk and cordials, comply with the Nutritional Guidelines by 2025



COMMUNITY DEVELOPMENT AND INCLUSIVE GROWTH

10% increase in the number of annual community programmes F&N provides (from a 2020 baseline) by 2025



HUMAN CAPITAL DEVELOPMENT

Provide an average of at least 18 hours of training to Executives and 11 hours of training to Non-executives by 2025



EMPLOYEE SAFETY, HEALTH AND WELL-BEING

Reduce the LTIFR to 0

Contributing to SDGs

Primary



Secondary



CREATING VALUE FOR SOCIETY

F&N believes that as a corporate citizen, valued should be created for our consumers, and the communities in our operational markets. As an industry leader in the F&B sector, F&N is committed to enhancing societal well-being by introducing healthier product options for its customers, extending support to local communities, and advocating for human rights.

Our efforts are further elaborated in the following sections:

- Nutrition
- Community Development and Inclusive Growth
- Human Rights

NUTRITION

GRI Index:
GRI 416-1, GRI 416-2

SDGs

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

Our philosophy of 'Pure Enjoyment. Pure Goodness' embodies our promise to consumers, ensuring we provide delicious, good-quality products that are rich in nutritional benefits. Together with promoting an active lifestyle, F&N aims to offer products that satisfy our consumers and enhance their health and well-being.

Our commitment to creating healthier products is driven by a keen awareness of the evolving microenvironment. By deeply understanding the needs and preferences of the societies in the countries where we operate, we strategically steer our new product development efforts towards offering healthier choices that resonate with our consumers. This approach not only reflects our responsiveness to changing market dynamics but also reinforces our dedication to promoting well-being through our product offerings.

Approach

Consumer F&B trends across the world are shifting. "Quality" is redefined by consumers to focus on affordable nutritious products. Yet many see cost as a barrier to improving their diet and health. This drives F&N to constantly reinvent, reformulate, and release new and improved products annually by focusing on reducing the sugar level of our beverages and fortifying the key nutrients in our products, to expand the availability of affordable nutritional beverages.

The F&N Nutrition Charter outlines our commitment to developing products that are healthy for consumers and guides us through our product development:



CREATING VALUE FOR SOCIETY

Approach

Our increasing health and nutrition ambition focuses on:

- Reducing sugar levels
- Catering to the diverse dietary needs of consumers
- Fortifying our products with micronutrients

F&N's product development team continues to expand the health and nutrition profile of our portfolio. It is important for F&N to provide products with healthier option that do not compromise on our consumers' enjoyment. A list of the new products launched in FY2023 can be found in the 'Innovation' chapter of this Report.

2025 Target

Target

72% of beverage (excluding cordials) and dairy (excluding canned milk) products (based on formulation) in compliance with Nutritional Guidelines

Performance

In FY2023, 73% of beverage (excluding cordials) and dairy (excluding canned milk) products (based on formulation) are in compliance with Nutritional Guidelines

Performance

GRI 416-1 (2016)

Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.

93% of significant product categories for which health and safety impacts were assessed for improvement.

GRI 416-2 (2016)

Incidents of non-compliance concerning the health and safety impacts of products and services

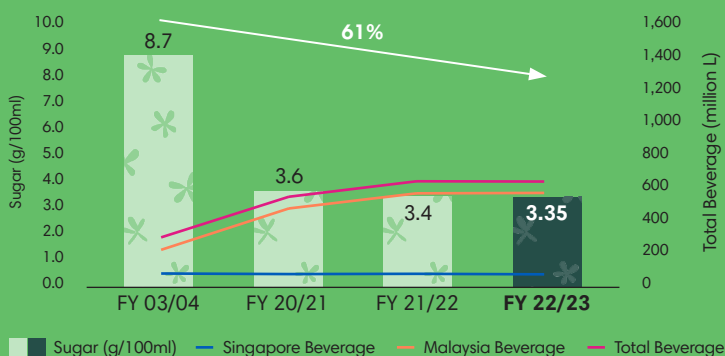
In FY2023, we maintained our health and safety standards with no significant incidents of non-compliance with regulations resulting in fine, penalty or warning.

Initiatives

Reducing Sugar Levels

Around 73% of our RTD products are certified HCS/HCL. Since 2004, F&N has taken deliberate steps in reducing the sugar content of our RTD products, and has since achieved a reduction of 61% in the sugar index (grams of sugar content per 100ml) across our range of RTD beverage products in Singapore and Malaysia.

Sugar Index: Total Beverages (SG & MY) with Water



- 61% reduction from FY03/04 to FY21/22, compared to 59% reduction from last reporting (FY03/04 to FY20/21)
- Decrease in FY 21/21 due to: Sugar tax implementation (MY), NutriGrade regulations (SG) and product portfolio mix

Initiatives

Singapore

ÖMILK

Our latest introduction in FY2023 - Ömilk is specially crafted with baristas in mind, and for the discerning palates of coffee enthusiasts, oat milk connoisseurs, as well as those who enjoy a classic cup of plant-based goodness. This product is characterised by its richness and creaminess, making it ideal for coffees and lattes. With a perfectly smooth and rich texture that froths just like regular milk, Ömilk is the preferred choice of plant-based milk by baristas and coffee connoisseurs. With no added sugar, colourings or flavourings, the natural fragrance of Ömilk enhances the taste profile of coffee and tea and can even be consumed on its own. On top of its marvellous taste, Ömilk is naturally cholesterol-free, and is halal-certified.



Initiatives

Catering to the Diverse Needs of Consumers

F&N provides alternative, and healthier options for consumers with food intolerances, such as lactose free and plant-based milk.

F&N increased its products certified with HCS/HCL, from around 50 in FY2020 to over 140 in FY2023, to cater to the increasing preference for healthier products from consumers.



Initiatives

Fortifying Our Products with Micronutrients

F&N offers a range of products fortified with micronutrients, including F&N NUTRISOY Omega High Calcium No Sugar Added Fresh Soya Milk, F&N NUTRISOY High Calcium Reduced Sugar Fresh Soya Milk With Oats & Quinoa and 100PLUS Pro High Protein.

CREATING VALUE FOR SOCIETY

COMMUNITY DEVELOPMENT AND INCLUSIVE GROWTH

GRI Index:
GRI 413-1

SDGs



F&N recognises that the scale of our operations in the region goes beyond impacting our consumers. Community is an essential component of our stakeholder network and significantly influences our business operations and achievements. We connect and support local communities by maintaining positive relationships and strengthening them between different cultures to promote social inclusion.

➔ Approach and Initiatives

In each market F&N operates in, we undertake several short and long-term programmes that serve to create greater social equity. We identified five areas to focus our community endeavours:

Strengthening Vulnerable Groups

The ongoing high inflation and subsequent tightening in global financing conditions would no doubt have devastating effects on the vulnerable and marginalised groups. This would further deepen inequality causing a greater global challenge. Our consumers and employees come from all segments of society and the widening inequality of wealth and opportunities undermine the development potential of our communities and also our business. As such, strengthening vulnerable groups is a key concern for us.

1. Malaysia: Upgrading of School's Resource Centre

F&NHB supported Sekolah Kebangsaan Tobobon, Kota Kinabalu in upgrading the facilities of school's resource to enhance the reading environment of students. The funds were utilised to purchase reading materials, two sets of air conditioning units, as well as rubber mats and curtains to improve the resource centre's ambience.

2. Singapore: Assisi Fun Day 2023

Over 20 volunteers consisting of F&N staff from Singapore, family members and friends spent 11th June morning with 20 seniors from Lions Befrienders at the Assisi Fun Carnival to raise funds for Assisi Hospice.

The volunteers accompanied the seniors from Lions Befrienders' branch at Blk 318 AMK Lions Befrienders'. Each senior received vouchers worth \$25 to buy food, drinks, apparels, handicrafts, shoes, books and many other interesting items from stalls at the Carnival.

Promoting Environmental Consciousness

Companies have a critical role to play in minimising our environmental footprint and leading sustainable development in societies. As we continue to move towards a circular economy model in our business, we exchange knowledge with communities and learn from them to better implement our ideas. Establishing partnerships with communities to promote environmental consciousness is our key priority.

1. Malaysia and Thailand: F&NHB School Recycling Program

F&NHB kickstarted the 2023 iteration of the School Recycling Programme as part of the Group's continuous efforts to raise awareness about the importance of recycling among school children. The campaign is held in partnership with SWCorp Malaysia, an agency under the Ministry of Local Government Development. This five month campaign targets about 1,300 primary and secondary schools throughout Malaysia.

The Waste Bank and Recycling Project was set up in two local schools, Wattanodtia School and Watkokmayom School, in the Ayutthaya Province of Thailand to improve their waste management infrastructure by setting up recycling stations and renovating waste storage areas. Through these projects, students were inculcated with good recycling habits and received tangible monetary benefits by selling the recyclables collected.

2. Singapore: Recycle N Save

Recycle N Save is a joint initiative by F&N and the National Environment Agency ("NEA") of Singapore. To date, the initiative saw the collection of more than 16 million aluminium cans and PET bottles for recycling. More details can be found in the 'Packaging' section of this Report on pages 93 to 94.

Spreading Festive Cheer

Our community development programme regards our F&N brand promise – "Pure Enjoyment. Pure Goodness" by encouraging communities to connect with each other by spreading festive cheers and strengthening relationships between different cultures.

1. Malaysia: F&NHB Celebrates Hari Raya with Underprivileged

F&NHB continued its tradition of spreading joy to the less fortunate this Ramadan by hosting a buka puasa with the residents and staff of the Pertubuhan Rumah Anak Yatim Dan Asnaf Kampung Sijangkang in Selangor at the Kota Permai Golf & Country Club. During the buka puasa, our Chairman Y.A.M. Tengku Syed Badarudin Jamalullail presented duit raya and a full set of baju raya to each of the 51 children from the orphanage along with products from the F&N portfolio.

2. Malaysia: F&NHB Celebrates Chinese New Year with Underprivileged

This year, F&NHB continued its tradition to spread smiles this Chinese New Year, visiting 460 orphans, disabled children, and senior citizens across Malaysia. Close to 100 F&N volunteers visited 12 homes in total, located in Butterworth, Ipoh, Kuala Lumpur, Melaka, Johor, Mentakab, Kota Bahru, Kuala Terengganu, Kuching, Kota Kinabalu, and even Brunei. The volunteers distributed personal care products, Mandarin oranges, F&N food items, and ang paws worth around RM 5,000 to the residents.

Promoting Active Lifestyles

F&N's products contribute to the health and well-being of our communities. We have a long and proud tradition of promoting active lifestyles in the community, from grassroots developments to elite levels. We believe sports has an important role in all societies and is a powerful tool to support nation-building.

Lowering the barrier of access to sports and encouraging participation among youth is vital because it teaches core values like cooperation and respect, while instilling discipline and confidence within the individual. It is for this reason that 100PLUS is passionate in supporting schools and grassroots sports programmes, especially in football and badminton, to nurture future generations of champions.

1. Long-term Partnerships with Sporting Associations (Grassroots programmes)

F&NHB has been a long-term partner of the Football Association Malaysia, Badminton Association of Malaysia, Malaysian Hockey Confederation and the National Sports Council through our 100PLUS brand. 100PLUS is also the official beverage partner of the Johor Darul Takzim and Selangor Football Club. In addition, 100PLUS works closely with the Sportswriters Association of Malaysia (SAM) and is the primary sponsor for the annual SAM 100PLUS Awards.

F&NHB's allocation of investment in sports development is as follows:



2. Advocating for Healthy and Active Lifestyle

F&N continues our commitment to encourage our consumers to lead an active lifestyle by supporting major runs, marathons and sports activities, such as SGX Cares Bull Charge Charity Run 2023, Great Eastern Women's Run Singapore 2023, Standard Chartered Singapore Marathon 2023, Tour de France Prudential Singapore Criterium 2023, Standard Chartered Kuala Lumpur Marathon, Bursa Bull Charge 2023, Minggu Amanah Saham Walk 2023, and KL Car Free Morning. The initiatives are synonymous with our brand essence to advocate an active lifestyle amongst our consumers.



CREATING VALUE FOR SOCIETY

HUMAN RIGHTS

GRI Index:

GRI 2-24, GRI 2-25, GRI 2-30, GRI 3-3

SDGs



At F&N, our business activities are carried out with a strong sense of responsibility, firmly guided by our commitment to uphold principles of good governance. Our corporate governance framework empowers us to uphold the highest

standards of human rights throughout our operations. We continuously work to improve our stakeholders' health and well-being and treat them with dignity, respect, and fairness.

Approach

Human Rights Due Diligence ("HRDD") Process

F&N is dedicated to safeguarding and advancing the human rights of all our stakeholder categories. In 2021, we conducted a HRDD process with the goal to better understand the real and potential human rights challenges encountered by our stakeholder groups. The HRDD process granted us valuable insights into the human rights issues faced and allowed us to better foster environments that enabled the respect and advancement of human rights.



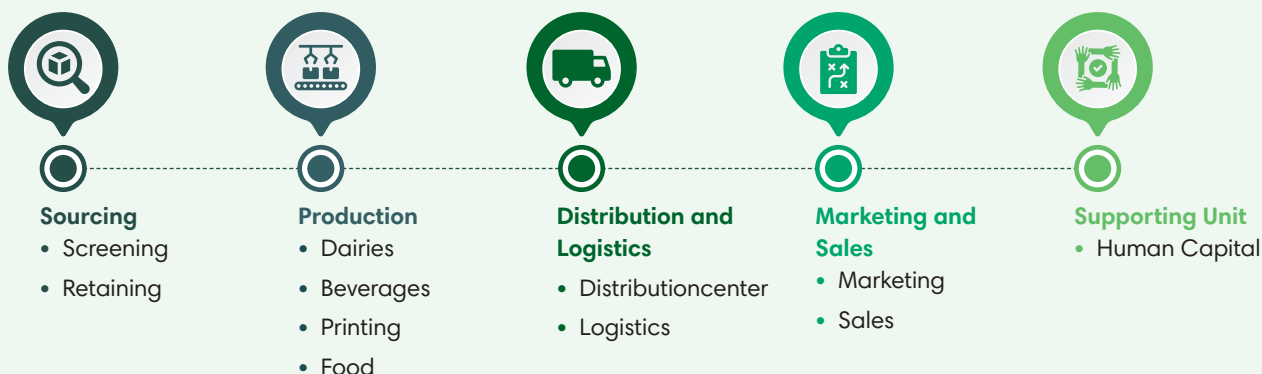
Collective bargaining agreements encompass more than 15% of our full-time employees. For those employees not covered by such agreements, F&N strictly adheres to the prevailing local labour laws and international safety standards. Furthermore, we regularly assess compensation and benefits in alignment with the current local market rates and practices.

Human Rights Risk Assessment ("HRR")

Scope of HRR




The scope of our HRR is in harmony with the scope of this Report. It encompasses the significant business operations of F&N in Singapore, Malaysia, and Thailand. This includes all segments of the value chain, namely Sourcing, Production, Distribution and Logistics, Marketing and Sales, as well as the supporting Human Resources function.

F&N Group Value Chain Model



The HRRA considered both existing and potential human rights concerns throughout F&N's value chain. It also pinpointed specific considerations related to vulnerable groups, such as migrant workers, LGBTQI+ individuals, and the elderly, with whom F&N collaborates.

