

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

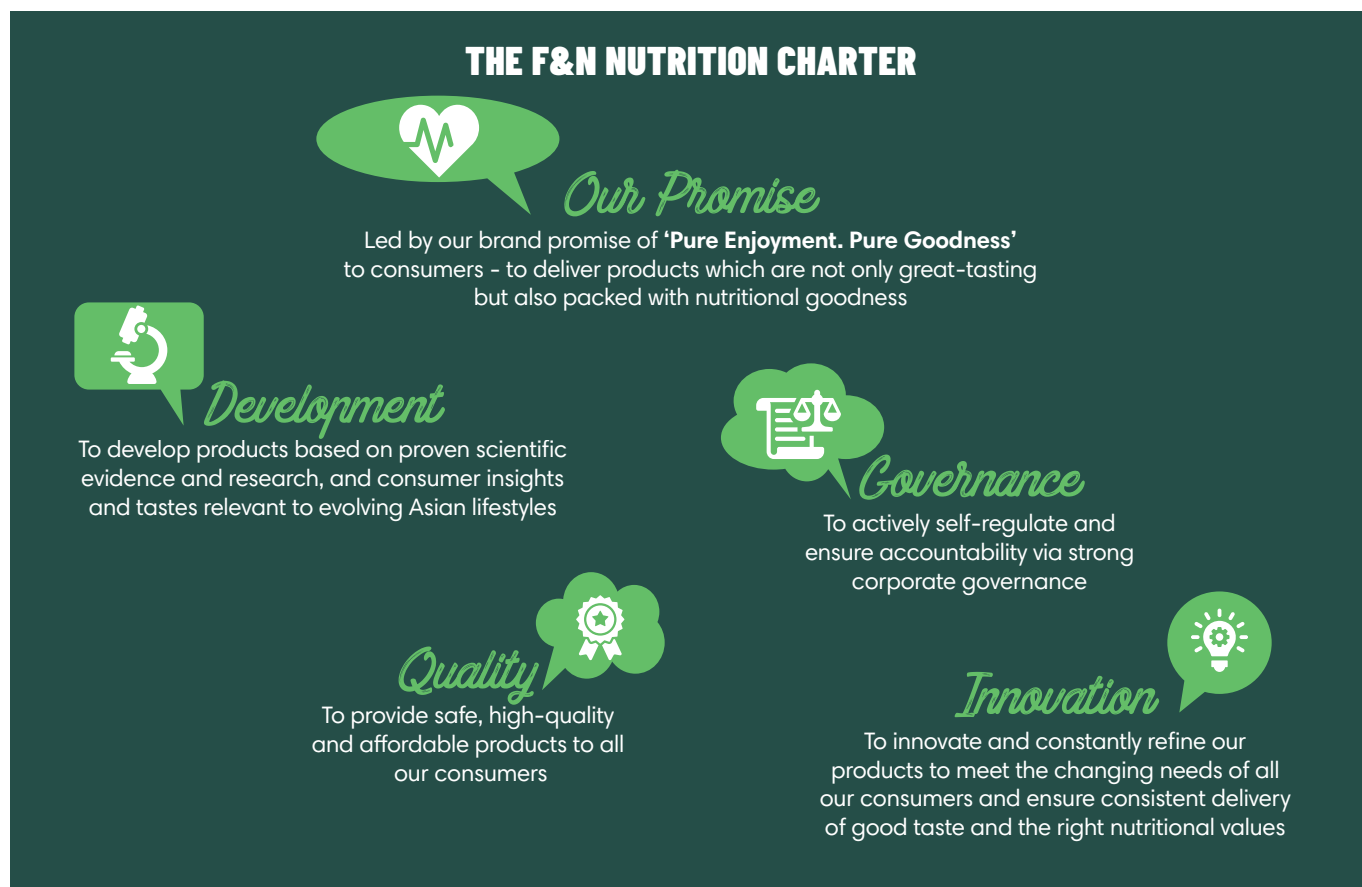
Our philosophy of 'Pure Enjoyment. Pure Goodness' embodies our promise to consumers, ensuring we provide delicious, good-quality products that are rich in nutritional benefits. Together with promoting an active lifestyle, F&N aims to offer products that satisfy our consumers and enhance their health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

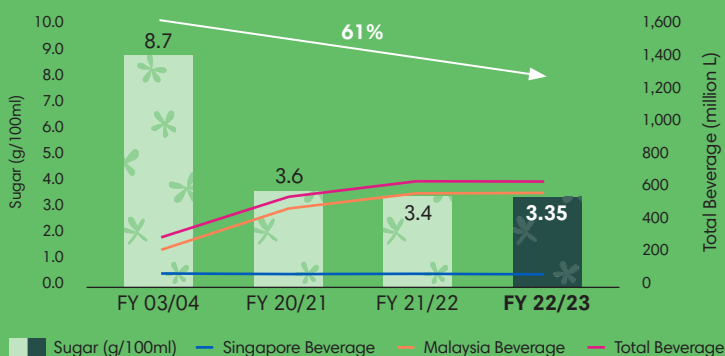
In FY2023, we maintained our health and safety standards with no significant incidents of non-compliance with regulations resulting in fine, penalty or warning.

