



FRASER & NEAVE
HOLDINGS BHD

196101000155 (4205-V)



RE-ENERGISED

SUSTAINABILITY REPORT 2022

Our Vision

To be a stable and sustainable food and beverage (F&B) leader in the ASEAN region.

Our Mission

To be ASEAN's leading provider of quality and innovative products that consumers choose and trust.

Our Global Values

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

COLLABORATION

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

CREATING VALUES

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

CARING FOR STAKEHOLDERS

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



BETTER BUSINESS

Responsible Business Fundamentals

We believe that responsible business is better business. We seek to operate in a manner that is sensitive to the interests and expectations of our stakeholders.

1

Strong ESG Performance

- **TOP 3 PERFORMERS IN ASEAN**
The Edge ESG Awards 2022
- **FTSE4GOOD BURSA MALAYSIA**
4.4 out of 5 rating
Top 3 percent in the Global Food & Beverage Supersector
- **GLOBAL TOP 10 COMPANIES**
among Beverages sector in S&P Global ESG Score



BETTER SOCIETY

Well-being of People & Communities

We recognise that our employees are our most valuable assets and we do our best to nurture our talents in a safe and healthy environment. We also strive to bridge existing gaps in society between the haves and have-nots in the realisation that social equity is critical in any healthy, cohesive community.

Spread hydration message to over
100,000 Malaysians
through 100PLUS World Hydration Day



BETTER PLANET

Circularity & Environmental Protection

We recognise the role of our business in protecting the environment. We promote circularity and environmental efficiency in our operations through our management of energy, water and waste. We look into ways to address packaging and biodiversity through improved packaging and sustainable raw material sourcing.

3

Solar PV systems at 3 plants in Malaysia started to generate renewable energy progressively since August 2022

Estimated annual reduction of around
9,000 MT CO_{2e} in GHG emissions



BETTER BUSINESS

Capturing Opportunities, Furthering Growth and Building a Better, Responsible Business



Responsible Product Stewardship


100%

 of plants and production processes
are certified with **Halal Standard**
14

 new products
introduced

6

 are healthier
options

13%

 of product innovation
for commercialised F&N products

**THB 30
million**

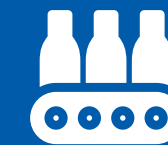
 annual cost avoidance through employee-
driven innovation projects in 2022

Responsible Supply Chain

Engaged with

>2,300

global and local suppliers

 Annual procurement spend of
RM3.75 million

99%

 of our active key suppliers
have accepted F&N Group's Supplier
Code of Practice.

Sustainable Palm Oil



- **23%** physical RSPO palm oil
- **77%** RSPO credits

Built the capacity of

>2,000

 farmers in Thailand,
through the Farming Excellence System

Embarked on

F&N Business Partner Award

to drive supply chain excellence

BETTER SOCIETY

Responding to Our Stakeholders with a Commitment to the Betterment of All



Creating Value For Society



50%
(2013 - 2022)

reduction of sugar
per ml of our total
beverages

58%

of products are in
compliance with
**national nutritional
guidelines**

>90%

of the **Ready-To-Drink
(RTD) beverages sold**
are considered as healthier
options with less sugar

68

products
**certified with Healthier
Choice Symbol/Logo**



Community
investment
for the year

>RM1,500,000



Restarted the annual
nationwide School
Recycling Programme
to promote 5R among
school children.

**5R - Reduce, Reuse,
Recycle, Rethink &
Reinvent**



100%

of our operations underwent
human rights risk assessments

Empower Our People



2,352

number of employees

Female Representation

- **30%** Total workforce
- **45%** Managerial positions

22 training hours per employee in
the executive category

13 training hours per employee in
the non-executive category



85%

of our employees
underwent ESG-related
training in 2022

71%

of employees participated
in annual safety, health and
well-being programmes

> 19,300
hours

> 1,200
employees participated in

> 16,000
hours of safety trainings



Maintained

0

**high-consequence
work-related injury**

0

work-related
fatality

0

work-related
illness

BETTER PLANET

Playing Our Part to Ensure a Sustainable Value Chain



Operational Eco-Efficiency

TCFD

Conducted our first climate-related impact assessment and begin phased implementation of TCFD recommendations

Our first year reporting scope 3 emissions



>87% of solid waste was reused, recycled or recovered

Integrated Warehouse in Thailand and Malaysia

Reduces

1,400 tonnes CO_{2e} emission annually

Equipped with state-of-the-art

ASRS technology

Maximise

storage efficiency, reduce operational costs, shorten delivery lead-time to customers and reduce carbon footprint



Value Chain Impacts

2 plants have achieved **ZERO waste to landfill**

Kota Kinabalu Plant

Rojana Plant



25% recycled content in beverage and dairy packaging



>99% of packaging is recyclable



Pulau Indah Plant



Rojana Plant

100% of industrial sludge from dairy production

545MT converted to organic fertiliser and distributed to local farmers



Kuching Plant

100% of Okara waste

675MT converted to organic feed by local organic chicken farm

Cover Rationale

As the pandemic became endemic, putting an end to various restrictions that hampered the economy, F&NHB laid the building blocks to revitalise the organisation and our sustainability projects that had been on hold were restarted, while new initiatives were implemented to drive our ESG-centric growth. We resumed our school recycling programme in Malaysia while launching a similar programme in Thailand. We completed the installation of solar panels in four plants in both countries and conducted our first climate-related impact assessment. We enter the future re-energised and better prepared to protect our sustainability as we contribute to a more sustainable world.



Read the full version of F&NHB Annual Report 2022 and Sustainability Report 2022 here

<https://www.fn.com.my/>

Inside This Report



Responsible Business Practice pg 54



Joint Message From Our Chairman & CEO pg 10

10 Joint Message from Our Chairman & CEO

ABOUT THIS REPORT 1

16 About This Report

ABOUT F&N 2

- 20 Company Profile
- 22 Geographical Footprint, Total Workforce & Financial Highlights
- 23 Corporate Structure
- 24 Our Supply Chain
- 25 Our Core Values
- 26 Value Creation Business Model

OUR SUSTAINABILITY APPROACH 3

- 28 F&N Sustainability Priorities
- 33 F&N's Sustainability Focus Areas & 2025 Targets
- 36 Our Contribution to the UN SDG Targets
- 40 Task Force on Climate-related Financial Disclosures
- 48 Stakeholder Engagement
- 50 Our Key Partnerships & Collaboration

BETTER BUSINESS

52 RESPONSIBLE BUSINESS FUNDAMENTALS

RESPONSIBLE BUSINESS PRACTICE 4

- 55 Governance & Ethics
- 59 Policy & Regulations
- 61 Economic Performance

RESPONSIBLE PRODUCT STEWARDSHIP 5

- 63 Product Quality & Safety
- 64 Product & Service Labelling
- 66 Innovation

RESPONSIBLE SUPPLY CHAIN 6

- 71 Supply Chain Stewardship

BETTER SOCIETY

78 WELL-BEING OF PEOPLE & COMMUNITIES

CREATE VALUE FOR SOCIETY 7

- 81 Nutrition
- 84 Community Development & Inclusive Growth
- 92 Human Rights

EMPOWER OUR PEOPLE 8

- 98 Human Capital Development
- 106 Employee Safety, Health & Well-being

BETTER PLANET

110 CIRCULARITY & ENVIRONMENTAL PROTECTION

OPERATIONAL ECO-EFFICIENCY 9

- 113 Energy & Climate Change
- 118 Water Stewardship
- 121 Waste Management

VALUE CHAIN IMPACTS 10

- 126 Packaging
- 128 Biodiversity

OTHER INFORMATION 11

- 131 Performance Summary
- 142 Independent Assurance Statement
- 144 GRI Standards 2021 Content Index
- 149 UN Global Compact Content Index
- 150 TCFD Content Index
- 151 List of Abbreviations

Joint Message From Our Chairman & CEO

**Y.A.M. TENGKU SYARIF
BENDAHARA PERLIS SYED
BADARUDIN JAMALULLAI
IBNI ALMARHUM TUANKU
SYED PUTRA JAMALULLAIL**
Chairman

LIM YEW HOE
Chief Executive Officer



DEAR SHAREHOLDERS & STAKEHOLDERS,

“

In our continued efforts to provide ‘Pure Enjoyment. Pure Goodness’ to our stakeholders, we continue to sharpen our focus on creating value for our stakeholders by becoming a ‘better business’ and contributing to a ‘better planet’ and a ‘better society’.