- Consideration of actual and potential human rights issues:

 Labour Rights	 Community Health and Safety	 Supplier Rights	 Customer Rights
<ul style="list-style-type: none"> • Working conditions and fair remuneration • Health and safety • Freedom of association and rights to collective bargaining • Discrimination and harassment • Illegal forms of labour (including child labour, forced labour and human trafficking) 	<ul style="list-style-type: none"> • Community health and safety • Community standard of living • Community access to water and sanitation • Land acquisition 	<ul style="list-style-type: none"> • Supplier data privacy • Supplier discrimination 	<ul style="list-style-type: none"> • Consumer health and safety • Customer data privacy • Customer discrimination

- Consideration of employees and at risk or vulnerable groups:

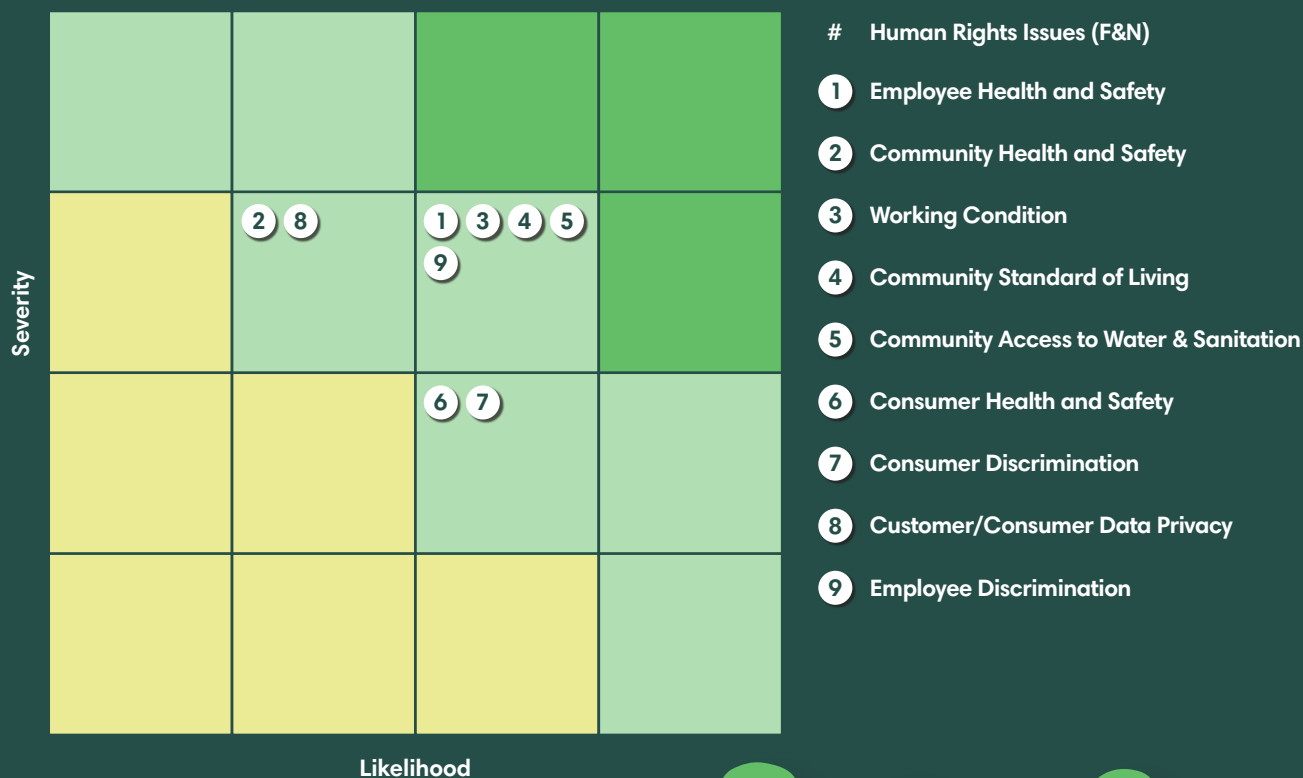
Women/ Pregnant women	Migrant Workers	LGBTQI+	Children	3 rd party contracted labour
People with Disabilities	Indigenous Peoples	Local Communities	Elderly	Other minorities (e.g. stateless, refugee)

Methodology of HRRA

1 Human Rights Issues Identification	Identify human rights issues for F&N Group's own operations, value chain and new business relations by considering the impact to the business and on potential rights holders. We benchmarked peer companies in the beverage and dairy sectors and acknowledged global human rights trends to improve our understanding on the impact of human rights issues.
2 Inherent Risk Ranking	Rank risks of the identified human rights issues that do not have controls and/or measures in place.
3 Residual Risk Ranking	Rank risks of identified human rights issues that exist even with the company's controls and/or measures.
4 Risk Prioritisation	Prioritise salient human rights issues, and issues with high residual risk.

CREATING VALUE FOR SOCIETY

Results of HRRRA



**SALIENT
HUMAN RIGHTS
ISSUES WERE
IDENTIFIED FOR
THE F&N GROUP.**



Policy Commitment

F&N has policies on human rights which are applicable to its employees, suppliers and business partners. The policy describes our commitments, particularly in the following areas:

- Prohibition of child labour, forced labour, human trafficking, and discrimination and harassment.
- Respecting and promoting fairness, diversity, the right to freedom of association and collective bargaining, fair remuneration and fair working conditions.
- Respect and promote health and safety, data privacy and the environment of our stakeholders.

F&N Human Rights Policy was developed in accordance with related human rights principles under international standards – the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, UN Global Compact, the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. The Human Rights Policy upholds under domestic and international laws, rules, and regulations. The Human Rights Policy extends to all companies under the F&N Group.

Integrate Findings and Potential Impacts

F&N designs and implements mitigation measures with preventive and corrective actions to reduce the actual and potential impacts of human rights issues.

Examples of Salient Human Rights Issues and Mitigating Measures Identified

Employee Health & Safety	
Actual Issues	Mitigation Measures
<ul style="list-style-type: none"> • <i>Marketing & Sales</i>: Client-focused departments have an increased risk of contracting the COVID-19 virus during work hours since they meet people in high frequencies • <i>Production + Human Capital</i>: Minor work injuries and accidents • <i>Logistics</i>: Road accidents during transportation, minor vehicle malfunction (e.g. flat tires) 	<ul style="list-style-type: none"> • Compliance with Public Health Regulations on COVID-19 measures, e.g. face masks, hand sanitizers, temperature checks • Approved paid leaves for vaccinations and launched a vaccination program for employees • Track employees' vaccination progress • Offer doctor consultations and in-house panel clinics in large-scale production plants • Increased safety training and safety briefing to identify potential risks at the start of the workday
Community Health and Safety & Community Standard of Living	
Actual Issues	Mitigation Measures
<ul style="list-style-type: none"> • <i>Marketing & Sales</i>: Spread of COVID-19 virus from employees infecting members of the community, e.g. during large scale events • <i>Marketing & Sales</i>: Road accidents will increase health and safety risks for community members • <i>Marketing & Sales</i>: Reckless driving complaints of the distributor in the local area 	<ul style="list-style-type: none"> • Compliance with Public Health Regulations • Provide personal protective equipment (PPE), such as face masks, face shield, hand sanitisers, to employees • Increased safety training and safety briefings to identify potential risks at the start of the workday • F&N Voice channel available for employees to report on safety risks and concerns
Employee Discrimination	
Actual Issues	Mitigation Measures
<ul style="list-style-type: none"> • <i>Human Capital</i>: An employee felt uncomfortable to report a case of verbal harassment until after resigning from the company 	<ul style="list-style-type: none"> • Inform employees the various channels and measures available to raise discrimination and harassment issues anonymously, e.g. welfare committee, reporting channel, mental health hotline • Implement additional trainings for supervisors on preventing discrimination and harassment of employees
Customer/Consumer Discrimination	
Potential Issue	Mitigation Measures
<ul style="list-style-type: none"> • Discrimination by prioritising against certain groups of customers/consumers 	<ul style="list-style-type: none"> • Ensure F&N's products are targeted to all consumers • Marketing strategies are suitable for a multi-racial society and ensure no content are inappropriate or discriminatory against one's gender, race, culture, etc.

CREATING VALUE FOR SOCIETY

Track and Communicate Performance

The Group continuously tracks, monitors, and assesses our human rights risks to stay informed on issues and concerns relating to human rights violations. We promote and support cooperation from all directors, executives, employees, and all groups of stakeholders within the business value chain to report any forms of human rights suspicions, incidents, and violations arising from business operations through established and dedicated communication channels. Feedback from these channels is used to consider improvements, and to develop appropriate mitigation and remediation measures.

F&N communicates and educates all employees on our human rights practices. This year, we conducted a virtual interactive Human Rights Awareness Training for all Executives to enhance their understanding and awareness on Human Rights and how it is applicable to people. The session had covered, among others, the International Human Rights Standards established by the United Nations through the Universal Declaration of Human Rights.

Our human rights performance will be reported annually in our Report.

Remediate Adverse Impacts

F&N recognises our business activities may potentially contribute to or be linked with human rights violations of relevant stakeholders. F&N is committed to mitigate such potential human rights risks and violations.

Our ongoing commitment is supported through a revised assessment of human rights risks within an appropriate timeframe. Additional mitigation measures will be established to remediate and reduce the possibility of human rights violations caused or endorsed by business activities of F&N.

There were no human rights violation cases in 2023. Thus, no remediation measures were taken.

Performance

GRI 412-1

Operations that have been subject to human rights reviews or impact assessments



100% of our material operations in Singapore, Malaysia and Thailand have been subjected to human rights reviews or impact assessments.



EMPOWERING OUR PEOPLE

F&N recognises the pivotal role our employees play in our enduring success. Their dedication, knowledge and performance bring life to F&N's strategy and drive our business. Consequently, we actively promote continuous learning and growth among our workforce through comprehensive Group-wide learning initiatives. Additionally, F&N places a strong emphasis on the well-being of our employees, striving to cultivate a safe and healthy workplace environment for all.

Our efforts are further elaborated in:

- Human Capital Development
- Employee Safety, Health and Well-Being

HUMAN CAPITAL DEVELOPMENT

GRI Index:

GRI 2-7, GRI 3-3, GRI 401-1, GRI 401-2, GRI 401-3, GRI 404-1, GRI 404-2, GRI 404-3, GRI 405-1

SDGs



Through ongoing investments in training, education, and professional development, we empower our employees to drive innovation, embrace sustainability, and promote a culture of continuous learning. It remains important for F&N help our employees to remain employable, relevant, and competitive. We prepare our people through training and resources, equip them with important skills to safeguard their future employability and challenge them to perform at their highest potential, rewarding them fairly for their merits.

We regularly engage with our employees through various communication channels, including town hall meetings, engagement surveys, recognition events, the intranet, and periodic performance reviews.

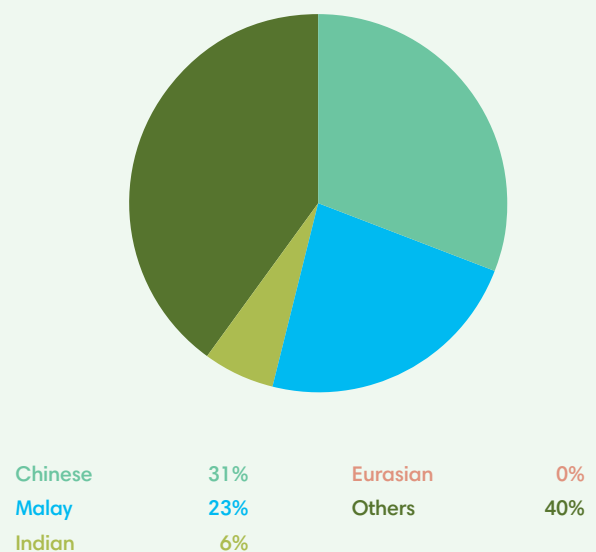
As of 30 September 2023, F&N had over 7,200 employees across all operations. The employees headcount at the end of the reporting period is about 7% more when compared to our previous reporting period. Most employees work full-time, and about 19% of all hires are working under temporary contracts. Over 28% of all F&N employees have been with the company for over a decade, and the employee turnover rate sits at about 21% this year.

Diversity and Inclusion

Building a company that consumers choose, and trust requires a good understanding of the richness and cultural diversity of the societies we serve. F&N celebrates and promote diversity and inclusion at all levels. We strive to offer equal opportunities for all, regardless of gender, age, ethnicity, race, sexual orientation, and disability, and any other attributes unrelated to employment requirements. Our goal is to cultivate a genuinely diverse workforce and foster an inclusive culture, where every team member is appreciated, involved, provided with equitable chances, and treated without bias, regardless of their personal characteristics. Our overarching aim is to foster a workplace environment that is devoid of discrimination, harassment, and retaliation.

Over the past few years, significant strides have been made in our efforts to promote gender equality within the F&N workforce. Currently, women comprise 34% of our total employee population. Moreover, within our managerial ranks, 48% of leadership positions are occupied by female professionals. Additionally, in Singapore, we extend employment opportunities to individuals beyond the mandatory retirement age of 62, demonstrating our commitment to providing work opportunities for older individuals.

Employees diversity



EMPOWERING OUR PEOPLE

Human Capital Roadmap and Strategy

Apart from focusing on Diversity and Inclusion, F&N Group has developed a Human Capital Roadmap and formulated a strategy to groom our employees. The seven modules for strategic human capital transformation are as follows:

VISION	Best Employer in ASEAN Fully Enabling Business Vision						
MISSION	Creating and Sharing the Value of Growth						
STRATEGIC INTENTS	Ensure Business Continuity		Create Sense of ONeness		Build Transformation & Expansionist Mindset		
STRATEGIC INITIATIVES	Module 1: Clear Structure and Roles	Module 2: Market-oriented Compensation and Benefits	Module 3: Recognition-based Performance Management	Module 4: Holistic People Development	Module 5: Proactive Succession Planning	Module 6: Engaging Corporate Values	Module 7: Strategic Talent Acquisition and Onboarding
KEY PRINCIPLE	Implement right structures for enabling business opportunities & effectiveness with right numbers of workforce	Segmentise approach to Compensation & Benefits for recognising talent and promoting collaboration with right behaviour	Drive performance excellence through recognition based performance management and recognition programme	Identify future skills with holistic people development programme to support employee future growth and meet future business needs	Ensure talent pipeline with younger generation and global/regional leader profile to drive ASEAN expansion. Strengthen global succession pipeline in critical roles	Promote ONENESS through Global Values and build innovative culture	Strengthen employer branding for local and ASEAN labour market to attract qualified calibers and promote "Limitless Opportunities" across company
ORGANISATION CAPABILITIES	HC Transformation: Organisation, People, Process and Systems						
	Embracing Technology	Strong R&D	Brand Portfolio Management	Multi-channel Management			
	Sustainable Growth	Developing and Retaining Talents	Collaboration	Result-driven			



Clear Structure and Roles

F&N adopts the 'Beverest' system to integrate our Human Capital processes and systems across the Group – from recruitment and on-boarding to performance reviews and career development. The system ensures that the expectations and responsibilities of each employee are well-communicated.

Market-Orientated Compensation and Benefits

We ensure that our employees are rewarded and recognised for their contributions with competitive pay and

benefits. F&N regularly reviews the remuneration packages to ensure alignment with those of peers and in harmony across the Group.

Some of the benefits provided to all full-time employees include life insurance, health care, disability and invalidity coverage, parental leave, retirement provision, and stock ownership options (share-based incentive plans). To promote a better work-life balance, F&N has implemented flexible working hours for office employees, allowing employees to start and finish their work at times that suit their needs.

	Singapore	Malaysia	Thailand
Life insurance	Yes, by job level	Yes, by job grade	Yes, by job grade
Health care	Yes, by staff category and/or job level	Yes, by age, staff category and/or job grade	Yes, by age, staff category and/or job grade
Disability and invalidity coverage	Yes, by job level	Yes, by job grade	Yes, by job grade
Parental leave	Maternity and shared parental leave	Maternity and paternity leave	Maternity and paternity leave
Retirement provision	No, (as per statutory requirements)	Yes, for certain categories of employees	Yes, for certain categories of employees
Stock ownership	Yes, for eligible executives only	Yes, by job grade	No
Others	<ol style="list-style-type: none"> 1. Company product/allowance (Non-Executives only) 2. Long- Service Awards 3. Annual Membership Subscription to Professional Body (Executives Only) 4. Mobile Line Subsidy (selected departments / employees only) 	<ol style="list-style-type: none"> 1. Car Loan (Executives only) 2. Long Service Award (All employees) 3. Annual Membership Subscription to Professional Body (executives only) 4. Phone Subsidy (selected departments / employees only) 5. Festive Drinks (All departments) 	<ol style="list-style-type: none"> 1. Provident fund

Recognition-Based Performance Management

A Performance Assessment Review occurs annually for our employees to appraise their outcomes and identify development opportunities together with their supervisors. Employees are assessed against well-defined KPIs, that are in sync with business plans. This year, 100% of employees received their assessment reviews.

Our policy supports the provision of 'Limitless Opportunities' to employees from the moment they join F&N. Employees develop their Individual Development Plans ("IDP"), which has four stages:



EMPOWERING OUR PEOPLE

Holistic High Performer Retention and Development

We motivate our employees to help them build their skills, by providing online training, and on-the-job training opportunities to enhance their employability. F&N's employees underwent mandatory online training and development courses to acquire new skills and enhance existing ones, following the 70/20/10 Learning Model.



All of our Executive employees were required to complete at least 16 hours of training on average and all Non-Executive employees were required to complete at least 10 hours of training on average.

We are committed to supporting our employees throughout their lifelong learning journey. As such,

F&N's 2025 target is to increase the average training hours to 18 hours for Executives and 11 hours for Non-Executives.