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.



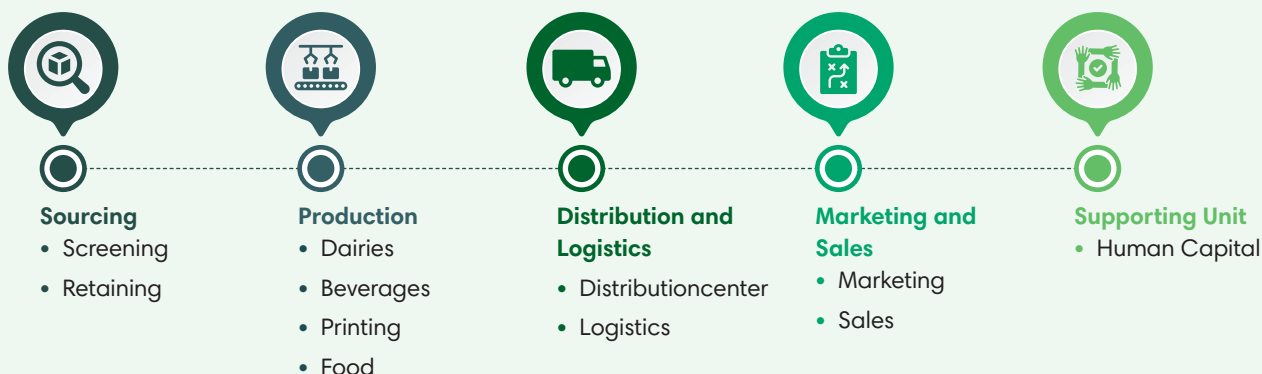
Collective bargaining agreements encompass more than 15% of our full-time employees. For those employees not covered by such agreements, F&N strictly adheres to the prevailing local labour laws and international safety standards. Furthermore, we regularly assess compensation and benefits in alignment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

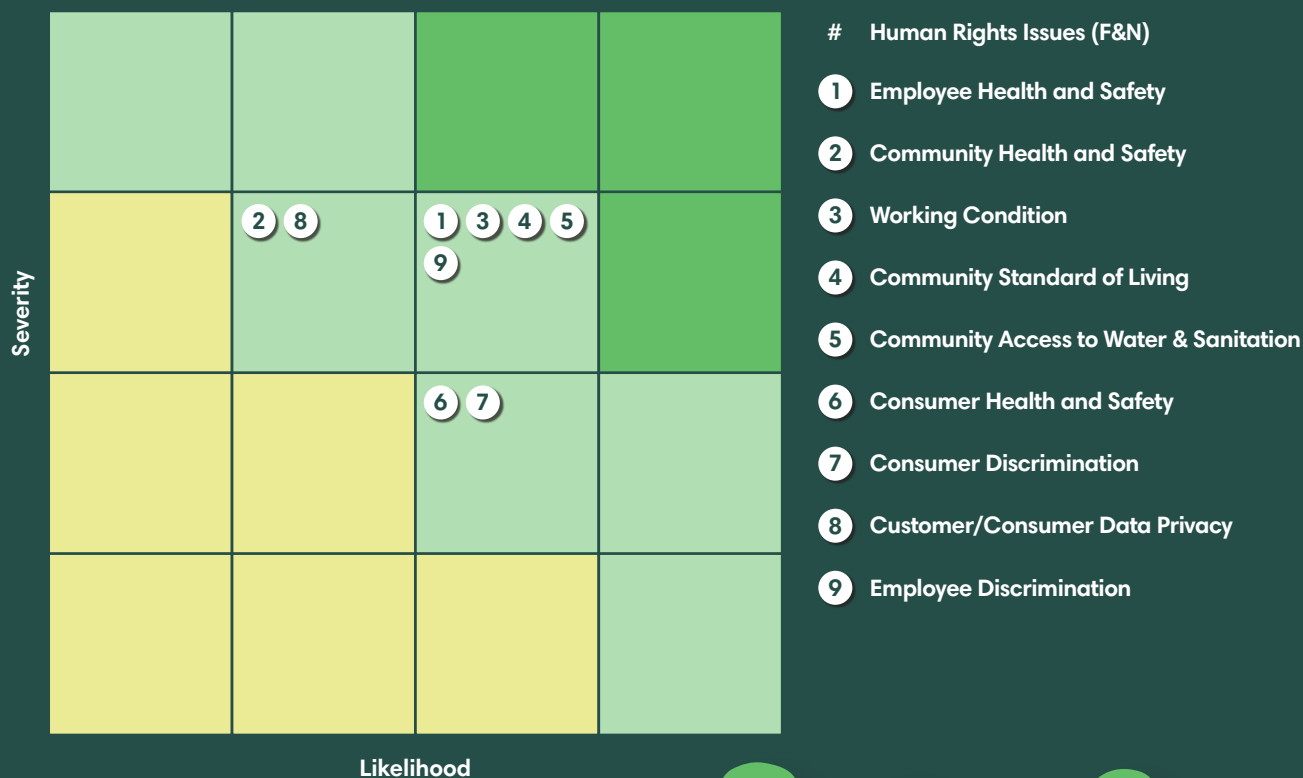
Women/ Pregnant women	Migrant Workers	LGBTQI+	Children	3 rd party contracted labour
People with Disabilities	Indigenous Peoples	Local Communities	Elderly	Other minorities (e.g. stateless, refugee)