”

As such, we are pleased to share our 6th Sustainability Report, covering the period from 1st October 2021 to 30th September 2022 (FY2022). This report aims to provide insight into how Fraser & Neave Holdings Bhd (F&NHB) is confronting important economic, environmental and social sustainability issues. We will also share the progress of our targets and on-going and new initiatives implemented this year to meet our sustainability goals.

We continue to be guided by the Global Reporting Initiative (GRI) standards to ensure the relevance and comprehensiveness of this report. Additionally, selected Safety, Health, and Environment (SHE) practices have been externally validated by Lloyd's Register Quality Assurance (LRQA).

Sustainability Priorities for F&N

Society is evolving rapidly; hence, we benchmark our materiality matrix regularly with various industry and reporting standards to ensure relevance with our organisation's growth and stakeholders' developing interests. As part of our review this year facilitated by an external consultant, “Human Rights”, “Product & Service Labelling”, “Governance & Ethics”, “Human Capital Development”, and “Employee Safety, Health & Well-being” were material issues that shifted upward to reflect the increased importance to our external stakeholders. Moving forward, our working teams will focus on delivering positive outcomes for these parameters.

We continue to progress towards achieving our 2025 sustainability goals that were set in 2021. We are making good strides on seven of the 12 goals while undertaking various initiatives to accelerate our performance in the other five areas to ensure we are on track for all targets.

Read more in “F&N's Sustainability Focus Areas & 2025 Targets”, on pages 34 to 35 of this SR.

Assessing our Climate-related Risks & Opportunities

As an organisation whose core business revolves around raw materials, we are cognisant of the effect climate change has on our products and supply chain. F&N had begun a phased implementation of climate-related disclosures in relation to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations this year, ahead of Bursa Malaysia's stipulated timeline. This is part of our commitment to manage climate-related impacts and stay accountable to our stakeholders.

Through our inaugural climate-related impact assessment this year, we have identified material transition drivers and physical climate-related risks on our operations and supply chain through scenario analyses of transition and physical risks. In subsequent years, we aim to deepen our understanding of climate-related risks by further quantifying risks and opportunities to positively direct the development of our climate strategy.

Read more in “TCFD & Climate Risk Management Summary”, on pages 40 to 47 of this SR.

10

11



Sustainability Excellence

• S&P Corporate Sustainability Assessment

In 2022, F&NHB emerged as one of the top decile companies in our second S&P Global Corporate Sustainability Assessment (S&P CSA) and ranked among the top ten companies out of 89 companies assessed in the beverages industry. Our company scored 71 (out of 100). Notably, F&NHB achieved the forth-highest score for the Social dimension. (Score date: Nov 18, 2022)

• Recent Awards & Recognition

Our efforts towards excellence in Environmental, Social, and Governance (ESG) practices continue to receive external validation.

- F&N Dairies Thailand won the Prime Minister's Industry Award 2021 in the category of Quality Management from the Ministry of Industry Thailand.
- F&NHB received the Platinum Award for Best Sustainability Reporting at the National Annual Corporate Report Awards (NACRA) 2021 for the quality of our sustainability disclosure and communication.
- F&NHB also bagged two awards in the inaugural The Edge Malaysia ESG Awards 2022 for our performance in ESG, namely Gold Award in Consumer Products and Services, and Top Three Performers in ASEAN.
- We also gained recognition for contributing to the Halal industry, winning the Best Halal Achievement Award at the recent MIHAS Awards 2022.
- F&NHB received a Bronze for Excellence in Human Resources (HR) Communication Strategy at the HR Excellence Awards 2022 Malaysia. We were also named one of Malaysia's Best Employer Brands 2022 by the World HRD Congress and the Employer Branding Institute.

• Retained Position in ESG Indexes

We remained a constituent of the FTSE4Good Bursa Malaysia Index (F4GBM) for the fourth year running, with an improved rating to 4.4 out of 5.0 this year from 4.1 in June 2021 and improved percentile rank of 97 out of 100 from 89 in June 2021. We are also a constituent of the FTSE4Good Bursa Malaysia Shariah (F4GBMS) Index for the second consecutive year.



For the complete list of our awards, please refer to the AR 2022.



The Year in Review

• Directors & Employees: Building Internal Capacity in ESG

We recognise that awareness and education are essential in embedding ESG practices into business. Our Board of Directors and Senior Management underwent training on four ESG modules this year. The training was conducted by an external ESG consultant and covered topics that our stakeholders have increasingly prioritised: Human Rights, Climate Change, Biodiversity and the ESG Ecosystem. At the same time, 85% of our employees underwent ESG-related training in 2022. We aim to have all our employees trained in ESG annually by 2025.

• Suppliers & Business Partners: Business Partner Award Programme

This year, we embarked on an F&N Business Partner Award Programme to strengthen our partnership with our suppliers and collaborate with them to elevate the quality of their services and align them with our values, including sustainability. Through this programme, we are working to empower our local suppliers to grow with F&N and become regional suppliers with an expanded business horizon.



Read more in "Supply Chain Stewardship", on page 76 of this SR.

• Consumers: Consumer-centric Innovation

Among the 11 new products introduced in 2022, new healthier additions include reduced-sugar options for our Condensed Milk, a new range of nutritious milk products and a re-introduction of F&N SEASONS Soya Rose endorsed with the Healthier Choice Logo (HCL).

With that, more than half of our beverage and dairy product portfolio today is endorsed with the Healthier Choice Logo, totalling 68 products. We are also well on track to achieve our 2025 target of having healthier options comprise two-thirds of our portfolio.

Catering to the different needs of consumers, we have expanded our packaging size options. In Thailand, we introduced evaporated milk and sweetened evaporated milk in a 1L paper carton format for more convenient usage while ensuring the product's hygiene.

Complementing our healthier options for consumers, we also spread hydration awareness to over 100,000 Malaysians and encouraged the pursuit of an active lifestyle through 100PLUS World Hydration Day. This is part of our consumer education programme to raise awareness of the importance of hydration to the community.



Read more in "Nutrition", on pages 81 to 83 of this SR.

• Halal Industry: Supporting the Halal Ecosystem

As a leading manufacturer of Halal products, we are supportive of the Malaysian government's efforts to develop the Halal ecosystem and we do our part in ensuring that our products strictly adhere to Halal compliance along our entire supply chain.