The key development programmes for F&N this year included topics around digitalisation, leadership, and corporate governance. Some key training courses that were promoted are outlined below:

Theme	Program	Employees Targeted
Functional / Technical	Cyber Security	Executives and Sup-Con
	Human Rights Training	
	How to Build Excel Interactive Dashboards	
	Digital Marketing	Executives
	TCFD workshop	
	Sales e-Learning courses	
	Sales Development Program	Bargainable
	Operate Forklift Course	
Health and Safety	Occupational First Aid Course	Executives
	Food Safety Course	Sup-con
	WSH Risk Assessment Leader	Executives and Managers
Soft Skills	Critical Thinking for Better Judgement and Decision-Making	Executives and Managers
	Developing Emotional Intelligence	
	Growth Mindset	Executives and Sup-Con
	The Six Central Aims of Effective Adult Communication	Executives
Leadership	Advanced Management Development Program	Managers
	Delegation with Accountability	
	Motivation: A Quick Course on Motivating Your Team	

Proactive Succession and Workforce Planning

With the support of F&N's Talent Management Team, we groom employees identified as having the potential to become future leaders at F&N. These employees are provided with opportunities, such as job rotations and transfers, to further develop their understanding of F&N's operations.

Engaging Corporate Culture

F&N promotes a culture of engagement and inclusion. At the heart of this is our Global Values which emphasise on optimal outcomes when we work together. More details on our Global Values, can be found on page 19.

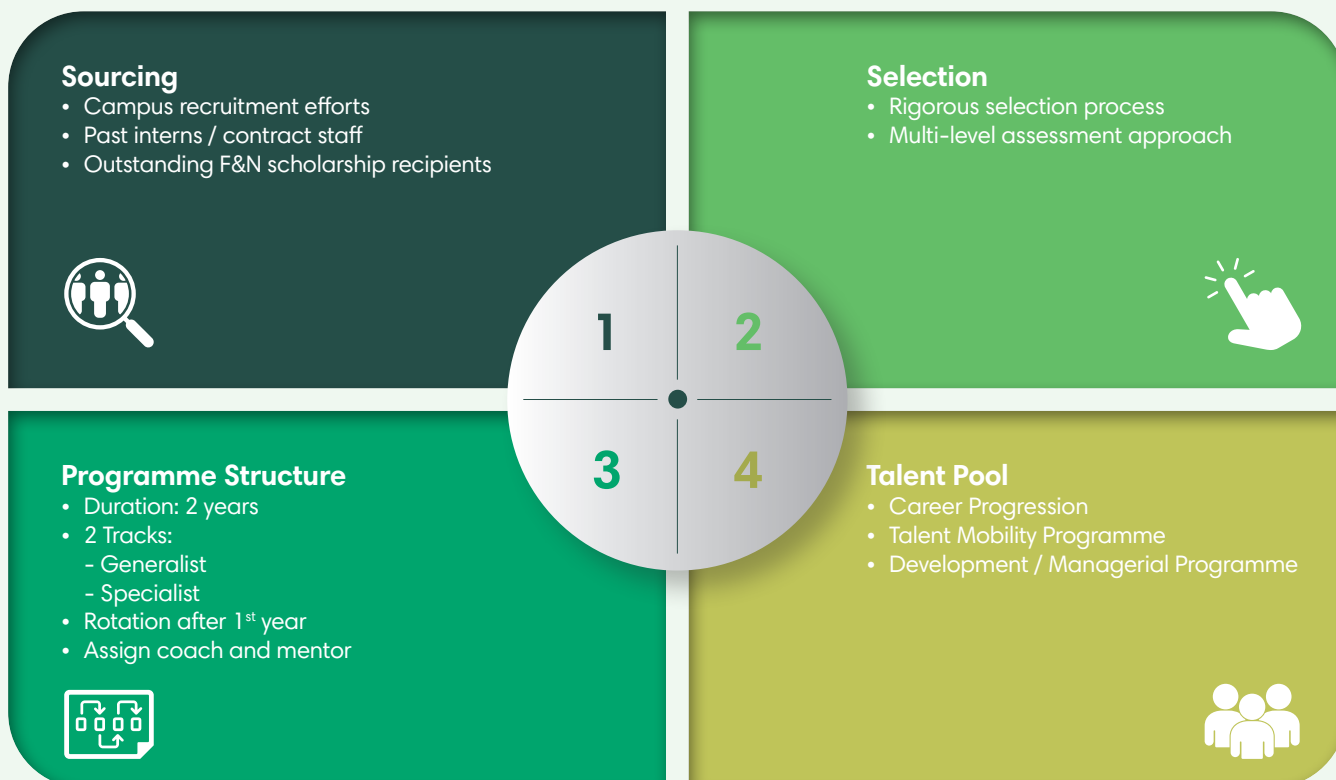
F&N collaborates closely with other organisations to introduce a range of engaging activities, including exercise sessions and team-building events, such as Food Fairs, to enhance employee engagement. In the realm of mental health initiatives, F&N takes pride in being a founding partner of the MindForward Alliance, alongside renowned organizations like Goldman Sachs. This alliance adopts a proven mental wellness framework utilised by countries such as the UK and Hong Kong. The core focus is on cultivating a culture of well-being, fostering a healthy work environment, and ensuring accessible resources are available to support employees. In pursuit of these goals, F&N has obtained

the support of its leadership team to elevate the culture of mental well-being among its employees. Some of the activities implemented to promote mental wellness include lunchtime talks and collaborations with the Health Promotion Board, reflecting F&N's commitment to the holistic well-being of its workforce.

Strategic Talent Acquisition and On-Boarding

F&N is committed to optimising the opportunities accessible to our internal talent pool and actively supports the upward progression of our employees within the organisation. Our aim is to nurture and advance our own workforce, enabling them to advance their career within F&N. In instances where internal candidates may not be feasible, our Human Capital team takes deliberate measures to apply a diverse range of assessment tools to ensure a fair and rigorous recruitment process, ultimately selecting candidates who align with the specific requirements and objectives of the company. We aim to attract, hire, develop, and retain the right candidates to contribute positively to our mission.

We ensure that every new recruit experience a thorough and uniform onboarding program throughout the entire Group. This program incorporates a blend of self-paced e-learning modules and personalised one-on-one support to facilitate a smooth transition into the organization.



EMPOWERING OUR PEOPLE

2025 Target

Target

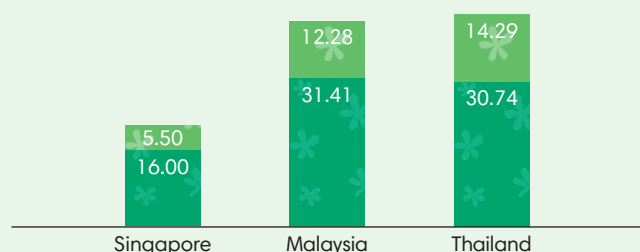
Provide an average of at least 18 hours of training to Executives and 11 hours of training to Non-Executives by 2025



Performance

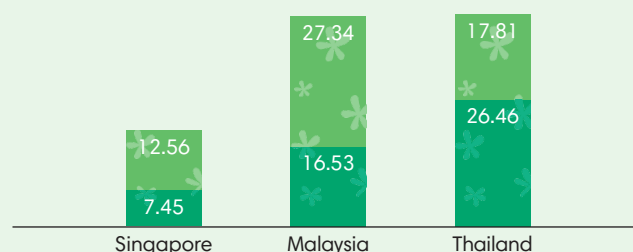
In FY2023, 28.71 training hours were provided to Executives and 11.24 training hours were provided to Non-Executives

Average Hours of Training Per Year
Per Employee by Category



Executive
Non-executive

Average Hours of Training Per Year
Per Employee by Gender



Average Number of Training Hours for Male Employees
Average Number of Training Hours for Female Employees

Performance

GRI 401-1

New employee hires and employee turnover



See 'Performance Summary' section in this Report on pages 98 - 99

GRI 401-2

Benefits provided to full time employees not provided to temporary or part-time employees



See page 75

GRI 401-3

Parental Leave



See 'Performance Summary' section in this Report on pages 98 - 99

GRI 404-1

Average hours of training per year per employee



See 'Performance Summary' section in this Report on pages 98 - 99

GRI 404-2

Programmes for upgrading employee skills and transition assistance programmes



See page 76

GRI 404-3

Percentage of employees receiving regular performance and career development reviews



See 'Performance Summary' section in this Report on pages 100 - 101

GRI 405-1

Diversity of governance bodies and employees



See 'Performance Summary' section in this Report on pages 100 - 101

EMPLOYEE SAFETY, HEALTH AND WELL-BEING

GRI Index:
GRI 403-9, GRI 403-10

SDG



Prioritising the well-being of employees is essential in establishing sustainable organisations, enhancing business performance, and showcasing value to shareholders. Consequently, we cultivate a proactive 'safety-first' culture that emphasises employee awareness of their responsibilities towards themselves and their colleagues. We firmly believe that teamwork is essential in our pursuit of achieving zero LTIFR.

At F&N, workplace health and safety are integrated into our daily work routines and are ingrained in every aspect of our operations. With this approach, we have instilled a culture of behavioural change aimed at eradicating unsafe practices and proactively implementing preventive measures. We implement stringent procedures to ensure the physical well-being of our on-site employees and promote practices that enhance the mental health of our remote-working staff.

➔ Approach

The safety of our people, and those who work with us, is one of our top priorities. To ensure our employees and contractors' employees carry out their functions aligned with F&N's safely protocols, various safety training programmes were conducted. A trained workforce plays a pivotal role in establishing a secure work environment and consequently reshaping the safety culture within the organization. We ensure that our employees and contractors receive appropriate safety training tailored to their specific roles and responsibilities.



EMPOWERING OUR PEOPLE

Creating a Safety Culture

F&N strictly adheres to the ILO guidelines, Singapore's Workplace Safety and Health ("WSH") Council WSH guidelines, Thailand's Labour Protection Act and Malaysia Employment Act 1955. We go beyond national regulations by complying with ISO 14001 and ISO 45001 at all our major sites. These policies and legal obligations have been integrated into our operations through the implementation of ESH systems and monitoring processes, demonstrating F&N's dedication to foster a culture of safety for all. All employees, workers and activities are covered under our ESH systems such that workers receive adequate training and appropriate safety equipment, when necessary.

Every plant has a Safety Committee, which includes representatives from management and workers. The main objective of these committees is to oversee F&N's safety systems and programmes to ensure their effectiveness. This is supported by:

- Periodical meetings to discuss accidents or near-misses and determine appropriate corrective actions
- Audits of ESH systems
- Development of annual safety plans
- Initiating programmes to increase awareness of health and safety issues among employees

On the ground, our Company Emergency Response Teams are trained to mobilise quickly and attend to any incidents.

F&N conducts frequent checks on our employees to detect early onset symptoms from potential hazards in their day-to-day work. Audiometric tests are conducted regularly for all at-risk workers annually, with follow-up doctor consultations when hearing impairments are identified.

Employees are encouraged to report any potential risks or hazards by informing their safety representative or supervisor, or by a formal channel to safety committees with an option to remain anonymous.

Employee Safety Training and Awareness

In FY2023, our manufacturing staff underwent training on various safety topics, which encompassed areas such as noise exposure and the use of personal hearing protection, plant safety awareness, chemical handling, first aid, ergonomics, and more.

Our safety trainings remained effective with over 260, 527 and 110 attendees participating in over 960, 8,830 and 1,260 hours of safety trainings in Singapore, Malaysia and Thailand, respectively.

Conducive Working Environment

The Safety Committees comprises skilled personnel trained to comprehensively evaluate areas where employees may be exposed to health risks and are supported by accredited Occupational Health and Safety ("OHS") consultants. All employees and contractors have access to comprehensive OHS services that cater to their specific job roles, including hygiene services, ergonomic tools, protective equipment, and first aid kits. We also extend healthcare insurance coverage to our employees and facilitate annual health screenings, reinforcing our commitment to their overall health.

Air quality, brightness, temperature, and noise levels are monitored in all F&N's facilities. By monitoring noise levels at our facilities regularly, F&N can ensure that the noise level is within the recommended range. For instances where workers are exposed to high noise levels, hearing protection equipment is provided.



F&N strictly adheres to the ILO guidelines, Singapore's Workplace Safety and Health ("WSH") Council WSH guidelines, Thailand's Labour Protection Act and Malaysia Employment Act 1955. We go beyond national regulations by complying with ISO 14001 and ISO 45001 at all our major sites.

2025 Target

Target
Reduce the LTIFR to 0



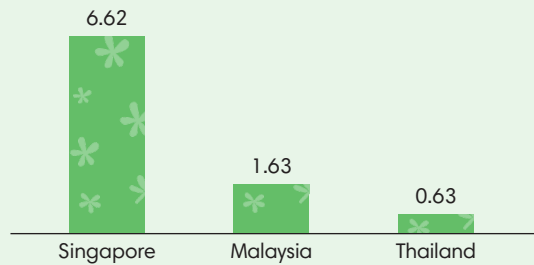
Performance
In FY2023, the LTIFR was 2.46.

Performance

GRI 403-9
Work-related injuries



Employment Work-related Injury Rate



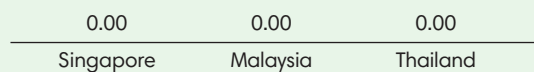
In FY2023, there were 24 employee work-related injuries. 0 of the incidents were high-consequence work-related injuries or resulted in fatalities.

Employees Work-related Injuries by Type



In FY2023, there were no non-employee work-related injuries.

Non-Employee Work-related Injury Rate



GRI 403-10
Work-related ill health



There were zero incidents of work-related ill health at F&N in FY2023.

Introduction to Environment Pillar

CIRCULARITY AND ENVIRONMENTAL PROTECTION



At F&N, we acknowledge and embrace the significant responsibility our business bears in safeguarding the environment and are fully aware of the pivotal role we play in preserving and nurturing our natural surroundings for the benefit of current and future generations.

Within our operations, we prioritise and champion circularity and environmental efficiency by effectively managing energy, water, and waste resources. Shifting towards a circular economy not only opens prospects for enhancing business value but also serves as a means to mitigate environmental consequences.

We recognise the interaction of the F&B sector with biodiversity and are committed to sourcing ingredients with respect of their impacts on the ecosystem.

Operational Eco-Efficiency

- Energy and Climate Change
- Water Stewardship
- Waste Management

Value Chain Impacts

- Packaging
- Biodiversity

2025 SUSTAINABILITY TARGETS AND FOCUS AREAS



ENERGY AND CLIMATE CHANGE

- Reduce the Group's energy intensity ratio at our plants (from a 2020 baseline) by 8% by 2025
- Reduce the Group's GHG emissions intensity ratio at our plants (from a 2020 baseline) by 8% by 2025



WASTE STEWARDSHIP

Reduce the Group water intensity ratio at our plants (from a 2020 baseline) by 8% by 2025



WASTE MANAGEMENT

Reduce the solid waste sent to landfill (from a 2020 baseline) by 30% by 2025



PACKAGING

25% of beverage and dairy packaging to contain recycled materials by 2025

Contributing to SDGs

Primary



Secondary



OPERATIONAL ECO-EFFICIENCY

F&N recognises that our company creates environmental impacts through energy, water and resource consumption. To reduce our impacts on the environment, we are committed to explore avenues to improve our manufacturing processes, through innovative initiatives and resourceful strategies, to optimise eco-efficiency to minimise our environmental footprint and align our operations more closely with sustainable practices.

Details on how we approach each environmental impact are elaborated in the following sections:

- Energy and Climate Change
- Water Stewardship
- Waste Management

Environment, Safety and Health Policy

F&N implements environmentally sustainable business practices aligned with our core values and the circular economy principles. Our operations are guided by the ESH Policy. It serves as a framework for all F&N's decisions concerning the environment across our value chain – production operations, business facilities, products, distribution and logistics, and management of waste. We work with local communities to protect and preserve the environment and strive for zero waste and zero pollution.