Methodology of HRRRA

1 Human Rights Issues Identification	<p>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.</p>
2 Inherent Risk Ranking	<p>Rank risks of the identified human rights issues that do not have controls and/or measures in place.</p>
3 Residual Risk Ranking	<p>Rank risks of identified human rights issues that exist even with the company's controls and/or measures.</p>
4 Risk Prioritisation	<p>Prioritise salient human rights issues, and issues with high residual risk.</p>

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.

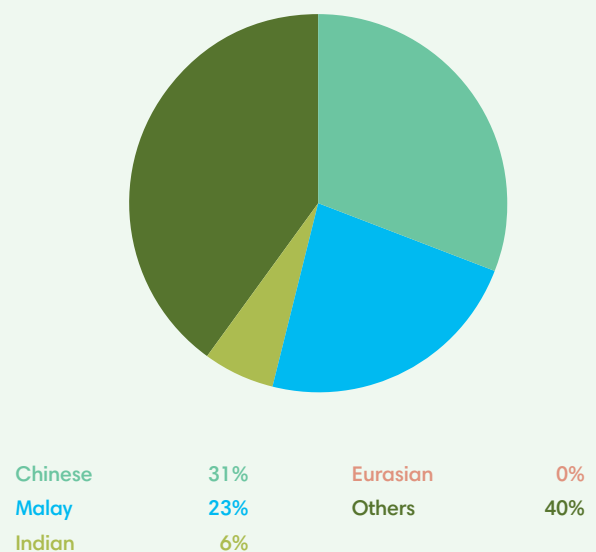
As of 30 September 2023, F&N had over 7,200 employees across all operations. The employees headcount at the end of the reporting period is about 7% more when compared to our previous reporting period. Most employees work full-time, and about 19% of all hires are working under temporary contracts. Over 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.