This year, F&NHB continued to partner with Halal Development Corporation Berhad (HDC) on the Halal Sourcing Partnership Programme, sharing best practices within the Halal industry whilst coaching Small Medium Enterprises (SMEs) to qualify as Halal vendors for multi-national companies (MNCs). In 2021, our programme successfully onboarded one SME as our ingredient supplier for F&N Kurma Madu Cordial.

F&NHB also participated in knowledge-sharing forums during the World Halal Business Conference Australia 2022, focusing on topics related to Halal requirements and sustainability.



Read more in "Policy & Regulations", on pages 59 to 60 of this SR.

• Society: Serving the Local Community

The flood in December 2021 was one of the worst in years, affecting many parts of Peninsular Malaysia, with Selangor being hit the hardest. Our team distributed over 600 cartons of drinking water to flood victims and affected areas via non-profit organisations. We also took care of our affected employees by distributing RM400,000 in crisis assistance funds to 224 F&N staff.

In each market we operate in, we continue to create greater social equity through our community programmes in five main thematic areas.



Read more in "Community Development & Inclusive Growth", on pages 84 to 91 of this SR.



Joint Message From Our Chairman & CEO

Managing Value Chain Impacts

We have taken a firmer stance on reducing our carbon footprint through our implementation of more sustainable measures in our business practice.



Partnership with Roundtable on Sustainable Palm Oil (RSPO)

In 2022, we purchased 23% of RSPO's physical certified palm oil for our palm oil usage and balanced it with 77% RSPO credits. We have since moved forward with the RSPO roadmap to increase the proportion of the mass balance approach in the upcoming years to achieve 100% of RSPO's physical certified palm oil by 2025.



Generating Renewable Energy with Solar Roofs in 3 F&N Production Plants

The Solar Photovoltaic (PV) systems at three plants in Malaysia (Shah Alam, Pulau Indah and Bentong) have started to generate renewable energy progressively since August. By the end of the calendar year, this project will enable us to achieve carbon avoidance of about 9,000 tonnes of CO_{2e} per year, equivalent to approximately 200 cars driven annually.



Greenhouse Gas (GHG) Study

Further underlining our commitment to managing climate-related impacts across our supply chain, we conducted a study on our milk farmers in Thailand to understand their GHG emissions impact. By identifying the key sources of their GHG emissions, we will work with them to develop a long-term roadmap to reduce the climate impact together.



Closing Remarks

On behalf of the Board and management, we would like to express our gratitude and acknowledgement of the great efforts by the F&N team and all stakeholders involved in driving the sustainability agenda for the past year. While there were challenges, we take pride that we were able to attain new milestones in our journey to becoming a more sustainable company.

Sustainability is an on-going commitment. As we drive profitable growth for the Group, we are cognisant that our goals are reached in the most sustainable manner. We recognise that the journey ahead will be even more challenging given the nature of our new business venture. Therefore, we will explore the latest best-in-class technology and practices to create the most sustainable possible dairy farm. We are excited about the economic, environmental and social opportunities that this project can potentially unlock.

We look forward to another exciting year in which we continue to create value for our stakeholders by creating a better business, society, and planet together.

**Y.A.M. TENGKU SYARIF BENDAHARA PERLIS
SYED BADARUDIN JAMALULLAIL
IBNI ALMARHUM TUANKU SYED PUTRA JAMALULLAIL**
Chairman

LIM YEW HOE
Chief Executive Officer





About This Report

The Management Focus for Sustainability Report 2022

This Fraser & Neave Holdings Bhd (F&NHB) Sustainability Report (SR) 2022 aims to provide our stakeholders and shareholders with concise, material, and clear assessment of our operational and governance performance the past reporting year – Financial Year (FY) 2022.



This report reviews our key ESG strategy, achievements, and provides a progressive update against our 2025 targets. It also describes our risks and opportunities and forward-looking action plans.

The report is structured around three primary themes of sustainable value creation:



This SR is best read together with our 2022 Annual Report (AR). This report provides a comprehensive picture of integrating F&NHB's financial goals with social and environmental imperatives. We appreciate this opportunity to share our commitments and progress in value generation for our stakeholders.



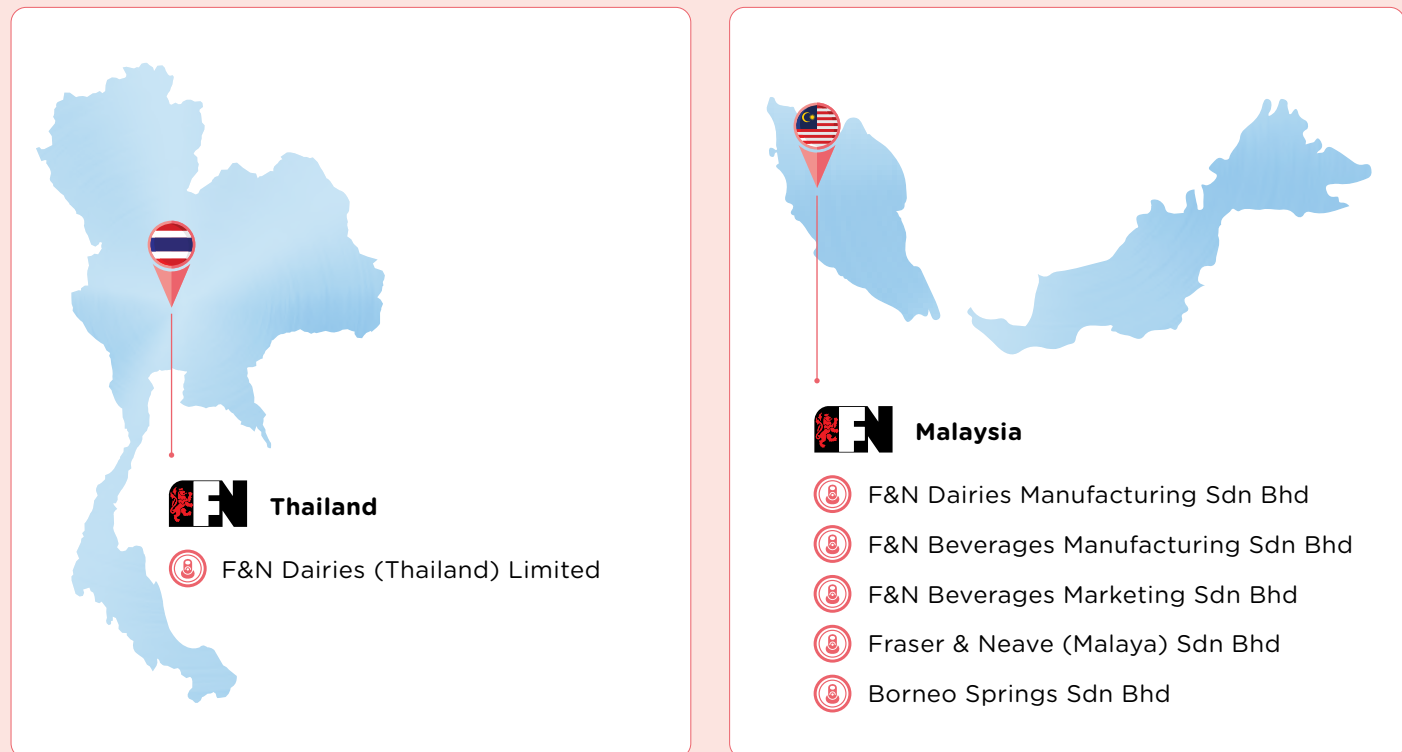
[Read the full version of our AR and SR 2022 here.](#)



Reporting Period & Basis of Scope

This report is the sixth annual stand-alone SR. The reporting period of this report is 1 October 2021 – 30 September 2022, which is aligned with our financial reporting period. The report is published on 19 December 2022.