OUR ENVIRONMENTAL SAFETY & HEALTH POLICY

All of our operations in Singapore, Malaysia and Thailand are guided by the following principles, to:



Comply with applicable environmental, safety & health, legal and other requirements and also work with relevant statutory bodies to provide and maintain a safe, green working environment



Develop review and carry out Environmental Impacts and Occupational Risk Assessments to take appropriate control measures for prevention of pollution, injury and illness



Foster communication with shareholders, employees, customers, suppliers and local communities to protect the environment and to have hazard free condition



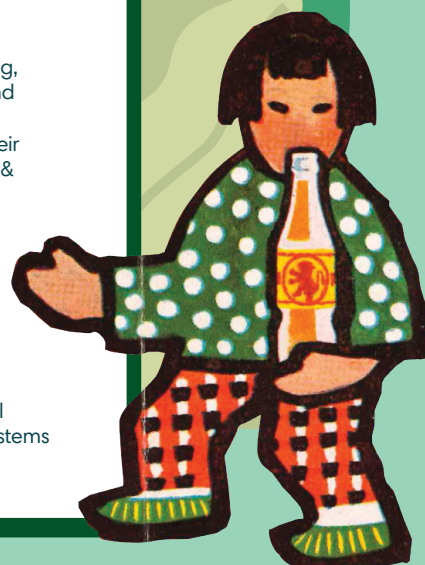
Provide and maintain relevant training, instruction, information, resources and supervision to our employees about our commitments and encourage their involvement in Environmental, Safety & Health Programmes



Ensure continual improvement in the Environmental, Safety and Health Management system and standards



Strive for Zero Waste, Zero Pollution and Zero Accident through continual improvement in our management systems and processes



OPERATIONAL ECO-EFFICIENCY

ENERGY AND CLIMATE CHANGE

GRI Index:

GRI 302-1, GRI 302-3, GRI 305-1,
GRI 305-2, GRI 305-4

SDGs

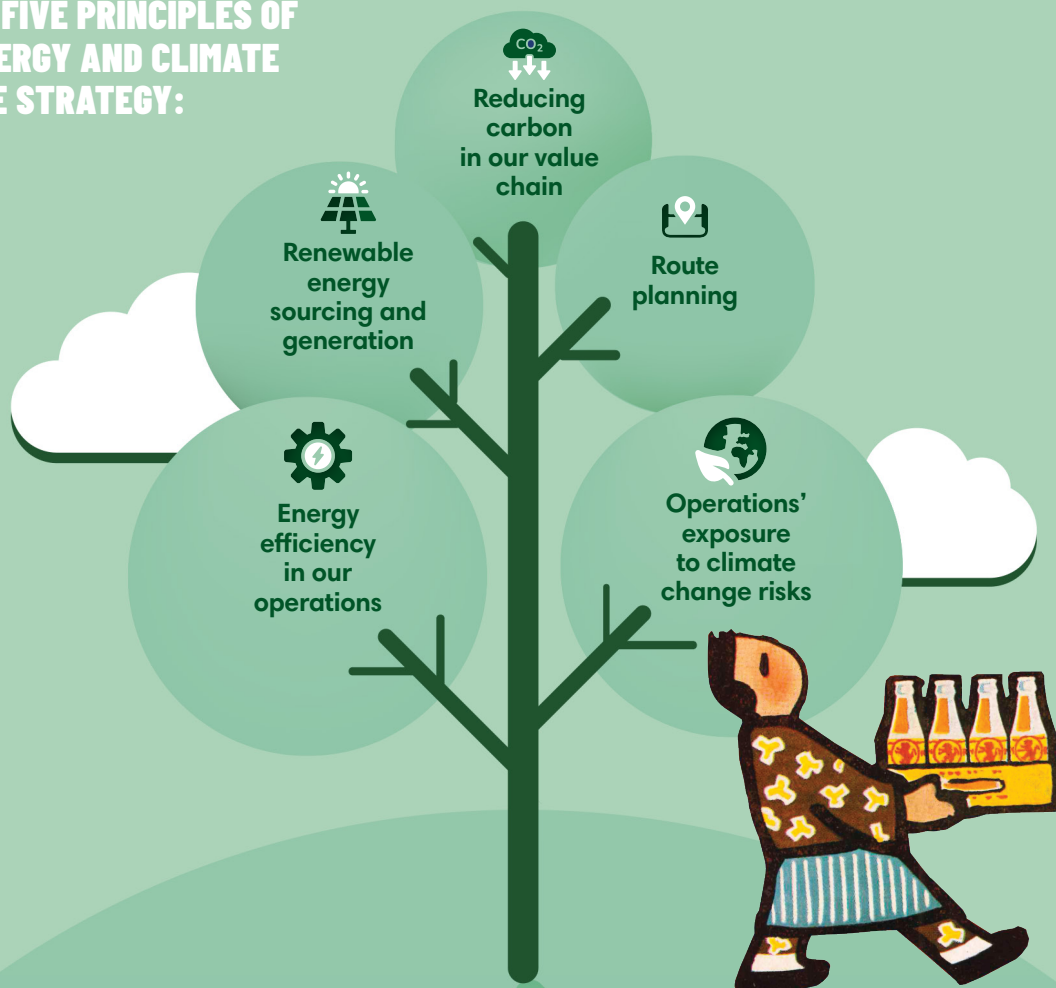


GHG emissions from our business operations contribute to climate change. In turn, the effects of climate change also affect F&N. The ripple effects of climate change places pressure on production processes and poses climate-related risks, such as price fluctuations of raw material commodities, and the access to water resources, for F&N. At the same time, it also provides climate-related opportunities, such as cost savings, and alignment with consumer expectations. For a more detailed focus on climate change risks, refer to the 'TCFD and Climate Risk Management' chapter of this Report.

F&N is committed to reducing the energy and GHG emission intensities of our plants, as per our 2025 sustainability targets. We assume the responsibility to minimise our carbon footprint across our value chain. To further highlight this commitment, and to support the efforts to mitigate the effects of climate change, we would also be declaring a 2040 target for the net-zero of Scope 1 and 2 GHG emissions.

➔ Approach

F&N'S APPROACH IS GUIDED BY THE FIVE PRINCIPLES OF THE ENERGY AND CLIMATE CHANGE STRATEGY:



2025 Target

Target

Reduce the Group's energy intensity ratio at our plants (from a 2020 baseline) by 8% by 2025

Performance

In FY2023, our energy intensity ratio increased by 2% from 2020, due to the lower production volume at some of our plants.

Target

Reduce the Group's GHG emissions intensity ratio at our plants (from a 2020 baseline) by 8% by 2025

Performance

In FY2023, our GHG emissions intensity ratio decreased by 6% from 2020, due to the increased use of renewable energy at our plants.

Performance

GRI 302-1

Energy consumption within the organisation

See 'Performance Summary' section in this Report on pages 102 - 103

GRI 302-3

Energy intensity ratio

See 'Performance Summary' section in this Report on pages 102 - 103

GRI 305-1

Direct (Scope 1) GHG emissions (CO₂e)

See 'Performance Summary' section in this Report on pages 102 - 103

GRI 305-2

Energy Indirect (Scope 2) GHG emissions (CO₂e)

See 'Performance Summary' section in this Report on pages 102 - 103

GRI 305-4

GHG emissions intensity

See 'Performance Summary' section in this Report on pages 102 - 103

Initiatives

ENERGY EFFICIENCY IN OUR OPERATIONS

Improving energy efficiency in our operations makes just as much business sense as it is to reduce our environmental impacts. F&N continues to scale up on our GHG reduction projects by improving the energy efficiency in our operations and supply chain.

1

Thailand

F&NDT – Innovative Heat Recovery System

Continuous and Batch Sterilisers are natural gas intensive and generate a significant amount of heat waste. By installing an innovative heat recovery system to recover heat waste from the cooling water, the 70°C sterilisers in many areas transfer heat waste for use in utilities and at the production line to heat up reverse osmosis water, processed water and soft water from 30°C to 60°C, reducing the amount of natural gas consumption. This reduced F&NDT's natural gas consumption by up to 6%, created cost savings of about THB 5.4 million (about SGD 208,000 per year), and resulted in reductions of around 650 MT CO₂e GHG emissions per year.

2

Malaysia

F&NHB – Reduced Energy Used for PET Bottle Dry Blowing

By updating the current compressed air PET bottle drying process with Paxton blowers at our Shah Alam plant, there has been a reduction in electricity consumption by about 228,000 kWh annually. This means an estimated cost savings of around MYR 81,000 (about SGD 23,100), and a reduction of GHG emissions by around 133 MT CO₂e per year. The added benefit is that the Paxton blowers also generates a lower level of noise.



OPERATIONAL ECO-EFFICIENCY

Initiatives

RENEWABLE ENERGY SOURCING AND GENERATION

Renewable energy sourcing and generation initiatives will be key for our progress toward our 2025 Energy and GHG reduction sustainability goals.



1 Singapore, Malaysia and Thailand

FNFS, TPL, F&NHB and F&NDT – Installation of Solar Panels

Across the Group's operations in Singapore, Malaysia and Thailand, solar panel are being progressively installed across the rooftops of selected plants. It is expected to provide cost savings of over SGD 2.4 million, and an estimated 13,000 MT CO₂e in GHG emissions avoided, each year. The solar photovoltaic system reduces the amount of electricity usage by about 23 million kWh annually, significantly reducing F&N's energy offtake from the grid by our switching to renewable energy for daily operations.

Initiatives

ROUTE PLANNING

Optimal route planning can help reduce GHG emissions. In the last few years, we have continued to streamline our distribution networks.



1 Singapore, Malaysia and Thailand

FNFS, F&NHB and F&NDT – Automated Storage and Retrieval System ("ASRS")

F&N has strategically decentralised its distribution network to curtail GHG emissions. This decentralisation aligns with the principles of Total Supply Chain Management (TSCM) and extends to logistics management.

One key technological advancement is the ASRS, which is fully operational in integrated warehouses located in plants in Singapore, Malaysia and Thailand. This system has revolutionised our operations by automating processes, allowing for the handling of more loads. As a result, forklift usage is optimised and substantially reduced, by up to 40%, saving both time and energy by cutting down on trips down storage aisles. Another notable benefit of implementing the ASRS is a reduction in the need to rent external warehouses. As a result, a remarkable reduction of over 15% in transport annually had been achieved. This saves time and energy and contributes significantly to reducing GHG emissions.

This system drives improvements through:



More accurate stock management



Elimination of product damage caused by mishandling



In-sourcing of break bulk activities



Reduction of time spent by workers at the warehouse

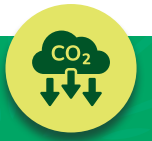


Improvement in warehouse safety



Initiatives

LOW CARBON PRODUCT



1 *Thailand*

F&NDT – CARNATION Extra Non-dairy Half Creamer for Cooking and Baking

The CARNATION Extra Non-dairy Half Creamer for Cooking and Baking (385g) is F&NDT's first low-carbon product certified by Thailand Greenhouse Gas Management Organisation ("TGO"). The product's carbon footprint of 295g CO₂e successfully meets the requirements of the TGO Carbon Footprint Reduction Label scheme.

F&N is working towards having more products certified by TGO under the Carbon Footprint Reduction Label scheme.

Initiatives

OPERATIONS EXPOSURE TO CLIMATE CHANGE RISKS

The increasingly visible impacts of climate change around the globe are disrupting societies and businesses. F&N too is vulnerable to such climate-related risks, from extreme temperatures to floods and drought, which have the potential to halt our operations and disrupt our supply chain.



1 *Singapore, Malaysia and Thailand*

Group – Climate-Related Risks and Opportunities Assessment

To better understand our position, last year, F&N had conducted an inaugural qualitative climate-related risks and opportunities assessment to identify the potential material climate-related physical and transition risks and opportunities. This year, to gain more insight into the potential business impacts of the identified climate-related risks, we had built upon last year's work and conducted a quantitative climate-related risks assessment on three physical and transition risks. The outcome would be integrated into the organisation's overall ERM framework for monitoring in order to drive strategic decisions for managing them.

For details on the climate-related risks and opportunities assessment, refer to the 'TCFD and Climate Risk Management' chapter of this Report.



OPERATIONAL ECO-EFFICIENCY

WATER STEWARDSHIP

GRI Index:

GRI 303-3, GRI 303-4, GRI 303-5

SDGs



Water is an important resource for F&N because it is used extensively in our products and operational processes. The success to our business depends on a reliable supply of water and effective water management. Through our climate-related risks and opportunities assessment, there are key sites in areas with medium to high exposure to water

scarcity – where demand of good quality water exceeds the availability. With climate change expected to intensify the severity of flooding and water-stress in the near future, we are committed to responsible water stewardship by managing our water use to safeguard the availability of clean water for the local communities, in the markets we operate.

Approach

Guided by the F&N ESH Policy and the principles of circular economy, F&N has organised initiatives to increase water security and reduce water consumption. Water-related risks and opportunities are identified and addressed by collaborating with relevant stakeholders to create shared value projects.

To reduce risks towards our water supply, we utilised a range of internal water assessments and have deployed action policies in all our facilities:

- F&N conducted a quantitative climate-related risks assessment to determine the potential business impact on key sites that had been identified as having medium to high exposure to the climate-related physical risks of water scarcity, and flooding.
- The sustainability team utilises publicly available tools such as the World Resources Institute Aqueduct and World Wildlife Fund Water Risk Filter to evaluate water-stress areas.
- F&N has an established system within all operations for systematic daily and monthly tracking and monitoring of water consumption and effluent quality.

2025 Target

Target

Reduce the Group's water intensity ratio at our plants by 8% from a 2020 baseline by 2025



Performance

In FY2023, our group water intensity ratio increased by 5% because of a lower production volume at some of our plants.

Performance

GRI 303-3

Water withdrawal



See 'Performance Summary' section in this Report on pages 102 - 103

GRI 303-4

Water discharge



See 'Performance Summary' section in this Report on pages 102 - 103

GRI 303-5

Water consumption



See 'Performance Summary' section in this Report on pages 104 - 105



Initiatives

WATER STEWARDSHIP IN OUR OPERATIONS

F&N implemented various water saving initiatives this year to further improve our water efficiency. Our plant engineers look into closing the loop for our water systems – through treating wastewater from our plants and using the recycled water for general cleaning and cooling purposes. We also collaborate with stakeholders in our value chain to develop water management strategies.

1 *Thailand*

F&NDT – Innovative Water Recycling System

F&NDT has been actively focusing on implementing a robust water recycling system at the Rojana plant. This system involves treating effluent water to a level where it meets the quality standards of drinking water and can be channelled back into the utility system. The recycling process itself Ultra Filtration combined with Reverse Osmosis membrane technology to achieve the required water quality. The treated effluent is then sent to the Evaporative Condenser and Cooling Tower for further use. The concentrated wastewater, separated from the treated effluent during the recycling process, serves a practical purpose as it is used for watering the plants in the garden or transferred to the Rojana industrial park's wastewater treatment plant for further treatment. It is estimated to reduce water consumption by over 83,000m³ each year, achieving annual cost savings of over THB 1.6 million (over SGD 61,600).

2 *Malaysia*

F&NHB – Sustainable Sugar Manufacturing

F&NHB has collaborated closely with the local community and established a partnership with our liquid sugar manufacturer, spanning over two years, to address a significant challenge in the sugar manufacturing process – the substantial water consumed during the sugar crystallisation stage. To mitigate this environmental impact, F&NHB had implemented a filtration resin method, effectively transforming the sugar into a liquid form. This innovative approach eliminates the need for large quantities of water traditionally required for the sugar crystallisation process.



OPERATIONAL ECO-EFFICIENCY

WASTE MANAGEMENT

GRI Index:

GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4
GRI 306-5, GRI 306-6

SDGs



Our commitment lies in shaping a future devoid of waste, and we actively translating this commitment into action by adopting the circular economy approach. Circular economy aims to minimise waste and promote a sustainable use of

natural resources by repurposing it as input for other processes. Proficient waste management strengthens our capacity for resource efficiency and also diminishes our environmental footprint, resulting in potential cost savings for the business.

➔ Approach

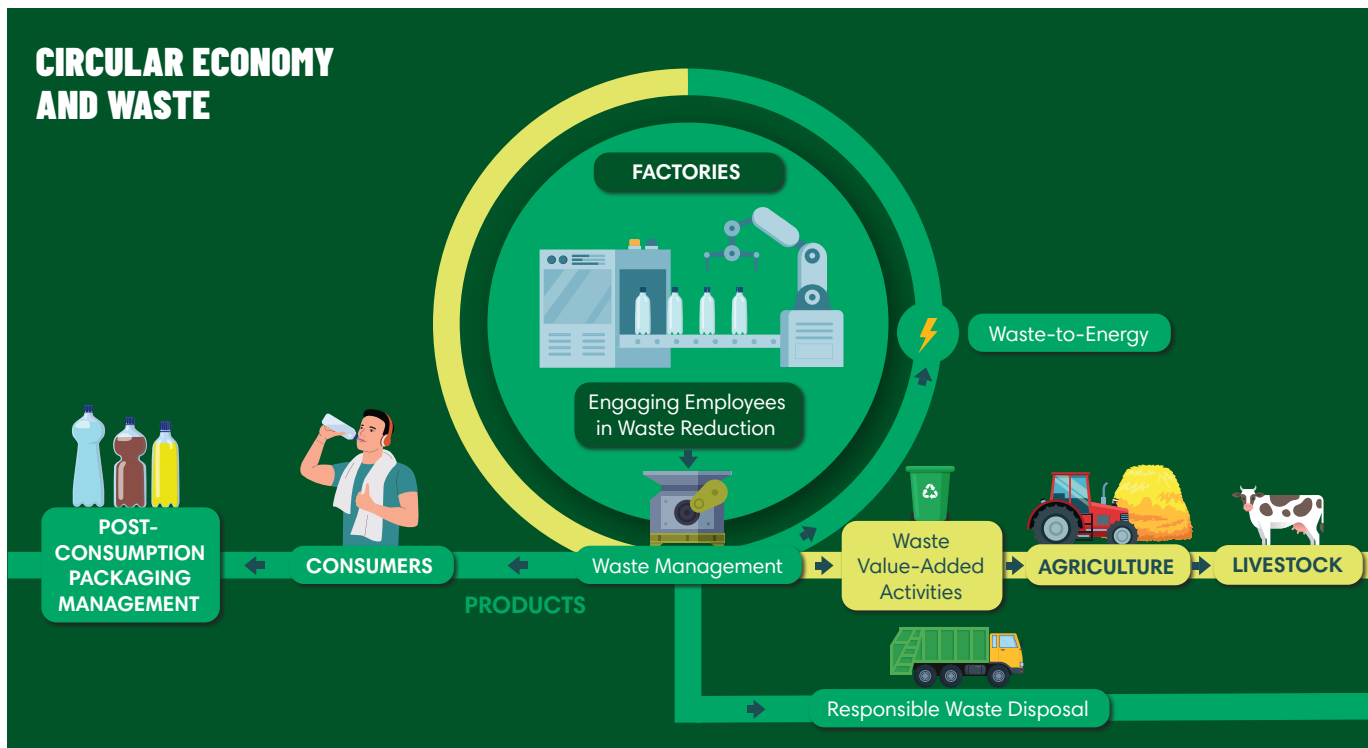
Waste generation occurs at various points within the production process, spanning the supply chain and our own operational activities. F&N focuses on efficient waste management by minimising and redirecting our operational waste. We extend our dedication beyond our immediate operations and collaborate with stakeholders along our supply chain. Together, we identify opportunities to embrace circular practices in their operations, working with them to achieve resource-efficient practices.