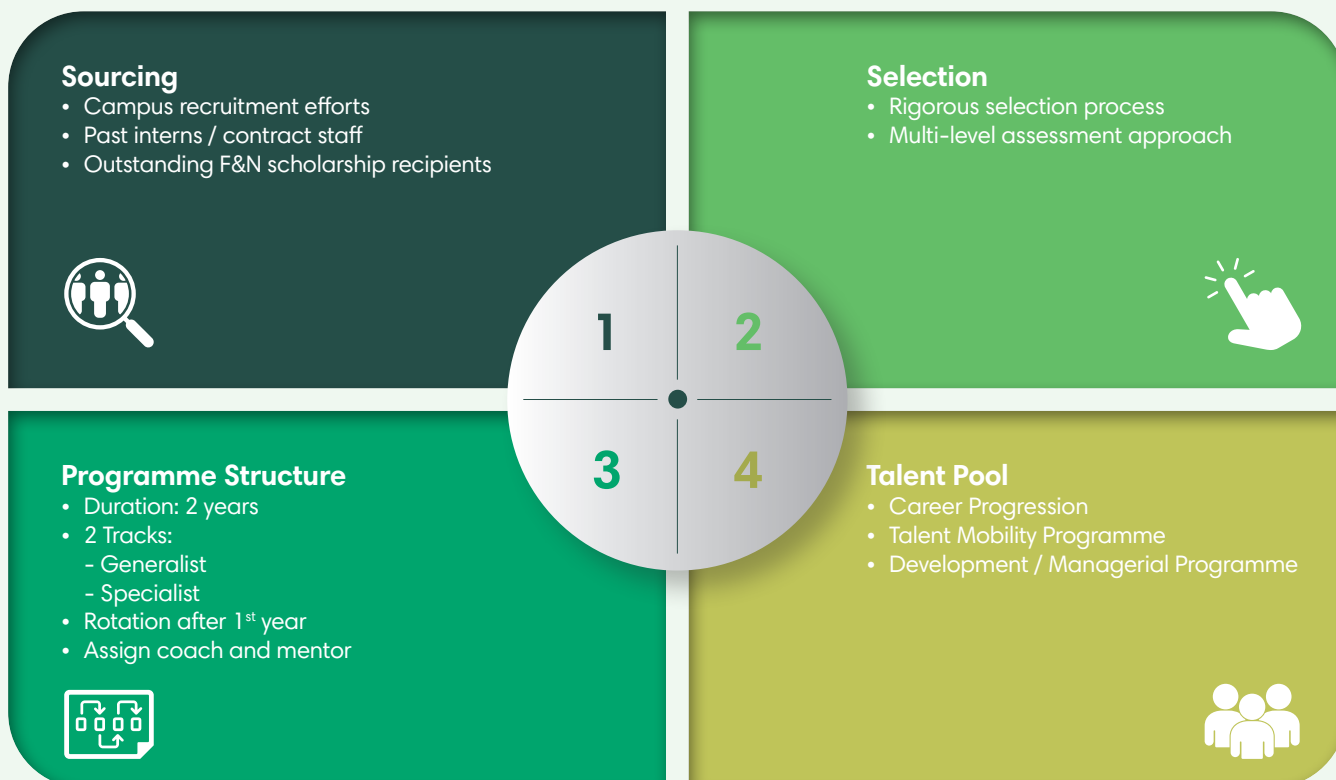
F&N collaborates closely with other organisations to introduce a range of engaging activities, including exercise sessions and team-building events, such as Food Fairs, to enhance employee engagement. In the realm of mental health initiatives, F&N takes pride in being a founding partner of the MindForward 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

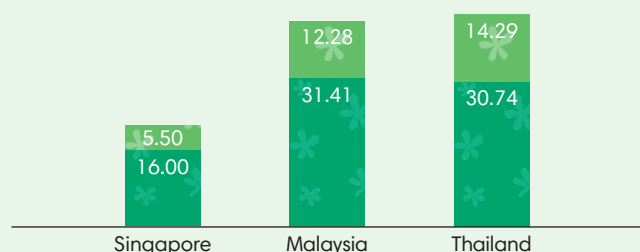
Provide an average of at least 18 hours of training to Executives and 11 hours of training to Non-Executives by 2025



Performance

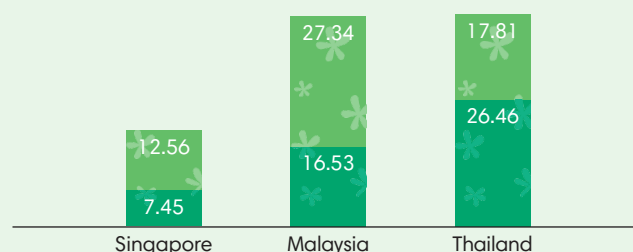
In FY2023, 28.71 training hours were provided to Executives and 11.24 training hours were provided to Non-Executives

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



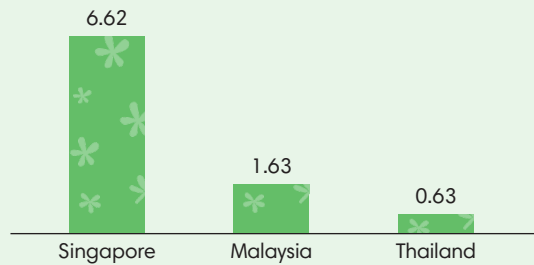
Performance
In FY2023, the LTIFR was 2.46.

Performance

GRI 403-9
Work-related injuries



Employment Work-related Injury Rate



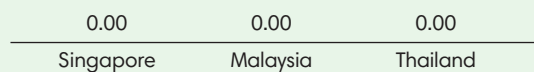
In FY2023, there were 24 employee work-related injuries. 0 of the incidents were high-consequence work-related injuries or resulted in fatalities.

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.