This scope of this report includes information that covers all the below Group's operations in Malaysia and Thailand, including environment and social performance.*



* This report does not include the environmental and social performance data from Sri Nona that was acquired in 2021 and will be included in next SR in 2023.

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

Reporting Framework & Indices

We are proud to continue our sustainability journey and reporting in accordance with the GRI Universal Standards 2021. We have also prepared this report in alignment with the International Integrated Reporting Council's (IIRC) Integrated Reporting <IR> Framework and Bursa Malaysia Securities Berhad's Main Market Listing Requirements.

We are one of the 87 constituents of the FTSE4Good Bursa Malaysia Index (F4GBM) for the fourth year running, with an improved rating to 4.4 this year from 4.1 in June 2021. We also remain as one of the 65 constituents of the FTSE4Good Bursa Malaysia Shariah (F4GBMS) Index for the second year.

This year, we have been invited to participate in the S&P Global Corporate Sustainability Assessment (CSA) for inclusion in the S&P ESG Index for second time. In 2022, F&NHB emerged as one of the top decile companies in our second S&P CSA and ranked among the top ten companies out of 89 companies assessed in the beverages industry. Our company scored 71 (out of 100). (Score date: Nov 18, 2022)

We look to address the gaps in our sustainability performance by benchmarking our sustainability processes and performance against industry leaders, such as our parent company, Thai Beverage Public Company Limited.





About This Report


F&N Material Sustainability Matters

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

This year, we had reviewed the material topics and refreshed the materiality matrix, where necessary, to reflect changes in the sustainability landscape.

 Refer to “F&N Sustainability Priorities” and “F&N’s Sustainability Focus Areas & 2025 Targets”, on pages 28 to 35 of this SR.

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

 Information on this year’s sustainability framework is in “Our Sustainability Approach”, on page 33 of this SR.



Economic

-  Governance & Ethics
-  Policy & Regulations
-  Economic Performance
-  Product Quality & Safety*
-  Product & Service Labelling
-  Innovation*
-  Supply Chain Stewardship*



Social

-  Nutrition*
-  Community Development & Inclusive Growth*
-  Human Rights
-  Human Capital Development*
-  Employee Health, Safety & Well-being*



Environment


-  Energy & Climate Change*
-  Water Stewardship*
-  Waste Management*
-  Product Packaging*
-  Biodiversity

Assurance Statement

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

Approved by the Board Sustainability & Risk Management Committee (SRMC), this year will be our fourth consecutive year obtaining external assurance on the sustainability data disclosed in this report from the independent assurance provider, Lloyd’s Register Quality Assurance (LRQA). LRQA’s independent status is assured by legislation and professional ethics, and guided by the auditing firm’s internal guidelines. LRQA had conducted independent assurance on selected Environment and Social disclosures, based on the materiality of the professional judgement of the verifier, using ISAE 3000 (International Standard on Assurance Engagements 3000). The assurance engagement covered F&NHB’s operations and activities in Malaysia and Thailand. The scope and outcome of the external assurance is reported at the SRMC meetings to keep them constantly updated on the status.

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

 Read more in LRQA’s independent assurance statement on pages 142 to 143 of this Report.




Forward Statement

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

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

Contact Details

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

Communications, Corporate Affairs & Sustainability Department	
	groupcomms@fn.com.my
	+603-5101 4288
	Fraser & Neave Holdings Bhd No. 1 Jalan Bukit Belimbing 26/38, Persiaran Kuala Selangor, Seksyen 26, 40400 Shah Alam, Selangor, Malaysia

* Material topics with 2025 targets



Company Profile

F&NHB is a subsidiary of Fraser and Neave, Limited (F&N Group). The F&N Group was founded in 1883 by John Fraser and David Chalmers to produce carbonated soft drinks. Today, F&N Group is, an iconic household name that is trusted to provide ‘Pure Enjoyment. Pure Goodness’ throughout its wide portfolio of well-loved brands.

F&NHB is a public-listed company on a Bursa Malaysia’s Main Board and is a Shariah-compliant company. The Group has an annual turnover of RM4 billion from its core businesses in the manufacturing, sales and marketing of Food & Beverage (F&B) products.

Today, the Group is one of the largest beverage manufacturers and distributors in the region with brands such as 100PLUS, F&N Fun Flavours, F&N NutriSoy, F&N SEASONS, F&N ICE MOUNTAIN, BORNEO, OYOSHI, est Cola and RANGER.

Within the dairy products, we produce sweetened condensed milk and evaporated milk, as well as packaged milk and juice products under the F&N, TEAPOT, GOLD COIN, F&N Magnolia, FARMHOUSE and F&N Fruit Tree brands. F&N is also an exclusive manufacturer, marketer and distributor of Carnation products in Thailand, Laos and Cambodia; as well as Carnation, Cap Junjung and ideal canned milk products in Malaysia, Singapore and Brunei.

With the acquisition of Sri Nona group of companies in January 2021, we have added established Malaysian household food brands such as NONA brand of ketupat and sauces to our portfolio of packaged food products. Currently, F&NHB has over 200 products in Malaysia and Thailand.

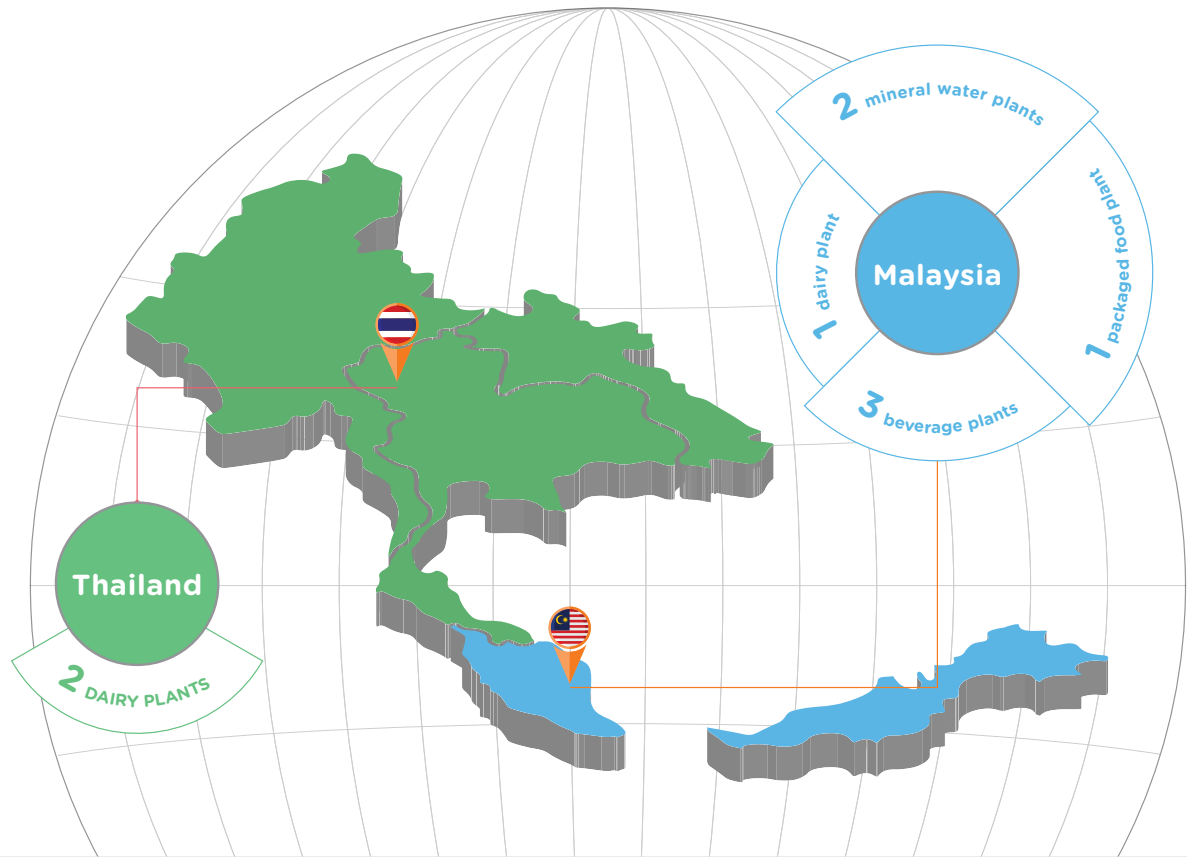
The Group’s operating businesses are organised according to products and services, namely Food and Beverages Malaysia (F&B Malaysia), which encompass both soft drink and dairy business in Malaysia and food business; Food and Beverages Thailand (F&B Thailand); property and others.