F&N aspires to achieve 'zero discharge, zero waste and zero landfill'. Our manufacturing teams seek to improve efficiency in our operations by applying innovation and discovering new opportunities to close the loop in the material cycle.

We prioritise environmentally responsible practices for different types of waste. Non-hazardous waste is predominantly recycled to maximise resource utilisation and minimise environmental impact. Those which cannot be recycled are directed towards power plant waste-to-energy facilities, where possible, to contribute to energy recovery and reduce waste to landfill. Our hazardous waste, though minimal, is properly disposed by licensed waste contractors, adhering to stringent regulatory standards. This approach underscores our commitment to sustainable waste management practices across all waste categories.

Under our ESH Policy, we promote employee awareness on responsible consumption and the importance of effective waste management across our business activities.

CIRCULAR ECONOMY AND WASTE



2025 Target

Target

Reduce the solid waste sent to landfill (from a 2020 baseline) by 30% by 2025

Performance

In FY2023, the total solid waste sent to landfill increased by 4% from a 2020 baseline year due to the transition from our Pak Chong to Wang Muang plant.

Performance

GRI 306-3 (2020)

Waste generated

See 'Performance Summary' section in this Report on pages 104 - 105

GRI 306-4 (2020)

Waste diverted to disposal

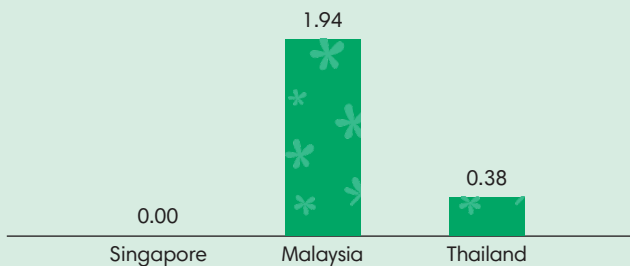
See 'Performance Summary' section in this Report on pages 104 - 105

GRI 306-5 (2020)

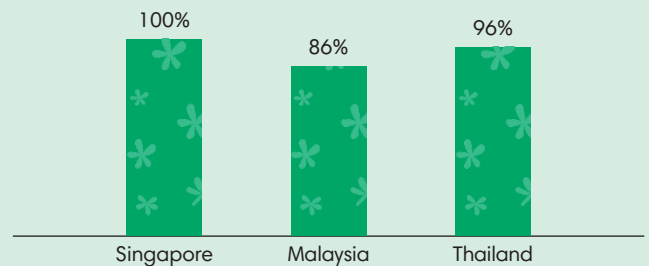
Waste directed to disposal

See 'Performance Summary' section in this Report on pages 104 - 105

Solid Waste Intensity Ratio (kg/MT)



Solid Waste Recycled, Reused or Recovered



Initiatives

OPTIMISING WASTE REDUCTION THROUGH INTERDEPARTMENTAL COLLABORATION

F&N collaborates across departments, partnering with supply chain heads, to enhance product demand and planning. This effort aims to enhance the precision of product quantity forecasting, reducing the occurrence of unsold products, and ultimately, waste generated. To support this initiative, strategic investments has been made in software tools to facilitate the tracking of return SKU, improve forecast predictions, and offer opportunities for continuous enhancement in demand planning. In addition, F&N seeks support from the sales teams to actively contribute their insights and feedback to refine the forecasting process. This collaboration serves to validate and verify the accuracy of the forecasted numbers.



Initiatives

TRANSFORMING MARKET RETURNS INTO COST-EFFECTIVE SOLUTIONS

90% of FNFS general waste originates from unrecyclable market returns. To address this issue, FNFS is exploring an initiative to combine these market returns with okara and repurpose it as feed for black soldier fly larvae. Black soldier fly larvae can convert the waste into a by-product known as frass, which can be used to substitute or supplement commercial fertilisers in agriculture and can also be used in animal feed formulations for poultry and aquaculture diets. This approach is a dual-pronged strategy that minimises waste disposal costs while contributing to an environmentally responsible and sustainable solution.



OPERATIONAL ECO-EFFICIENCY

Initiatives

PLANT MANAGEMENT – ROAD TO ZERO WASTE TO LANDFILL (“ZERO-LANDFILL”)

Of our 13 factories, 5¹ had achieved zero-landfill. To achieve the significant milestone of zero-landfill since May 2021, F&NDT's Rojana plant had undertaken a remarkable zero-landfill initiative to combust non-recyclable waste and recover energy from it. Through this innovative effort, our Rojana plant had successfully converted over 60,000 kg of waste into an impressive 300,000 kWh of electricity.

Note:

¹ Kota Kinabalu, FNFS, TP, Rojana and Wang Muang



Initiatives

FOOD LOSS AND WASTE IN THE VALUE CHAIN

Food loss and waste have emerged as pressing global concerns that significantly impact the pursuit of sustainable development goals. Approximately one-third of all food produced worldwide is either lost or wasted. The repercussions of food loss and waste extend beyond mere inefficiency and also contribute to critical issues, such as food shortages, water stress, biodiversity depletion, and the exacerbation of GHG emissions, thereby underscoring the urgency of addressing this multifaceted challenge.

As a F&B manufacturer, F&N aspires to optimise our position to minimise food wastage in our entire value chain. We are committed to reducing food loss and waste by:

- Reducing our production waste to landfill by 30% by 2025
- Collaborating with our business partners to reduce food loss and waste

F&NHB has established a food loss and waste management framework, drawing inspiration from the Food and Drink Material Hierarchy provided by the United Nations' Food and Agriculture Organisation. They actively engage with both upstream and downstream partners to explore creative solutions aimed at reducing food loss and redirecting it. Their efforts primarily revolve around prevention, optimisation, recycling, and recovery initiatives, all aimed at minimising food waste throughout their value chain.

Raw Materials Upstream

- Work closely with our suppliers to ensure our raw materials are of set standards and quality.
- Track, measure and monitor any losses of our raw materials on monthly basis to reduce food loss.

Production Processes Within Our Plants

- Track, measure and monitor our manufacturing processes.
- Improve our food loss management by identifying key categories and waste streams.
- Reduce impact from operations by complying with, and going beyond, relevant regulations.

Collaboration with Partners

- Team up with partners to look for innovative programmes/initiatives to reduce food loss or reuse food loss for alternative usage.

Managing Food Surplus Downstream

- Regularly track, measure and monitor any food surpluses in retail.
- Channel our surplus food to organisations and communities

Various initiatives have been implemented by F&NHB toward this end, including collaborating with partners to re-use food loss, for example transforming sludge into fertilisers, and channeling surplus food to charitable organisations, such as the Yayasan Food Bank Malaysia, and communities in need.



They (F&NHB) actively engage with both upstream and downstream partners to explore creative solutions aimed at reducing food loss and redirecting it. Their efforts primarily revolve around prevention, optimisation, recycling, and recovery initiatives, all aimed at minimising food waste throughout their value chain.

VALUE CHAIN IMPACTS

Our products have implications that go beyond our immediate operations. Raw materials and ingredients we source for our products and packaging are all associated impacts of our business. Packaging and biodiversity are therefore regarded as material issues to F&N. We strive to mitigate these impacts throughout our value chain by enhancing packaging practices and responsibly sourcing raw materials.

More information can be found in the following sections:

- Packaging
- Biodiversity

PACKAGING

GRI Index:
GRI 301-1, GRI 301-2

SDG



On a global scale, excessive creation, and inadequate handling of packaging at the end of its life pose a significant and ongoing environmental issue. Consequently, it is of paramount importance for society to prioritise the reduction of packaging waste, enhance reusability and recyclability, and ensure effective management of recovered materials.

The sourcing of packaging materials and the handling of post-consumer packaging have emerged as significant societal concerns. Increasing awareness of the environmental impacts associated with single-use plastics, have prompted consumers and stakeholders to call for proactive measures from F&B companies. Various stakeholders are exerting pressure on companies to invest in comprehensive and sustainable packaging solutions.

In regions where we operate, governments have introduced environmental policies aimed at encouraging companies to reconsider their production methods. Examples include Thailand's 'Roadmap on Plastic Waste Management,' Malaysia's 'Roadmap towards Zero Single-Use Plastics,' and the establishment of Singapore's Plastics Recycling Association. Rethinking packaging enables F&N to support the respective government's policies as well as be prepared for future stringent regulations.

Packaging is one of the critical aspects where we could influence and minimise negative impacts on the society and environment. We explore sustainable solutions with a focus on packaging design and materials that would encourage recyclability and circularity.



F&N focuses on designing our packaging with the environment in mind and looks into investing in new innovations, integrating principles of circular economy, and working closely with our stakeholders to innovate packaging solutions.

Approach

F&N focuses on designing our packaging with the environment in mind and looks into investing in new innovations, integrating principles of circular economy, and working closely with our stakeholders to innovate packaging solutions.

F&N's packaging approach is centred around several key objectives:

- Reducing the amount of materials used in our packaging
- Increasing the use of sustainable packaging materials, such as increasing the recycled content in our aluminium and tin cans
- Designing packaging to be recyclable

F&N actively works across the supply chain to find solutions to manage post-consumer packaging. We have partnered with other organisations to close the loop and seek to work with new suppliers that meet our requirements for sustainable packaging materials.

2025 Target

Target

25% of beverage and dairy packaging to contain recycled materials by 2025

Performance

Average recycled content in our packaging has improved from 22% in FY2020 to 25% in FY2023.

Performance

GRI 301-1

Materials used by weight or volume

GRI 301-2

Recycled input materials used

Over 2.0 million MT of materials used

About 25% of recycled input materials used

Notes:

1. Materials are sourced from external suppliers
2. Data are sourced from direct measurements

VALUE CHAIN IMPACTS

Initiatives

SUSTAINABLE PACKAGING SOLUTIONS WITH GREEN LAB



Combining the expertise and resources of Times Printers and Print Lab, the sustainable packaging business was officially launched under the brand Green Lab in May 2022. Green Lab offers a solution to our customers where the responsible use of packaging can have a positive impact of the environment, but not at the expense of price, quality, or convenience.

Green Lab offers customers sustainable packaging solutions printed with environmentally friendly soy-based printing ink and aims to be Singapore's one-stop eco-solutions provider for business and services alike, supporting them in their quest to meet their ESG objectives.

To date, Green Lab has collaborated with over 10 companies from across different industries and intends to further extend this initiative to include more businesses to facilitate the creation of a circular economy,

Initiatives

PARTNERSHIPS TO ENCOURAGE CIRCULAR ECONOMY



F&N spearheaded a joint initiative with the NEA of Singapore to introduce 50 Reverse Vending Machines ("RVMs") across Singapore since 2019. The initiative was to provide an easily available avenue for consumers to deposit selected used plastic bottles and aluminium cans to encourage a habit of recycling. This supports the national vision of the Sustainable Singapore Blueprint's goal to increase the national recycling rate to 70% by 2030. As of September 2023, more than 16 million aluminium cans and PET bottles have been collected and passed on to recycling facilities.

F&NHB partnered with industry leaders KLEAN, GRAB and Malaysian Research Accelerator for Technology and Innovation to launch 18 Artificial Intelligence-driven RVMs in strategic locations across the Klang Valley in Malaysia. The pilot project will run for six months. Each fully operational RVM can also accept plastic food containers, on top of the usual aluminium cans and PET bottles, for recycling. Asasrama Sdn Bhd, a certified processor, would then collect and recycle them into raw materials, such as plastic pallets/flakes, giving them a second life by reusing them in new products, including apparels, furniture fillings and plastic furniture/boxes.

BIODIVERSITY

GRI Index:
GRI 304-1

SDG



A thriving biodiversity, coupled with healthy ecosystems, offers an array of essential benefits to humanity. These encompass the provision of nutrition, habitat, medicinal resources, and even energy sources. It is important to recognise that the well-being and livelihoods of billions¹ of people are intricately linked to the prosperity of biodiverse ecosystems. In essence, our dependency on these ecosystems is not only significant, but also extends to various aspects of our daily lives and sustenance.

In recent decades, we have witnessed a concerning acceleration in biodiversity loss and ecosystem deterioration, largely driven by the overexploitation of resources.

The preservation of biodiverse ecosystems is facing mounting challenges, including the escalating impacts of climate change, rising demand for resources, and rapid technological advancements.

At F&N, our operations rely on the natural environment for essential raw materials, such as palm oil, sugar, and paper. The decline in biodiverse ecosystems poses a threat to the environment and directly impacts our business. Recognising these interconnected challenges, we are committed to expanding our efforts beyond sustainable sourcing. Together with our suppliers, we are dedicated to safeguarding biodiversity in the regions where we operate.

Note:

- ¹ IPBES (2022). Summary for Policymakers of the Thematic Assessment Report on the Sustainable Use of Wild Species of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services. Fromentin, J.M., Emery, M.R., Donaldson, J., Danner, M.C., Hallosserie, A., Kielling, D., Balachander, G., Barron, E.S., Chaudhary, R.P., Gasalla, M., Halmy, M., Hicks, C., Park, M.S., Parlee, B., Rice, J., Tickin, T., and Tittensor, D. (eds.). IPBES secretariat, Bonn, Germany. <https://doi.org/10.5281/zenodo.6425599>

Approach

Our subsidiary, F&NHB leads the conversation on biodiversity with internal and external stakeholders to develop a direction in biodiversity management. Launched in 2021, the commitments made in F&NHB Biodiversity Statement serves as a foundation for their initiatives:

- Avoid deforestation in our supply chain.
- Avoid operating and developing in close proximity to nationally, or internationally recognised areas of high biodiversity value, including World Heritage areas, International Union for Conservation of Nature (IUCN) Category I-IV protected areas, RAMSAR Sites and key biodiversity areas.
- In any circumstance where our production sites or a proposed project is located within, or depend upon, areas of high biodiversity value, we will apply the following mitigation hierarchy:
 - a. Avoidance - Avoid operating and developing in areas of high biodiversity value.
 - b. Minimisation - Implement measures/initiatives to monitor and minimise impacts on biodiversity from our operations.
 - c. Restoring - Seek to restore/rehabilitate areas where impacts cannot be prevented.
 - d. Offset - Consider biodiversity compensation/offsets measures, where there is residual impact
- In managing potential biodiversity risk, we will engage necessary stakeholders, including local authorities and the communities nearby, and ensure appropriate mitigation strategy is developed to minimise impacts to as low as reasonably possible. We are committed to collaborating with external partners, such as biodiversity experts, to support our biodiversity assessment and management process.

This statement is applicable to all current and future operational sites at F&NHB. Suppliers and business partners are encouraged to commit to protecting the biodiversity and ecosystems in their operations through the F&NHB Sustainable Agriculture Guideline.

Initiatives

F&N sources for sustainable palm oil in a bid to contribute to the conservation of the ecosystem. As an ordinary member of RSPO, we abide by the RSPO Principles and Criteria 2018 and are committed to sourcing for traceable palm oil that is free from deforestation and conversion through suppliers with a no deforestation, no conversion policy.

We engage our palm oil suppliers to ensure the palm oil sourced from them is RSPO certified, sustainable and traceable. Our current palm oil suppliers have No Deforestation, No Peat, No Exploitation Policies which they disclose on their websites.