Geographical Footprint, Total Workforce & Financial Highlights

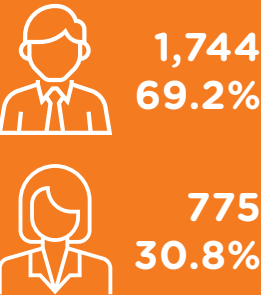
Geographical Footprint



F&NHB is headquartered in Shah Alam, Malaysia. We have nine manufacturing plants in Malaysia and Thailand to serve the needs of consumers in ASEAN and beyond. F&NHB operates in Malaysia, Brunei, Thailand and Indochina, and export products to 89 countries around the globe.

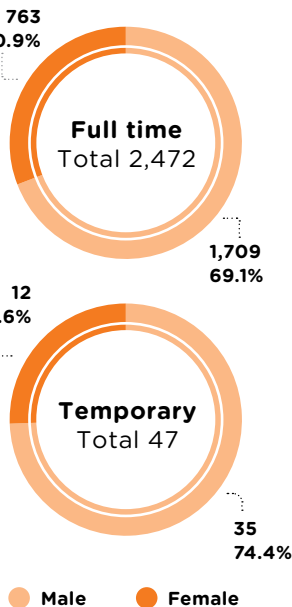
Total Workforce

Gender



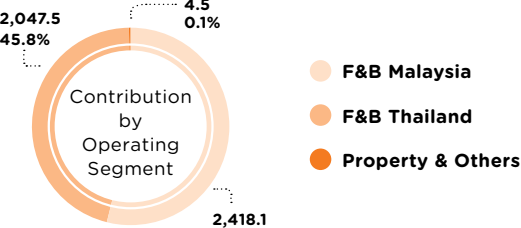
Total 2,519

* Including Sri Nona's workforce

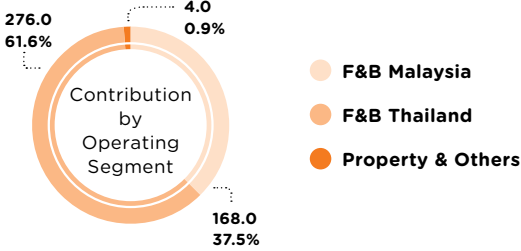


Financial Highlights

Group Revenue (RM million)



Group Operating Profit (RM million)



Corporate Structure

as at 15 November 2022

FOOD & BEVERAGES MALAYSIA

100% F&N Beverages Manufacturing Sdn Bhd

➤ 100% Borneo Springs Sdn Bhd

100% F&N Beverages Marketing Sdn Bhd

100% F&N Dairies Manufacturing Sdn Bhd

100% F&N Dairies Distribution (Singapore) Pte Ltd

100% F&N Marketing (B) Sdn Bhd

100% Fraser & Neave (Malaya) Sdn Bhd *

➤ 100% Fraser and Neave MENA DWC-LLC

100% F&N Dairies (Malaysia) Sdn Bhd

100% Premier Milk (Malaya) Sdn Berhad

100% Awana Citra Sdn Bhd

➤ 100% Sri Nona Industries Sdn Bhd

➤ 100% Sri Nona Food Industries Sdn Bhd

➤ 100% Lee Shun Hing Sauce Industries Sdn Bhd

➤ 72.38%* Cocoaand Holdings Berhad

➤ 100% Cocoaand Industry Sdn Bhd

➤ 100% CCL Food & Beverage Sdn Bhd

➤ 100% L.B. Food Sdn Bhd

➤ 10% PT Cocoaand Indonesia

➤ 100% 乐一百贸易(深圳)有限公司 Lot 100 Food Co. Ltd.

➤ 90% PT Cocoaand Indonesia

27.62%* Cocoaand Holdings Berhad

FOOD & BEVERAGES THAILAND

100% F&N Dairies (Thailand) Limited

PROPERTY

100% F&N Properties Sdn Bhd

100% Greenclipper Corporation Sdn Bhd

100% Nuvak Company Sdn Bhd

100% Utas Mutiara Sdn Bhd

100% Tropical League Sdn Bhd

70% Lettricia Corporation Sdn Bhd

50% Vacaron Company Sdn Bhd

OTHERS

100% Fraser & Neave (Malaya) Sdn Bhd*

100% F&N Capital Sdn Bhd

100% Elsinburg Holdings Sdn Bhd

100% F&N AgriValley Sdn Bhd

100% Usahaniaga Abadi Sdn Bhd

➤ 65% Dagang Sejahtera Sdn Bhd

➤ 100% Ladang Permai Damai Sdn Bhd (formerly known as THP Gemas Sdn Bhd)

Notes:

* Classified under Food & Beverages Malaysia and Others segments.

@ Acquisition by F&NHB and transfer of all shares of Cocoaand Holdings Berhad other than those shares owned by F&NHB to Awana Citra Sdn Bhd ("Awana Citra") in accordance with the Members' Scheme of Arrangement pursuant to section 366 of the Companies Act, 2016. Cocoaand Holdings Berhad became a wholly-owned subsidiary of F&NHB Group w.e.f. 4 November 2022, with 27.62% held by F&NHB and the balance 72.38% held by Awana Citra.



Our Supply Chain

The preparation, production, and packaging of our products require a range of raw materials, equipment, and other goods and services. In FY2022, we engaged with over 2,300 global and local suppliers across our supply chain including manufacturers, wholesalers, retailers, importers/merchants, contractors, and professional services providers. We spent a total of RM3.75 billion on products and services.

SOURCING

We work closely with suppliers of high quality to ensure their goods and services meet our internal stringent requirements and supports external social, environmental, and ethical standards. We upkeep robust risk management mechanisms to manage issues associated with the commodities upon which we rely, ensuring the sustainability of our business.



PRODUCTION

The production process throughout our operations is standardised in accordance with international standards. We strive for eco-efficient processes to provide good value, while minimising negative environmental and social impacts. We strive to optimise resource use and consider the impacts of water consumption, waste, effluents, and emissions at all production stages.



DISTRIBUTION

We fully integrate our distribution system to enhance efficiency to our customers. We focus on improving our processes through digital technologies to ensure efficient energy management in our transportation, while ensuring the safety of our personnel and local communities.



MARKETING & SALES

Responsible marketing and sales practices are of great importance to F&NHB. We engage regulators and customers to improve our marketing practices when communicating value – e.g., nutritional information to our consumers. Conversations with our stakeholders enable us to innovate better, providing healthier product options that are desired.



POST-CONSUMPTION PACKAGING MANAGEMENT

We minimise the impact of post-consumer waste through research and development to deliver innovative packaging that is sustainable and meets the needs of our consumers. Beyond applying the Circular Economy principles through F&NHB, we promote environmental awareness within communities where we operate.



Our Core Values

VISION

To be a stable and sustainable food and beverage (F&B) leader in the ASEAN region.

MISSION

To be ASEAN's leading provider of quality and innovative products that consumers choose and trust.

GLOBAL VALUES

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



COLLABORATION

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



CREATING VALUES

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



CARING FOR STAKEHOLDERS

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



Details demonstrating our supply chain stewardship is in "Supply Chain Stewardship", on pages 71 to 77 of this SR.

DELIVERING ON OUR STRATEGY

THROUGH OUR VALUE CREATION BUSINESS MODEL

OUR BUSINESSES	Food & Beverages Malaysia	Food & Beverages Thailand	Property & Others
OUR VALUE CHAIN	Sourcing > Production > Distribution > Marketing & Sales > Post-consumption Packaging Management		

Read more in "Our Supply Chain".

HOW WE CONDUCT BUSINESS

VISION

To be a stable and sustainable food and beverage (F&B) leader in the ASEAN region.

MISSION

To be ASEAN's leading provider of quality and innovative products that consumers choose and trust.

CORE VALUES

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 mindsets to create long-term, sustainable partnerships.

Supported by Strong Governance & Effective Board Leadership

CORE AREAS OF SUSTAINABILITY

- Responsible Business Practice
- Responsible Product Stewardship
- Responsible Supply Chain
- Create Value for Society
- Empower Our People
- Operational Eco-efficiency
- Value Chain Impacts

OUR BUSINESS - How We Create Value

3 STRATEGIC DOMAINS

- BUILD**
Building new capabilities and business opportunities
- UNLOCK**
Unlocking the potential of employees and the Group
- STRENGTHEN**
Strengthening core businesses for market leadership positions

OPERATING ENVIRONMENT

- Health Consciousness & Physicality
- Digitalisation & The E-Economy
- Climate Change & Its Mitigation
- Waste Management & Conscious Management
- Employees & The Great Resignation

COMPETITIVE ADVANTAGE

- Better Products
- Greater Efficiency
- Strengthen relationships with key stakeholders

Read more in our Annual Report.

INPUTS - Resources We Use

H HUMAN CAPITAL*

- 2,519 employees
- 30.8% of employees are female
- 44.7% of female representation in managerial positions
- 4 women directors on Board

* Including Sri Nona's workforce

F FINANCIAL CAPITAL

- As at 30 Sep 2022
- RM816.8 million in share capital
- RM2,982.5 million in shareholder's equity

I INTELLECTUAL CAPITAL

- Equity from 22 well-loved brands
- New product formulations and recipes
- Innovative process and technology
- Strategic Partnerships: ThaiBev, Fraser and Neave, Limited, Nestlé, SunKist

M MANUFACTURED CAPITAL

- 9 production plants
- 25 offices in Malaysia, Thailand, Brunei and United Arab Emirates
- RM4.19 billion worth of assets

S SOCIAL & RELATIONSHIP CAPITAL

- Engaged with > 2,300 local and global suppliers across our supply chain
- > 230,000 outlets in Malaysia, Thailand, Laos & Cambodia
- 53,000 hawkers in Thailand, Laos & Cambodia

N NATURAL CAPITAL

- > 1 billion MJ energy consumed
- > 10.9 million MJ solar energy generated
- > 2.8 million m³ water consumed
- Sourced raw materials that are sustainable

OUTPUTS - Value Created

H HUMAN CAPITAL

- Paid RM294.1 million in total employee remuneration & benefits
- Employed 329 new employees
- Provided training and development to employees
 - Executives : 22.2 average hours
 - Non-executives: 13.1 average hours
- Awarded RM218,100 to 68 children of employees under F&N Chairman's Award
- Recorded 0 work-related fatality and ill-health case

F FINANCIAL CAPITAL

- Revenue : RM4,470.2 million
- Profit before Tax : RM454.1 million
- Profit for the Year : RM382.3 million
- Dividend per Share : 60.0 sen**
- Total Dividend Payout : RM220.1 million
- Economic Value Retained : RM588.1 million

I INTELLECTUAL CAPITAL

- Introduced various innovative solutions for our customers in 89 countries nationwide
- Launched 14 new products
- 68 products endorsed with Healthier Choice Logo

M MANUFACTURED CAPITAL

- Capital investment of > RM800 million over past five years
 - Renewable energy programme
 - Shah Alam Integrated warehouse, Malaysia
 - Rojana Distribution Centre, Thailand
 - Fresh Milk Line in Rojana, Thailand

S SOCIAL & RELATIONSHIP CAPITAL

- Social investment of > RM1.5 million to support > 200 beneficiaries
- Spread hydration awareness to > 100,000 Malaysians through 100PLUS World Hydration Day

N NATURAL CAPITAL

- Energy Intensity (MJ/MT) : 860.29
- GHG Emissions Intensity (MTCO_{2e}/MT) : 0.063
- Water Intensity (MJ/MT) : 2.33
- Solid Waste Recycling Rate : 87%
- % of Recyclable Packaging : 99%
- % of Recycled Content in Packaging : 25%

** Included proposed dividend of 33.0 sen, which will only be recognised in the financial statements upon shareholders' approval.

CREATING VALUES FOR OUR STAKEHOLDERS

- Employees
- Suppliers



- Shareholders & Investors
- Regulators



- Shareholders & Investors
- Consumers



- Shareholders & Investors
- Distributors & Trade Customers
- Consumers



- Distributors & Trade Customers
- Consumers
- Communities
- Suppliers



- Shareholders & Investors
- Regulators
- Communities



26

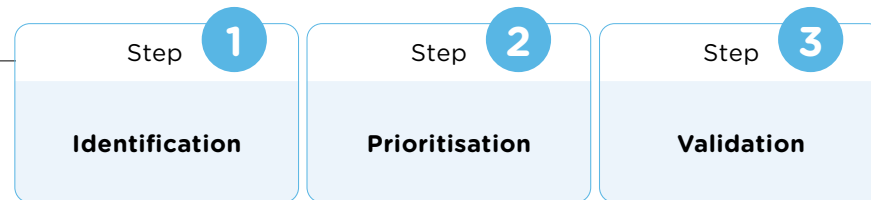
27





F&N Sustainability Priorities

Understanding the priorities and evolving concerns of our stakeholders is important to us. In 2020, F&N overhauled our previous materiality matrix with an extensive materiality assessment - incorporating internal and external stakeholders in the process, supported by an external consultant.



1

We 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.

2

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 were surveyed from across our business.
- Interviews with 17 key external stakeholders, including suppliers, customers, thought leaders and regulators.
- Workshops with over 50 participants from senior leaders, department heads and subject matter experts in Malaysia and Singapore.