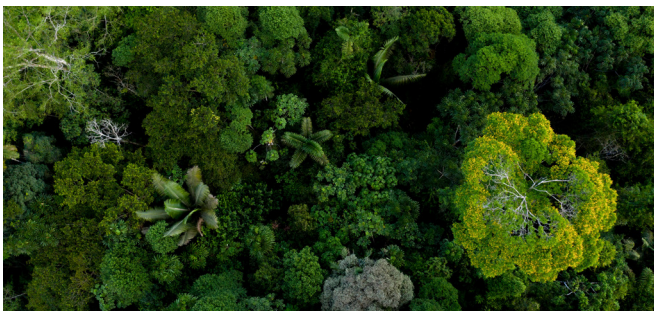
Performance

GRI 304-1

Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.



None of our operational sites are in or adjacent to protected areas and areas of high biodiversity value outside protected areas.



At F&N, our operations rely on the natural environment for essential raw materials, such as palm oil, sugar, and paper. The decline in biodiverse ecosystems poses a threat to the environment and directly impacts our business. Recognising these interconnected challenges, we are committed to expanding our efforts beyond sustainable sourcing.

PERFORMANCE SUMMARY

ECONOMIC PILLAR: RESPONSIBLE BUSINESS FUNDAMENTALS (BETTER BUSINESS)					
GRI Standards	Reference	Unit	FY2020		
			Singapore	Malaysia	Thailand
RESPONSIBLE BUSINESS PRACTICE					
<i>Material Topic: Governance and Ethics</i>					
GRI 205-2 (2016) Communication and training about anti-corruption policies and procedures	Communication				
	F&N Board				
	- Directors				
	Employees				
	- Executive Level				
	- Middle Management				
	- Department Head				
	- Senior Officer				
	- Officer Level				
	Business Partners				
	- Suppliers				
	Training				
	F&N Board				
	- Directors				
	Employees				
	- Executive Level				
	- Middle Management				
	- Department Head				
	- Senior Officer				
	- Officer Level				
<i>Material Topic: Policy and Regulation</i>					
GRI 307-1 (2016) Non-compliance with environmental laws and regulations	Monetary value of significant fines	SGD			
	Non-monetary sanctions				
	Cases brought through dispute resolution mechanisms	case			
GRI 419-1 (2016) Non-compliance with laws and regulations in the social and economic area	Monetary value of significant fines	SGD			
	Non-monetary sanctions				
	Cases brought through dispute resolution mechanisms	case			
RESPONSIBLE SUPPLY CHAIN					
<i>Material Topic: Supply Chain Stewardship</i>					
GRI 204-1 (2016) Proportion of spending on local suppliers	Percentage of local suppliers		81	92	97
	Percentage of purchase value spent on local suppliers	%	37	72	79

Notes for GRI 204-1 (2016):

- Local suppliers refer to suppliers who conduct their businesses within the respective countries where F&N's operations (as covered in this report) are based, namely Singapore, Malaysia and Thailand.

FY2021			FY2022			FY2023		
Singapore	Malaysia	Thailand	Singapore	Malaysia	Thailand	Singapore	Malaysia	Thailand
Data for communication about anti-corruption policies and procedures to be disclosed from FY2022 onwards			14 (100%)			11 (100%)		
			14 (100%)			11 (100%)		
			1120 (25%)	1966 (45%)	1333 (30%)	1079 (24%)	2020 (46%)	1340 (30%)
			27 (1%)	14 (1%)	5 (0%)	24 (1%)	17 (1%)	5 (0%)
			57 (1%)	138 (3%)	33 (1%)	62 (1%)	142 (3%)	36 (1%)
			95 (2%)	234 (5%)	100 (2%)	109 (2%)	278 (6%)	97 (2%)
			185 (4%)	435 (10%)	478 (11%)	141 (3%)	436 (10%)	509 (11%)
			756 (17%)	1145 (26%)	717 (16%)	743 (17%)	1147 (26%)	693 (16%)
			534 (16%)	2272 (67%)	392 (12%)	587 (16%)	2709 (71%)	495 (13%)
Data for training about anti-corruption policies and procedures to be disclosed from FY2022 onwards			14 (100%)			11 (100%)		
			14 (100%)			11 (100%)		
			1120 (25%)	1966 (45%)	1333 (30%)	1079 (24%)	2020 (46%)	1340 (30%)
			27 (1%)	14 (1%)	5 (0%)	24 (1%)	17 (1%)	5 (0%)
			57 (1%)	138 (3%)	33 (1%)	62 (1%)	142 (3%)	36 (1%)
			95 (2%)	234 (5%)	100 (2%)	109 (2%)	278 (6%)	97 (2%)
			185 (4%)	435 (10%)	478 (11%)	141 (3%)	436 (10%)	509 (11%)
			756 (17%)	1145 (26%)	717 (16%)	743 (17%)	1147 (26%)	693 (16%)
There are no cases of non-compliance with environmental laws and/or regulations for FY2021			There are no cases of non-compliance with environmental laws and/or regulations for FY2022			There are no cases of non-compliance with environmental laws and/or regulations for FY2023		
There were 2 cases of non-compliance with laws and regulations in the social and economic area. They were for shipping dairy products without the required permit and for workers not properly wearing their PPE equipments. The monetary fines were about SGD 2,500 in total.			There are no cases of non-compliance with laws and/or regulations in the social and economic area for FY2022			There was 1 case of non-compliance with laws and regulations in the social and economic area. This was due to a manpower shortage caused by the COVID-19 Movement Control Order (MCO) resulting in several employees exceeding the MOM permissible overtime limit, between June and November 2022, to meet the job delivery dateline commitments to fulfil contractual obligations. The monetary fine was SGD 5,000.		
76	91	96	84	92	96	82	92	96
31	76	79	39	67	75	39	76	78

PERFORMANCE SUMMARY

SOCIAL PILLAR: WELL-BEING OF OUR PEOPLE, COMMUNITIES AND SOCIETIES (BETTER SOCIETY)

GRI Standards	Reference	Unit	Singapore	FY2020 Malaysia	Thailand		
EMPOWERING OUR PEOPLE							
Material Topic: Human Capital Development							
GRI 401-1 (2016) New employee hires and employee turnover	Total new employee hires	Person	198 (19%)	185 (18%)	650 (63%)		
	- Age under 30 years old		76 (7%)	70 (7%)	419 (41%)		
	- Age between 30 - 50 years old		105 (10%)	96 (9%)	227 (22%)		
	- Age over 50 years old		17 (2%)	19 (2%)	4 (0%)		
	- Male		127 (12%)	123 (12%)	264 (26%)		
	- Female		71 (7%)	62 (6%)	386 (37%)		
	Total employee turnover		210 (30%)	213 (31%)	272 (39%)		
	- Age under 30 years old		74 (11%)	80 (12%)	174 (25%)		
	- Age between 30 - 50 years old		107 (15%)	117 (17%)	91 (13%)		
	- Age over 50 years old		29 (4%)	16 (2%)	7 (1%)		
	- Male		143 (21%)	119 (17%)	94 (14%)		
	- Female		67 (10%)	94 (14%)	178 (26%)		
	GRI 401-3 (2016) Parental Leave		Employees entitled to parental leave	Person	Data for parental leave to be disclosed from FY2021 onwards		
			- Male				
- Female							
Employees that took parental leave							
- Male							
- Female							
Employees that returned to work in previous reporting period after parental leave ended							
- Male							
- Female							
Employees that returned to work in current reporting period after parental leave ended							
- Male							
- Female							
Employees that returned to work after parental leave ended that were still employed 12 months after their return to work							
- Male							
- Female							
Return to work rate		%					
- Male							
- Female							
Retention rate							
- Male							
- Female							
GRI 404-1 (2016) Average hours of training per year per employee	Total training hours	Hours	16,374	42,914	20,673		
	- Male	Person	680	1,568	751		
	- Female		439	630	641		
	- Executives		311	833	347		
	- Non-executives		808	1,365	1,045		
	Average hours of training per employee	Hours	14.63	19.33	14.85		
	Average hours of training per Executive across the Group		26.23				
	Average hours of training per Non-executive across the Group		12.57				

	Singapore	FY2021 Malaysia	Thailand	Singapore	FY2022 Malaysia	Thailand	Singapore	FY2023 Malaysia	Thailand
	158 (21%)	129 (17%)	457 (61%)	336 (29%)	259 (22%)	566 (49%)	283 (20%)	715 (49%)	443 (31%)
	55 (7%)	48 (6%)	293 (39%)	155 (13%)	95 (8%)	364 (32%)	123 (9%)	374 (26%)	332 (23%)
	87 (12%)	71 (10%)	164 (22%)	162 (14%)	152 (13%)	202 (17%)	144 (10%)	313 (21%)	111 (8%)
	16 (2%)	10 (1%)	0 (0%)	19 (2%)	12 (1%)	0 (0%)	16 (1%)	28 (2%)	0 (0%)
	79 (11%)	84 (11%)	188 (25%)	225 (19%)	170 (15%)	254 (22%)	183 (13%)	514 (35%)	187 (13%)
	79 (11%)	45 (6%)	269 (36%)	111 (10%)	89 (8%)	310 (27%)	100 (7%)	201 (14%)	256 (18%)
	261 (21%)	533 (43%)	449 (36%)	301 (28%)	350 (32%)	427 (40%)	307 (24%)	513 (39%)	474 (37%)
	82 (7%)	111 (9%)	220 (18%)	103 (9%)	90 (8%)	183 (17%)	100 (8%)	168 (13%)	213 (17%)
	135 (11%)	284 (23%)	216 (17%)	159 (15%)	203 (19%)	228 (21%)	154 (12%)	267 (20%)	242 (19%)
	44 (4%)	138 (11%)	13 (1%)	39 (4%)	57 (5%)	16 (2%)	53 (4%)	78 (6%)	19 (1%)
	155 (12%)	308 (25%)	191 (15%)	106 (10%)	226 (21%)	212 (20%)	199 (16%)	358 (27%)	228 (18%)
	106 (9%)	225 (18%)	258 (21%)	195 (18%)	124 (11%)	215 (20%)	108 (8%)	155 (12%)	246 (19%)
	1049	1604	569	1056	1766	385	615	1917	271
	633	1153	0	650	1273	0	399	1317	0
	416	451	569	406	493	385	216	600	271
	9	63	15	15	59	18	34	74	7
	5	33	0	4	39	0	9	47	0
	4	30	15	11	20	18	25	27	7
	12	63	11	16	50	18	26	70	7
	8	33	0	5	30	0	5	44	0
	4	30	11	11	20	18	21	26	7
	9	63	8	15	59	18	18	70	7
	5	33	0	4	39	0	7	44	0
	4	30	8	11	20	18	11	26	7
	12	54	8	16	59	17	29	73	6
	8	32	0	5	39	0	8	46	0
	4	22	8	11	20	17	21	27	6
	100	100	53	100	100	100	53	95	100
	100	100	N.A.	100	100	N.A.	78	94	N.A.
	100	100	53	100	100	100	44	96	100
	100	86	73	100	118	94	112	104	86
	100	97	N.A.	100	130	N.A.	160	105	N.A.
	100	73	73	100	100	94	100	104	86
	16,724	38,157	18,555	13,261	32,363	23,223	10,198	42,210	24,738
	644	1,432	740	657	1,413	737	654	1,498	509
	441	577	598	431	563	596	424	638	633
	339	722	347	286	709	340	311	835	338
	746	1,287	991	802	1,267	993	767	1,301	1,004
	15.41	18.99	13.87	12.19	16.38	17.70	9.46	19.76	21.66
	26.51			21.11			28.71		
	11.94			13.40			11.24		

PERFORMANCE SUMMARY

SOCIAL PILLAR: WELL-BEING OF OUR PEOPLE, COMMUNITIES AND SOCIETIES (BETTER SOCIETY)

GRI Standards		Reference	Unit	Singapore	FY2020 Malaysia	Thailand
EMPOWERING OUR PEOPLE						
Material Topic: Human Capital Development						
GRI 404-3 (2016) Percentage of employees receiving regular performance and career development reviews	Employees receiving regular performance and career development reviews	%		Data for employees receiving regular performance and career development reviews to be disclosed from FY2021 onwards		
GRI 405-1 (2016) Diversity and equal opportunity	Total employee breakdown	%		23	48	29
	F&N Board					
	- Male				75	
	- Female				25	
	- Age under 30 years old	%			0	
	- Age between 30 - 50 years old				8	
	- Age over 50 years old				92	
	Male employees					
	- Executive Level			0	0	0
	- Middle Management			1	2	0
	- Department Head	%		1	3	1
	- Senior Officer			1	5	6
	- Officer Level			11	23	9
	Female employees					
	- Executive Level			0	0	0
	- Middle Management			1	1	0
	- Department Head	%		1	2	1
	- Senior Officer			2	5	4
	- Officer Level			6	6	8
	Age under 30 years old					
	- Executive Level			0	0	0
	- Middle Management			0	0	0
	- Department Head	%		0	0	0
	- Senior Officer			1	1	2
	- Officer Level			4	8	6
	Age between 30 - 50 years old					
	- Executive Level			0	0	0
	- Middle Management			1	2	0
	- Department Head	%		2	4	2
	- Senior Officer			2	7	7
	- Officer Level			9	16	10
	Age over 50 years old					
- Executive Level			0	0	0	
- Middle Management			0	1	0	
- Department Head	%		1	1	0	
- Senior Officer			1	2	1	
- Officer Level			4	5	1	
Material Topic: Employee Safety, Health and Well-being						
GRI 403-9 (2018) Work-related injuries	Employees work-related injury rate	incident/million hours		5.26	3.85	4.73
	Non-employees work-related injury rate			8.05	1.55	1.00
	Work-related Fatalities	incident		0.00	0.00	1.00
	Lost Time Injury Frequency Rate (LTIFR)	incident/million hours		4.85	2.62	3.47
	Group Lost Time Injury Frequency Rate				3.34	

Note for GRI 404-1 (2016) and GRI 404-3 (2016):

1. Data coverage for full-time equivalent employees only

	Singapore	FY2021 Malaysia	Thailand	Singapore	FY2022 Malaysia	Thailand	Singapore	FY2023 Malaysia	Thailand
	100	100	100	100	100	100	100	100	100
	24	45	31	25	45	30	23	55	22
		75			75			78	
		25			25			22	
		0			0			0	
		8			8			11	
		92			92			89	
	0	0	0	0	0	0	0	0	0
	1	2	0	1	2	0	1	1	0
	1	3	1	1	3	1	1	3	1
	2	5	7	1	5	7	3	4	4
	11	22	9	12	22	9	9	32	7
	0	0	0	0	0	0	0	0	0
	1	1	0	1	1	0	1	1	0
	1	2	1	1	2	1	2	2	1
	2	5	5	2	5	4	5	5	3
	6	5	7	6	5	8	2	6	6
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	1	0	0	0	0	0
	1	1	2	1	1	2	2	1	1
	3	6	7	4	6	7	2	13	6
	0	0	0	0	0	0	0	0	0
	1	2	0	1	2	1	1	2	0
	2	4	2	1	4	2	1	4	1
	2	7	8	2	7	8	4	6	5
	9	17	7	9	16	8	6	21	6
	0	0	0	1	0	0	0	0	0
	0	1	0	1	1	0	1	1	0
	1	1	0	1	1	0	1	1	0
	1	2	1	1	2	1	2	2	1
	4	4	1	4	4	1	3	4	1
	3.57	0.67	0.33	2.67	1.70	2.24	6.62	1.63	0.63
	0.00	1.61	0.00	8.89	0.34	0.82	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	3.57	0.22	0.33	2.67	1.21	2.24	6.62	1.63	0.63
		1.10			1.90			2.46	

PERFORMANCE SUMMARY

ENVIRONMENT PILLAR: CIRCULARITY AND ENVIRONMENTAL PROTECTION (BETTER PLANET)					
GRI Standards	Reference	Unit	Singapore	FY2020 Malaysia	Thailand
OPERATIONAL ECO-EFFICIENCY					
Material Topic: Energy, Climate Change					
GRI 302-1 (2016) Energy consumption within the organisation	Total energy consumption within the organisation	'000 MJ	143,680	708,774	380,344
	Fuel consumption from non-renewable fuel sources		143,660	708,060	377,717
	Fuel Type				
	Natural Gas	'000 MJ	9,627	407,654	213,371
	Diesel		61,372	18,981	497
	Liquified Petroleum Gas		0	14,422	12,423
	Gasoline		0	0	0
	Fuel Oil		0	0	14,778
	Energy purchased				
	Electricity	'000 MJ	72,661	267,002	134,431
	Steam		0	0	2,217
	Fuel consumption from renewable fuel sources		21	715	2,627
	Green Electricity		0	0	0
	Solar		21	0	2,598
	Biofuels		0	715	28
	Energy sold				
	Solar	'000 MJ	0	0	0
	Electricity		0	0	0
GRI 302-3 (2016) Energy intensity	Production volume	MT	53,587	725,066	344,801
	Total energy intensity ratio	MJ/MT	2,681.23	977.53	1,103.09
	Group total energy intensity ratio		1,097.33		
GRI 305-1 (2016) Direct (Scope 1) GHG emissions (CO ₂ e)	Total Scope 1 GHG emissions (CO ₂ e)	'000 MT CO ₂ e	5.80	27.00	14.26
GRI 305-2 (2016) Energy indirect (Scope 2) GHG emissions (CO ₂ e)	Total Scope 2 GHG emissions (CO ₂ e)	'000 MT CO ₂ e	8.46	41.92	21.33
GRI 305-4 (2016) GHG emissions intensity	Total GHG emissions intensity ratio	MT CO ₂ e/MT	0.266	0.095	0.103
	Group total GHG emissions intensity ratio		0.106		
Material Topic: Water Stewardship					
GRI 303-3 (2018) Water withdrawal	Total volume of water withdrawal	MI	318	2,141	675
	Surface water		0.58	1,210	0
	Ground water		0	102	160
	Third-Party Water (e.g. municipal water)		317	829	515

	Singapore	FY2021 Malaysia	Thailand	Singapore	FY2022 Malaysia	Thailand	Singapore	FY2023 Malaysia	Thailand
	140,028	731,127	405,208	133,182	768,429	394,523	131,438	742,165	415,270
	140,007	730,192	400,111	133,162	759,745	385,447	129,741	700,291	400,453
	8,532	422,674	230,853	9,251	436,139	214,817	35,234	409,245	199,435
	39,796	21,446	589	57,260	30,639	794	33,098	36,954	852
	0	13,646	21,453	0	14,618	24,204	0	12,586	26,555
	20,537	0	0	0	0	0	0	0	0
	0	0	13,284	0	0	14,251	0	0	37,606
	71,142	272,427	133,932	66,651	278,349	131,381	61,409	241,505	136,005
	0	0	0	0	0	0	0	0	0
	20	934	5,097	20	8,684	9,076	1,697	41,874	14,817
	0	0	0	0	0	0	0	5,256	0
	20	0	8,021	20	7,341	9,041	2,150	35,243	14,779
	0	934	20	0	1,343	35	0	1,375	38
	0	0	2,944	0	0	0	79	0	0
	0	0	0	0	0	0	374	0	0
	48,484	743,018	372,442	43,582	829,575	356,634	35,644	759,478	361,416
	2,888.12	984.00	1,087.98	3,055.89	926.29	1,106.24	3,687.47	977.20	1,149.01
		1,096.58			1,053.95			1,114.42	
	5.25	26.06	16.69	5.10	28.39	15.56	4.49	28.50	16.72
	8.07	42.85	21.07	7.56	43.42	20.67	6.97	37.57	21.40
	0.275	0.093	0.101	0.291	0.087	0.102	0.321	0.087	0.105
		0.103			0.098			0.100	
	309	2,170	778	287	2,439	752	316	2,216	860
	0	21	23	0	0	36	0	28	30
	0	113	267	0	117	260	0	106	271
	309	2,036	487	287	2,321	455	316	2,082	558

PERFORMANCE SUMMARY

ENVIRONMENT PILLAR: CIRCULARITY AND ENVIRONMENTAL PROTECTION (BETTER PLANET)					
GRI Standards	Reference	Unit	Singapore	FY2020 Malaysia	Thailand
OPERATIONAL ECO-EFFICIENCY					
Material Topic: Water Stewardship					
GRI 303-4 (2018) Water discharged	Total volume of water discharged	MI	257	1,252	237
	Total freshwater (< 1,000 mg/l Total Dissolved Solids) discharge		32	886	237
	Surface water		0	820	0
	Ground water		0	9	38
	Seawater		0	15	0
	Third-Party water treatment and usage		32	43	199
	Total other water (> 1,000 mg/l Total Dissolved Solids) discharge		224	365	0
	Surface water		0	0	0
	Ground water		0	1	0
	Seawater		0	288	0
	Third-Party water treatment and usage		224	76	0
	GRI 303-5 (2018) Water consumption		Total volume of water consumed	MI	61
Water intensity	Water intensity ratio	m³/MT	5.93	2.95	1.96
	Group water intensity ratio		2.79		
Material Topic: Waste Management					
GRI 306-3 (2020) Waste generated	Total waste generated	MT	7,022	13,246	2,187
	Waste diverted from disposal				
	Hazardous waste	MT	0	35	0
	Non-hazardous waste		5,471	11,611	2,042
	Waste directed to disposal				
	Hazardous waste	MT	28	91	56
	Non-hazardous waste		1,524	1,509	89
GRI 306-4 (2020) Waste diverted from disposal	Total hazardous waste	MT	0	35	0
	Offsite				
	Preparation for reuse	MT	0	24	0
	Recycling		0	3	0
	Composting (Self-Fertilizer)		0	0	0
	Chemical waste water treatment		0	8	0
	Total non-hazardous waste	MT	5,471	11,611	2,042
	Offsite				
	Preparation for reuse	MT	17	175	0
	Recycling		5,453	6,303	1,011
	Composting (Self-Fertilizer)		0	5,133	1,031
	Chemical waste water treatment		0	0	0

	Singapore	FY2021 Malaysia	Thailand	Singapore	FY2022 Malaysia	Thailand	Singapore	FY2023 Malaysia	Thailand
	248	1,328	291	227	1,336	328	251	1,422	302
	25	955	291	227	1,057	328	251	1,136	302
	0	921	60	211	950	70	0	1,022	79
	0	13	0	0	2	0	171	11	0
	0	16	0	0	24	0	0	25	0
	25	4	231	16	81	258	79	77	223
	223	373	0	0	279	0	0	286	0
	0	0	0	0	0	0	0	0	0
	0	2	0	0	0	0	0	0	0
	0	302	0	0	279	0	0	286	0
	223	70	0	0	0	0	0	0	0
	60	842	487	60	1103	424	65	794	558
	6.37	2.92	2.09	6.58	2.94	2.11	8.86	2.92	2.38
		2.80			2.83			2.93	
	6,516	12,373	2,208	6,086	12,013	1,293	7,141	10,543	3,241
	25	26	5	50	54	3	12	37	36
	4,935	10,738	2,090	4,889	10,194	1,186	4,595	8,992	2,690
	26	44	10	1	2	2	49	50	10
	1,529	1,565	103	1,146	1,762	102	2,485	1,464	505
	25	26	5	6	32	0	12	37	36
	0	15	5	6	22	0	12	1	0
	0	4	0	0	1	0	0	28	35
	0	3	0	0	2	0	0	0	0
	25	5	0	0	7	0	0	8	0
	4,935	10,738	2,090	4,637	10,195	1,063	4,595	8,992	2,690
	5	217	0	10	329	0	45	216	0
	4,926	5,475	845	4,627	4,929	482	4,550	4,807	1,031
	4	5,046	1,245	0	4,936	581	0	3,970	1,659
	0	0	0	0	0	0	0	0	0

PERFORMANCE SUMMARY

ENVIRONMENT PILLAR: CIRCULARITY AND ENVIRONMENTAL PROTECTION (BETTER PLANET)					
GRI Standards	Reference	Unit	Singapore	FY2020 Malaysia	Thailand
OPERATIONAL ECO-EFFICIENCY					
<i>Material Topic: Waste Management</i>					
GRI 306-5 (2020) Waste directed to disposal	Total hazardous waste	MT	28	91	56
	Offsite				
	Landfill		0	0	46
	Incineration (with energy recovery)	MT	0	86	10
	Incineration (without energy recovery)		28	5	0
	Total non-hazardous waste	MT	1,524	1,509	89
	Offsite				
	Landfill		0	1,509	20
	Incineration (with energy recovery)	MT	11	0	69
	Incineration (without energy recovery)		1,513	0	0
Solid waste intensity	Solid waste incinerated, disposed or sent to landfill	'000 kg	1,541	1,514	451
	Solid waste intensity ratio	kg/MT	28.76	2.09	1.31
	Group solid waste intensity ratio		3.12		
Solid waste recycled	Solid waste reused, recycled or recovered	'000 kg	5,481	11,723	1,736
	Solid waste recycled	%	78	89	79
VALUE CHAIN IMPACTS					
<i>Material Topic: Packaging</i>					
GRI 301-1 (2016) Materials used by weight or volume	Materials used to produce and package primary products and services	'000 MT	Data for materials used by weight or volume to be disclosed from FY2021 onwards		
	Renewable				
	Non-renewable				
GRI 301-2 (2016) Recycled input materials used[^]	Recycled input materials used to manufacture products and services	%	Data for recycled input materials used to be disclosed from FY2021 onwards		

[^] Data for Packaging materials only

Notes for GRI 302-1 (2016) and GRI 302-3 (2016):

1. There is no heating, cooling and steam sold
2. The data on natural gas and electricity consumption is collected through meter readings and converted to MJ through standard conversion values
3. Energy intensity ratio is calculated based on the total amount of energy consumed (in megajoule, MJ) per metric tonne of product (MT)
4. Energy intensity ratio is for energy consumed within F&N only
5. Natural Gas, Diesel, Fuel Oil, Gasoline, Liquefied Petroleum Gas, Biofuels, Solar and Electricity are included in the energy intensity ratio
6. Excludes trial and commissioning data from F&NHB Shah Alam plant
7. The past FY figures have been restated to account for an increased scope (F&NHB Shah Alam plant's ASRS, LPG and solar energy usage).

Notes for GRI 303-3 (2018), GRI 303-5 (2018) and Water intensity:

1. Water withdrawal is not from areas with high water stress
2. All our withdrawn water is freshwater (< 1,000 mg/l Total Dissolved Solids)
3. Excludes trial and commissioning data from F&NHB Shah Alam plant

	FY2021			FY2022			FY2023		
	Singapore	Malaysia	Thailand	Singapore	Malaysia	Thailand	Singapore	Malaysia	Thailand
	26	44	10	45	25	5	49	50	10
	0	2	1	0	2	1	0	8	0
	26	41	8	44	22	3	49	42	10
	1	1	0	1	1	1	0	1	0
	1,529	1,565	103	1,397	1,762	225	2,485	1,464	505
	0	1,565	18	0	1,762	102	0	1,464	136
	0	0	86	252	0	123	2,485	0	369
	1,529	0	0	1,146	0	0	0	0	0
	1,530	1,568	19	1,147	1,765	104	0	1,472	136
	31.56	2.11	0.05	26.31	2.13	0.29	0.00	1.94	0.38
	2.68			2.45			1.39		
	4,986	10,805	2,188	4,939	10,249	1,189	7,141	9,071	3,105
	77	87	99	81	85	92	100	86	96
	72	935	608	59	1,299	559	89	1,203	742
	72	895	566	59	1,246	516	87	1,153	700
	0	39	42	0	53	43	1	50	42
	9	25	16	8	25	20	4	27	24

Notes for GRI 305-1 (2016), GRI 305-2 (2016) and GRI 305-4 (2016):

- CO₂e emissions are estimated based on the conversion factors from 2006 Intergovernmental Panel on Climate Change ("IPCC") Guidelines for National Greenhouse Gas Inventories and IGES List of Grid Emission Factors v10.12 using the location-based method
- CO₂, CH₄ and N₂O is included in the calculation of the GHG emissions
- There is no biogenic CO₂ emissions generated from the combustion of biomass
- The base year for the calculations is 2020. It was chosen as the baseline year for the F&N 2025 targets in order to track the performance against the targets over the years
- The Global Warming Potential ("GWP") value for a time horizon of 100 years based on the IPCC Fifth Assessment Report: Working Group I Report "Climate Change 2013: The Physical Science Basis" (chapter 8) is used in the calculation
- Operational control method is used for the consolidation approach of emissions
- GHG emissions intensity ratio is calculated based on the total amount of CO₂e generated (in metric tonne, MT) per metric ton of product (MT)
- Direct (scope 1) and energy indirect (scope 2) emissions are included in the calculation of the GHG emissions intensity ratio
- CO₂, CH₄ and N₂O is included in the calculation of the GHG emissions intensity ratio
- Excludes trial and commissioning data from F&NHB Shah Alam plant
- The past FY figures have been restated to account for an increased scope (emissions from F&NHB Shah Alam plant's ASRS and LPG energy usage)

INDEPENDENT ASSURANCE STATEMENT



LRQA Independent Assurance Statement Relating to Fraser and Neave, Limited's data for selected GRI indicators for the fiscal year 2023 (1st October 2022 – 30th September 2023)

This Assurance Statement has been prepared for Fraser and Neave, Limited in accordance with our contract but is intended for the readers of this Report.

Terms of engagement

LRQA Thailand (Limited) was commissioned by Fraser and Neave, Limited (F&N), to provide independent assurance on its selected GRI indicators ("the data") against the assurance criteria below to a limited level of assurance and at the materiality of the professional judgement of the verifier using LRQA's verification procedure. LRQA's verification procedure is based on current best practice, is in accordance with ISAE 3000¹ and uses the following principles of - inclusivity, materiality, responsiveness and reliability of performance data.

Our assurance engagement covered F&N's operations and activities in Malaysia, Singapore and Thailand, specifically on the following requirements:

- Confirming whether the selected economic, environmental and social indicators below were compiled with reference to GRI's Standard 2021.
- Evaluating the reliability of data and information for only the selected environmental and social indicators listed below:

Economic:

- GRI 201-1 Direct economic value generated and distributed (Community investment)

Environmental

- GRI 302-1 Energy consumption within the organization
- GRI 302-3 Energy intensity
- GRI 303-3 (2018 edition) Water withdrawal
- GRI 303-4 (2018 edition) Water discharge
- GRI 303-5 (2018 edition) Water consumption
- GRI 305-1 Direct (Scope 1) GHG emissions
- GRI 305-2 Energy indirect (Scope 2) GHG emissions
- GRI 305-4 GHG emissions intensity
- GRI 306-3 (2020 edition) Waste generated
- GRI 306-4 (2020 edition) Waste diverted from disposal
- GRI 306-5 (2020 edition) Waste directed to disposal

Social

- GRI 403-8 (2018 edition) Workers covered by an occupational health and safety management system
- GRI 403-9 (2018 edition) Work-related injuries
- GRI 403-10 (2018 edition) Work-related ill health
- GRI 404-1 Average hours of training per year per employee
- GRI 404-3 Percentage of employees receiving regular performance and career development reviews
- GRI 413-1 Operations with local community engagement, impact assessments, and development programs

Our assurance engagement excluded the data and information of F&N's suppliers, contractors and any third parties mentioned in the report.

LRQA's responsibility is only to F&N. LRQA disclaims any liability or responsibility to others as explained in the end footnote. F&N's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of F&N.

¹ GHG quantification is subject to inherent uncertainty.



LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that F&N has not, in all material respects:

- Met the requirements above
- Disclosed reliable performance data and information as no errors or omissions were detected

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the verifier.

Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

LRQA's approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Auditing F&N's data management systems to confirm that there were no significant errors, omissions or mis-statements in the data. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification. We also spoke with those key people responsible for compiling the data and drafting the report.
- Sampling the selected GRI indicators at F&NHB plant (Pulau Indah) in Malaysia, FNFS plant (Tuas Link) in Singapore. We also reviewed how these selected GRI indicators from the operations in Malaysia, Singapore and Thailand were consolidated into the final reported data.

Observations

Further observations and findings, made during the assurance engagement, are:

- Reliability: Data management systems are established and centralised for the data and information collection and calculation associated with the selected GRI indicators. However, we believe that periodic internal verification will help improve the quality and reliability of data reported in future, typically for reporting of water and waste management performance.

LRQA's standards, competence and independence

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This verification is the only work undertaken by LRQA for F&N and as such does not compromise our independence or impartiality.