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

3

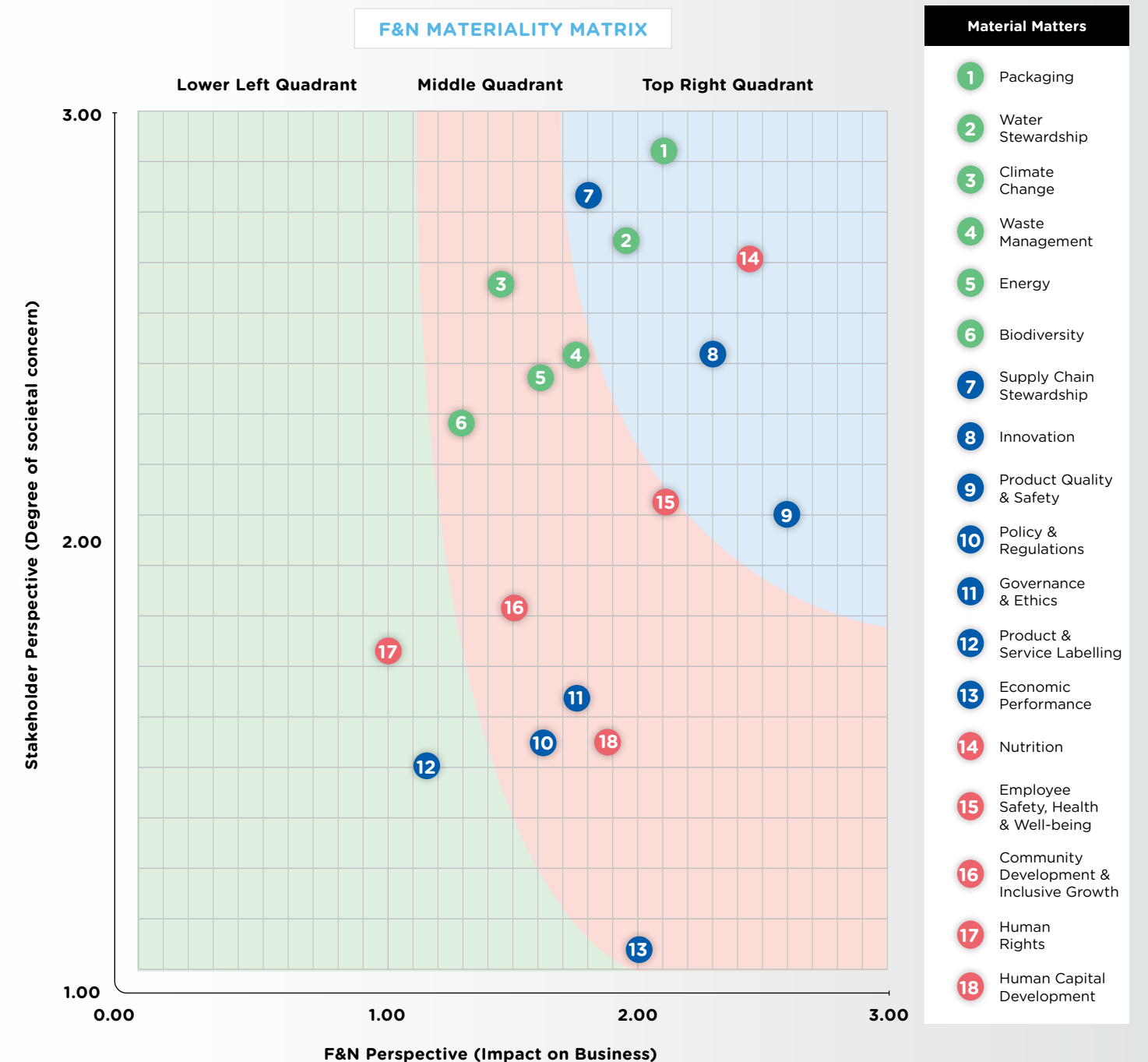
Finally, we conducted a materiality workshop with department heads, the C-suite and board directors to review and validate the prioritisation of material sustainability topics. The workshop involved an in-depth discussion of each identified sustainability issue, including the possibility of impacts to our business and stakeholders.

We identified 18 material issues for the F&N Group. Our most significant material topics “Packaging” and “Nutrition” continue to be priority topics for customers and consumers – reflecting two areas where our business can make significant impacts.

We reviewed our materiality matrix this year based on our 2020 materiality assessment, through desktop research done on Sustainability Accounting Standards Board (SASB) Food Retailers & Distributors, Singapore Exchange (SGX) Core ESG Metrics, S&P CSA Beverages, FTSE4Good, and GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022.

“Human Rights”, “Product & Service Labelling”, “Governance & Ethics”, “Human Capital Development”, and “Employee Safety, Health & Well-being” shifted upward to reflect the increased importance to external stakeholders, and in turn, increasing the impact on F&NHB. All the material topics remained in its original quadrant.

We will continue to monitor sustainability trends and review our material issues annually.



Material Issues & Importance

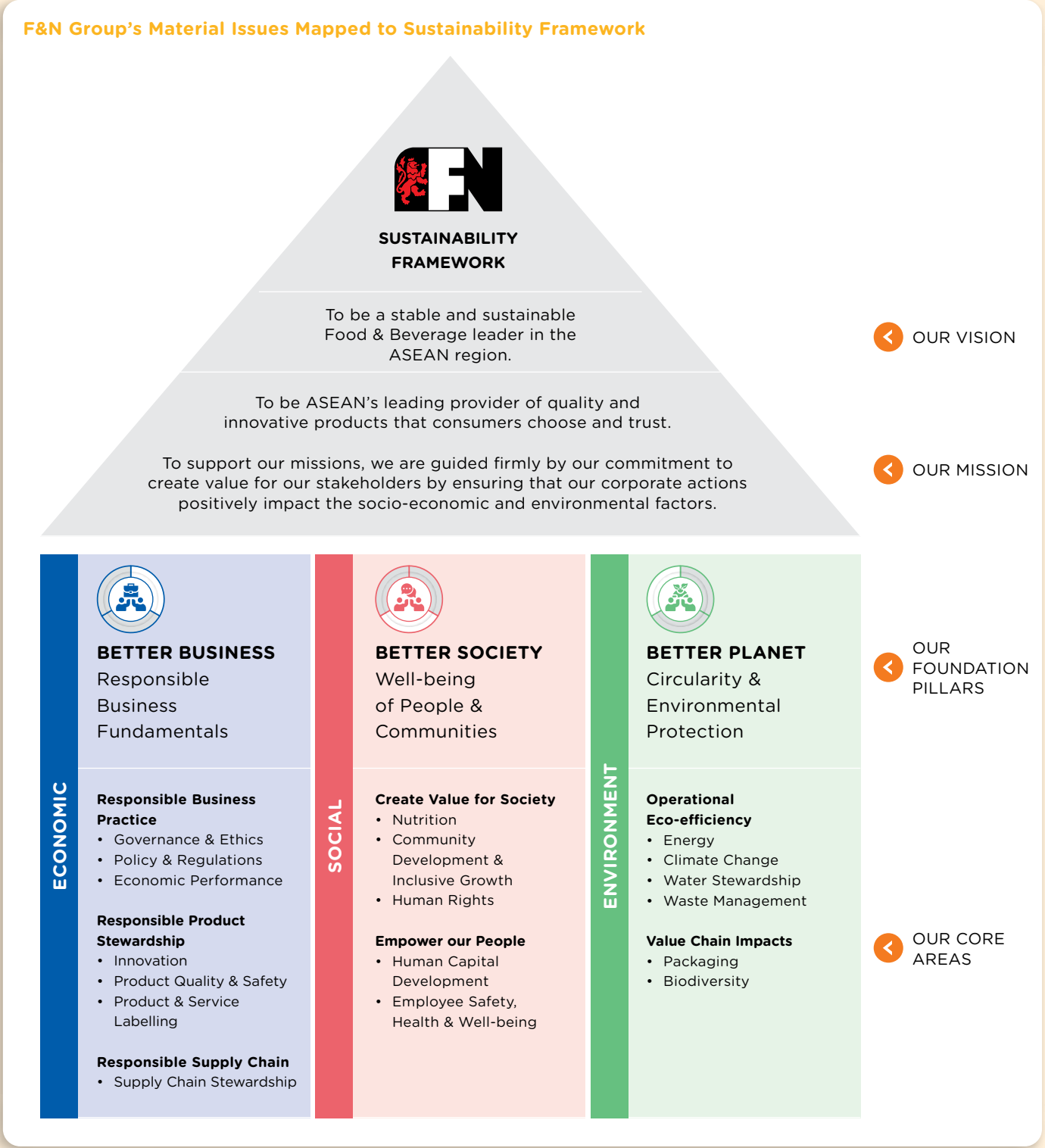
General Disclosures	OPPORTUNITIES FOR F&N If issue is addressed	POTENTIAL RISKS FOR F&N If issue is not addressed
BETTER BUSINESS		
GOVERNANCE & ETHICS Business policies and practices to ensure ethical, transparent and responsible governance.	<ul style="list-style-type: none"> Upholding F&N reputation as a responsible business maintains trust amongst all stakeholders 	<ul style="list-style-type: none"> Failing to put in place a transparent and sound governance runs a reputational risk
POLICY & REGULATIONS Regulatory compliance across our operations and engaging with policymakers in a responsible and transparent manner.	<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"> A risk of being unprepared when needed to comply with emerging regulations Failing to put in place a transparent and sound governance runs a reputational risk
ECONOMIC PERFORMANCE Financial performance to deliver shareholder value and secure long-term viability of the company.	<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 & SAFETY Delivering products to consumers which meet the highest quality and safety standards.	<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 from supply chain disruption or compromised packaging outside the factory Specific regulatory changes that may affect product recipe and/or packaging
PRODUCT & SERVICE LABELLING Labelling our products and services in a responsible and transparent way for consumers.	<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 stakeholder expectations on transparency of product information
INNOVATION Building competitive advantage through innovative products and solutions to meet consumer and societal needs.	<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"> Risk losing market share by changing consumer preferences and/or being outcompeted
SUPPLY CHAIN STEWARDSHIP Procurement policies, contractor management and supplier relationships which address material issues across the value chain.	<ul style="list-style-type: none"> Elevate vendors' productivity and performance in sustainability practices and compliance with food safety standards. Cost savings with stronger collaboration Establish robust policies and systems to ensure competitive pricing and safeguard vendors from corruption and malpractice 	<ul style="list-style-type: none"> Many ESG risks are present in F&N's supply chain (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