Dated: 24th November 2023

Opart Charuratana
LRQA Lead Verifier

On behalf of LRQA (Thailand) Limited
No.9, G Tower Grand Rama 9, FL. 30, Room H14,
Rama 9 Rd., HuayKwang, Bangkok, 10310, THAILAND

LRQA reference: BGK00000959/B

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GRI STANDARDS 2021 CONTENT INDEX

GRI Standards 2021 Content Index				
UNIVERSAL STANDARDS				
Topic	GRI Disclosure Number	GRI Disclosure Title	Reference section / Reasons for Omission	Reference Page
GRI 2: General Disclosures 2021				
The organization and its reporting practices	2-1	Organisational details	This Is F&N	Pages 14 - 15
	2-2	Entities included in the organization's sustainability reporting	About This Report	Page 13
	2-3	Reporting period, frequency and contact point	Reporting Framework	Page 12
	2-4	Restatements of information	Performance Summary	Pages 106 - 107
	2-5	External Assurance	Independent Assurance Statement	Pages 108 - 109
Activities and workers	2-6	Activities, value chain and other business relationships	<ul style="list-style-type: none"> This Is F&N Our Business Model 	Pages 14 - 17
	2-7	Employees	<ul style="list-style-type: none"> This Is F&N Human Capital 	Pages 14, 73
	2-8	Workers who are not employees	Information incomplete.	
Governance	2-9	Governance structure and composition	This information is available in our Annual Report.	
	2-10	Nomination and selection of the highest governance body	This information is available in our Annual Report.	
	2-11	Chair of the highest governance body	This information is available in our Annual Report.	
	2-12	Role of the highest governance body in overseeing the management of impacts	<ul style="list-style-type: none"> Board Statement Governance and Ethics 	Pages 04 - 05, 47
	2-13	Delegation of responsibility for managing impacts	<ul style="list-style-type: none"> Board Statement Governance and Ethics 	Pages 04 - 05, 47
	2-14	Role of the highest governance body in sustainability reporting	<ul style="list-style-type: none"> Board Statement Governance and Ethics 	Pages 04 - 05, 47
	2-15	Conflicts of interest	This information is available in our Annual Report.	
	2-16	Communication of critical concerns	This information is available in our Annual Report.	
	2-17	Collective knowledge of the highest governance body	Governance and Ethics	Page 50
	2-18	Evaluation of the performance of the highest governance body	This information is available in our Annual Report.	
	2-19	Remuneration policies	This information is available in our Annual Report.	
	2-20	Process to determine remuneration	This information is available in our Annual Report.	
	2-21	Annual total compensation ratio	Not disclosed due to confidentiality constraints.	

GRI Standards 2021 Content Index				
UNIVERSAL STANDARDS				
Topic	GRI Disclosure Number	GRI Disclosure Title	Reference section / Reasons for Omission	Reference Page
Strategy, policies and practices	2-22	Statement on sustainable development strategy	Board Statement	Pages 04 - 05
	2-23	Policy commitments	Policy and Regulation	Pages 49 - 50
	2-24	Embedding policy commitments	Policy and Regulation	Pages 49 - 50
	2-25	Processes to remediate negative impacts	Human Rights	Page 71
	2-26	Mechanisms for seeking advice and raising concerns	Governance and Ethics	Page 49
	2-27	Compliance with laws and regulations	Policy and Regulation	Page 49
	2-28	Membership associations	Partnerships, Memberships and Certifications	Page 34
Stakeholder engagement	2-29	Approach to stakeholder engagement	Working with our Stakeholders	Pages 32 - 33
	2-30	Collective bargaining agreements	We have a strong commitment to transparent dialogue. In FY2023, 15% of our employees were covered by collective bargaining agreements.	
TOPIC STANDARDS				
GRI 3: Material Topics 2021				
Disclosures on material topics	3-1	Process to determine material topics	Materiality Assessment Methodology	Page 20
	3-2	List of material topics	Materiality Assessment Methodology	Pages 21 - 22
Introduction to Economic Pillar				
Introduction to Economic Pillar	3-3	Management of material topics	Introduction to Economic Pillar	Page 82
Responsible Business Practice				
Responsible Business Practice	3-3	Management of material topics	Responsible Business Practice	Page 47
Governance and Ethics	3-3	Management of material topics	Governance and Ethics	Pages 47 - 49
	205-1	Operations assessed for risks related to corruption	Governance and Ethics	Page 49
	205-2	Communication and training about anti-corruption policies and procedures	Performance Summary	Pages 96 - 97
	205-3	Confirmed incidents of corruption and actions taken	Governance and Ethics	Page 49
	405-1	Diversity and equal opportunity	<ul style="list-style-type: none"> Human Capital Performance Summary 	Pages 73, 78, 101 - 101
Policy and Regulation	3-3	Management of material topics	Policy and Regulation	Pages 49 - 50
Economic Performance	3-3	Management of material topics	Economic Performance	Page 51
	201-1	Direct economic value generated and distributed	Economic Performance	Page 51

GRI STANDARDS 2021 CONTENT INDEX

GRI Standards 2021 Content Index				
TOPIC STANDARDS				
Topic	GRI Disclosure Number	GRI Disclosure Title	Reference section / Reasons for Omission	Reference Page
Responsible Product Stewardship				
Responsible Product Stewardship	3-3	Management of material topics	Responsible Product Stewardship	Page 52
Product Quality and Safety	3-3	Management of material topics	Product Quality and Safety	Pages 52 - 53
Product and Service Labelling	3-3	Management of material topics	Product and Service Labelling	Pages 53 - 54
	417-1	Requirements for products and service information and labelling	Product and Service Labelling	Page 54
	417-2	Incidents of non-compliance concerning product and service information and labelling	Product and Service Labelling	Page 54
Innovation	3-3	Management of material topics	Innovation	Pages 54 - 58
Responsible Supply Chain				
Responsible Supply Chain	3-3	Management of material topics	Responsible Supply Chain	Page 59
Supply Chain Stewardship	3-3	Management of material topics	Supply Chain Stewardship	Pages 59 - 61
	204-1	Proportion of spending on local suppliers	<ul style="list-style-type: none"> Supply Chain Stewardship Performance Summary 	Pages 59, 96 - 97
	308-1	New suppliers that were screened using environmental criteria	Supply Chain Stewardship	Page 59
	414-1	New suppliers that were screened using social criteria	Supply Chain Stewardship	Page 59
Introduction to Social Pillar				
Introduction to Social Pillar	3-3	Management of material topics	Introduction to Social Pillar	Page 62
Creating Value For Society				
Creating Value For Society	3-3	Management of material topics	Creating Value For Society	Page 63
Nutrition	3-3	Management of material topics	Nutrition	Pages 63 - 65
	416-1	Assessment of health and safety impacts of product and service categories	Nutrition	Page 64
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Nutrition	Page 64
Community Development and Inclusive Growth	3-3	Management of material topics	Community Development and Inclusive Growth	Pages 66 - 67
	413-1	Operations with local community engagement, impact assessments, and development programs	Community Development and Inclusive Growth	Page 67
Human Rights	3-3	Management of material topics	Human Rights	Pages 68 - 72
	412-1	Operations that have been subject to human rights reviews or impact assessments	Human Rights	Page 72

GRI Standards 2021 Content Index				
TOPIC STANDARDS				
Topic	GRI Disclosure Number	GRI Disclosure Title	Reference section / Reasons for Omission	Reference Page
Empowering Our People				
Empowering Our People	3-3	Management of material topics	Empowering Our People	Page 73
Human Capital Development	3-3	Management of material topics	Human Capital Development	Pages 73 - 78
	401-1	New employee hires and employee turnover	<ul style="list-style-type: none"> Human Capital Development Performance Summary 	Pages 78, 98 - 99
	401-2	Benefits provided to full time employees that are not provided to temporary or part-time employees	Human Capital Development	Page 75
	401-3	Parental Leave	<ul style="list-style-type: none"> Human Capital Development Performance Summary 	Pages 78, 98 - 99
	404-1	Average hours of training per year per employee	<ul style="list-style-type: none"> Human Capital Development Performance Summary 	Pages 78, 98 - 99
	404-2	Programs for upgrading employee skills and transition assistance programs	Human Capital Development	Page 76
	404-3	Percentage of employees receiving regular performance and career development reviews	<ul style="list-style-type: none"> Human Capital Development Performance Summary 	Pages 75, 78, 100 - 101
	405-1	Diversity and equal opportunity	<ul style="list-style-type: none"> Human Capital Development Performance Summary 	Pages 73, 78, 100 - 101
Employee Safety, Health and Well-being	3-3	Management of material topics	Employee Safety, Health and Well-being	Pages 79 - 81
	403-1	Occupational health and safety management system	Employee Safety, Health and Well-being	Page 80
	403-2	Hazard identification, risk assessment, and incident investigation	Employee Safety, Health and Well-being	Page 80
	403-3	Occupational health services	Employee Safety, Health and Well-being	Page 80
	403-4	Worker participation, consultation, and communication on occupational health and safety	Employee Safety, Health and Well-being	Page 80
	403-5	Worker training on occupational health and safety	Employee Safety, Health and Well-being	Page 80
	403-6	Promotion of worker health	Employee Safety, Health and Well-being	Page 80
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee Safety, Health and Well-being	Page 80
	403-8	Workers covered by an occupational health and safety management system	Employee Safety, Health and Well-being	Page 80
	403-9	Work-related injuries	<ul style="list-style-type: none"> Employee Safety, Health and Well-being Performance Summary 	Pages 81, 100 - 101
	403-10	Work-related ill health	Employee Safety, Health and Well-being	Page 81

GRI STANDARDS 2021 CONTENT INDEX

GRI Standards 2021 Content Index				
TOPIC STANDARDS				
Topic	GRI Disclosure Number	GRI Disclosure Title	Reference section / Reasons for Omission	Reference Page
Introduction to Environment Pillar				
Introduction to Environment Pillar	3-3	Management of material topics	Introduction to Environment Pillar	Page 82
Operational Eco-efficiency				
Operational Eco-efficiency	3-3	Management of material topics	Operational Eco-efficiency	Page 83
Energy and Climate Change	3-3	Management of material topics	Energy and Climate Change	Pages 84 - 87
	302-1	Energy consumption within the organisation	<ul style="list-style-type: none"> Energy and Climate Change Performance Summary 	Pages 85, 102 - 103
	302-3	Energy intensity	<ul style="list-style-type: none"> Energy and Climate Change Performance Summary 	Pages 85, 102 - 103
	305-1	Direct (Scope 1) GHG emissions (CO ₂ e)	<ul style="list-style-type: none"> Energy and Climate Change Performance Summary 	Pages 85, 102 - 103
	305-2	Energy indirect (Scope 2) GHG emissions (CO ₂ e)	<ul style="list-style-type: none"> Energy and Climate Change Performance Summary 	Pages 85, 102 - 103
	305-4	GHG emissions intensity	<ul style="list-style-type: none"> Energy and Climate Change Performance Summary 	Pages 85, 102 - 103
Water Stewardship	3-3	Management of material topics	Water Stewardship	Pages 88 - 89
	303-1	Interactions with water as a shared resource	Water Stewardship	Pages 88 - 89
	303-2	Management of water discharge related impacts	Water Stewardship	Pages 88 - 89
	303-3	Water Withdrawal	<ul style="list-style-type: none"> Water Stewardship Performance Summary 	Pages 88, 102 - 103
	303-4	Water discharged	<ul style="list-style-type: none"> Water Stewardship Performance Summary 	Pages 88, 102 - 103
	303-5	Water consumption	<ul style="list-style-type: none"> Water Stewardship Performance Summary 	Pages 88, 104 - 105

GRI Standards 2021 Content Index				
TOPIC STANDARDS				
Topic	GRI Disclosure Number	GRI Disclosure Title	Reference section / Reasons for Omission	Reference Page
Waste Management	3-3	Management of material topics	Waste Management	Pages 90 - 92
	306-1	Waste generation and significant waste-related impacts	Waste Management	Pages 90 - 92
	306-2	Management of significant waste-related impacts	Waste Management	Pages 90 - 92
	306-3	Waste generated	<ul style="list-style-type: none"> Waste Management Performance Summary 	Pages 91, 104 - 105
	306-4	Waste diverted from disposal	<ul style="list-style-type: none"> Waste Management Performance Summary 	Pages 91, 104 - 105
	306-5	Waste directed to disposal	<ul style="list-style-type: none"> Waste Management Performance Summary 	Pages 91, 104 - 105
Value Chain Impacts				
Value Chain Impacts	3-3	Management of material topics	Value Chain Impacts	Page 93
Packaging	3-3	Management of material topics	Packaging	Pages 93 - 94
	301-1	Materials used by weight or volume	<ul style="list-style-type: none"> Packaging Performance Summary 	Pages 93, 106 - 107
	301-2	Recycled input materials used	<ul style="list-style-type: none"> Packaging Performance Summary 	Pages 93, 106 - 107
Biodiversity	3-3	Management of material topics	Biodiversity	Pages 94 - 95
	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity	Page 95

UN GLOBAL COMPACT CONTENT INDEX

Core Value	Global Compact Principle	Our Corresponding Written Commitment	Reference
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	Human Rights Policy	'Human Rights' chapter (Pages 68 - 72)
	Principle 2: Businesses should make sure that they are not complicit in human rights abuses.		
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Human Rights Policy	'Human Rights' chapter (Pages 68 - 72) 'Human Capital Development' chapter (Pages 73 - 78)
	Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.		
	Principle 5: Businesses should uphold the effective abolition of child labour.		
	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.		
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges.	Environment, Health & Safety Policy	'Operational Eco-efficiency' chapter (Pages 83 - 92) 'Value Chain Impacts' chapter (Pages 93 - 95)
	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.		
	Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.		
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Anti-Bribery & Anti-Corruption Policy	'Governance and Ethics' chapter (Pages 47 - 49)

TCFD CONTENT INDEX

TCFD Recommendation		Relevant Chapter
Governance - Disclose the organisation's governance of climate-related risks and opportunities.		
a)	Describe the board's oversight of climate-related risks and opportunities	TCFD - Governance (Pages 35 - 36)
b)	Describe management's role in assessing and managing climate-related risks and opportunities	TCFD Governance (Pages 35 - 36)
Strategy - Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.		
a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	TCFD - Strategy (Pages 37 - 43)
b)	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	TCFD - Strategy (Pages 37 - 43)
c)	Describe the resilience of the organisation's strategy, taking into consideration different climate related scenarios, including a 2°C or Lower scenario.	TCFD - Strategy (Pages 37 - 43)
Risk Management - Disclose how the organisation identifies, assesses, and manages climate-related risks		
a)	Describe the organisation's processes for identifying and assessing climate-related risks	TCFD - Risk Management (Page 44)
b)	Describe the organisation's processes for managing climate-related risks	TCFD - Risk Management (Page 44)
c)	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	TCFD - Risk Management (Page 44)
Metrics & Targets - Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material		
a)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	<ul style="list-style-type: none"> • Performance Summary (Pages 102 - 103) • Energy and Climate Change (Pages 84 - 87)
b)	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	<ul style="list-style-type: none"> • Performance Summary (Pages 102 - 103) • Energy and Climate Change (Page 85)
c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	TCFD - Metrics & Targets (Page 45)

SGX METRIC INDEX

Topic	Metrics	Unit	GRI Framework mapping	Reference
Environmental				
Greenhouse Gas Emissions ("GHG")	Absolute emissions	MT CO ₂ e	GRI 305-1, GRI 305-2	Pages 102 - 103
	Emissions intensity	MT CO ₂ e/MT	GRI 305-4	Pages 102 - 103
Energy Consumption	Total energy consumption	MJ	GRI 302-1	Pages 102 - 103
	Energy consumption intensity	MJ/MT	GRI 302-3	Pages 102 - 103
Water Consumption	Total water consumption	MI	GRI 303-5	Pages 104 - 105
	Water consumption intensity	m ³ /MT	N.A.	1.23
Waste Generation	Total waste generated	MT	GRI 306-3	Pages 104 - 105
Social				
Gender Diversity	Current employees by gender	%	GRI 405-1	Pages 100 - 101
	New hires and turnover by gender	%	GRI 401-1	Pages 98 - 99
Age-Based Diversity	Current employees by age groups	%	GRI 405-1	Pages 100 - 101
	New hires and turnover by age groups	%	GRI 401-1	Pages 98 - 99
Employment	Total turnover	Number and %	GRI 401-1	Pages 98 - 99
	Total number of employees	Number	N.A.	Over 7,200 employees across F&N Group
Development & Training	Average training hours per employee	Hours/No. of employees	GRI 404-1	Pages 98 - 99
	Average training hours per employee by gender	Hours/No. of employees	GRI 404-1	Pages 98 - 99
Occupational Health & Safety	Fatalities	Number of cases	GRI 403-9	Pages 100 - 101
	High-consequence injuries	Number of cases	GRI 403-9	Pages 100 - 101
	Recordable injuries	Number of cases	GRI 403-9	Pages 100 - 101
	Recordable work-related ill health cases	Number of cases	GRI 403-10	Page 81
Governance				
Board Composition	Board independence	%	GRI 102-22	55
	Women on the Board	%	GRI 102-22, GRI 405-1	Pages 100 - 101
Management Diversity	Women in the management team	%	GRI 102-22, GRI 405-1	Page 73
Ethical Behaviour	Anti-corruption disclosures	Number	GRI 205-1, GRI 205-2	Pages 49, 96 - 97
	Anti-corruption training for employees	Number and %	GRI 205-2	Pages 96 - 97
Certifications	List of relevant certifications	List	N.A.	Page 52
Alignment with Framework	Alignment with frameworks and disclosure practices	GRI	N.A.	Page 12
Assurance	Assurance of Sustainability Report	External	N.A.	Pages 108 - 109

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