General Disclosures	OPPORTUNITIES FOR F&N If issue is addressed	POTENTIAL RISKS FOR F&N If issue is not addressed
BETTER SOCIETY		
NUTRITION Helping consumers' lead healthy lives by developing nutritious and accessible products.	<ul style="list-style-type: none"> Innovation opportunity to meet customer and consumer demands Transforming product portfolio towards healthier options that contribute to consumers' well-being 	<ul style="list-style-type: none"> Regulatory risks (e.g. sugar tax) in the markets we operate in
COMMUNITY DEVELOPMENT & INCLUSIVE GROWTH Supporting economic development and creating positive social impact for communities connected to our business activities.	<ul style="list-style-type: none"> Investing in communities supports national social and economic development and ensures F&N grows alongside society Working with communities strengthens our relationships, our credibility and presence 	<ul style="list-style-type: none"> Impacts our reputation as a corporate citizen and may affect employee morale Potential financial implications when there are imbalance social, economic and environmental needs
HUMAN RIGHTS Upholding strong human rights practices in our operations and supply chain.	<ul style="list-style-type: none"> Proactively identify and address human rights risks in F&N operations and supply chain ensures a safe workforce 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 lead to monetary fines and reputational risk Disruption to operations Demotivated and unproductive workforce
HUMAN CAPITAL DEVELOPMENT Attracting, developing, and retaining high-performing employees, creating an inclusive and diverse culture.	<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 community 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, SAFETY & WELL-BEING Improving and maintaining the health, safety and well-being of our employees.	<ul style="list-style-type: none"> A healthy and safe workforce increases productivity of F&N operations Improvements in talent acquisition and retention Positive employer branding 	<ul style="list-style-type: none"> Injuries, occupational diseases, lost days and fatalities may result in productivity loss and reputational risk that affects the company's license to operate

General Disclosures	OPPORTUNITIES FOR F&N If issue is addressed	POTENTIAL RISKS FOR F&N If issue is not addressed
BETTER PLANET		
PACKAGING Developing sustainable packaging solutions to reduce the impact of packaging on the environment.	<ul style="list-style-type: none"> Meeting customer and consumer demands for sustainably packaged products uplifts reputation Improve packaging resource efficiency and save costs Reduce reliance on virgin materials 	<ul style="list-style-type: none"> Failure to meet stakeholders' expectations in managing packaging impact pose reputational risks Risk of competitors taking the lead and capturing market shares
ENERGY Minimising GHG emissions and energy use in our operations in line with global climate goals.	<ul style="list-style-type: none"> Reducing energy use 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 reputational risks Rise in operational costs with stricter regulations and energy sourcing changes
CLIMATE CHANGE Adapting our business model to ensure resiliency to climate-related risks.	<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 pose reputational risks
WATER STEWARDSHIP Protecting and preserving shared water resources.	<ul style="list-style-type: none"> Efficient water management presents cost saving opportunities for F&N 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 Minimising waste and safely disposing of hazardous materials.	<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"> Failure to meet stakeholders' expectations in managing our waste impact pose reputational risks
BIODIVERSITY Sourcing raw materials responsibly, protecting biodiversity and eliminating deforestation from our supply chain.	<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"> Failure to meet stakeholders' expectations in protecting the natural environment and biodiversity

F&N's Sustainability Focus Areas & 2025 Targets

The 18 material issues have been mapped onto the seven core areas of our Sustainability Framework. Through this framework, we align our business and sustainability goals with a sharper focus on how we create value for each material issue.



In 2020, we have set ambitious sustainability performance targets to be achieved by 2025. We have focused our targets on the 12 highest priority material issues. These 2025 goals will drive F&N's sustainability performance throughout our business and strengthen our commitment to creating long-term value for our stakeholders.








F&N's Sustainability Focus Areas & 2025 Targets

F&N's Material Issues

Material Issue	2025 Target	2022 Progress
 PRODUCT QUALITY & SAFETY	Achieve 100% of our plants and production processes certified with the Food Safety System Certification scheme 22000 (FSSC22000) and Halal Standard (or equivalent)	100% of our plants and production processes are certified with Halal Standards. 50% of our plants and production processes are certified with Food Safety System Certification 22000 (FSSC).
 INNOVATION	Achieve 10% product innovation for commercialised F&N products from 2020 baseline	13% product innovation for commercialised F&N products.
 SUPPLY CHAIN STEWARDSHIP	100% of our active key suppliers accept and comply with F&N's Supplier Code of Practice (SCOP)	99% of our active key suppliers have accepted and complied with our SCOP, of which all our direct suppliers have accepted.
 NUTRITION	At least two third of beverage and dairy products ¹ comply with the Nutritional Guidelines	58% of our beverage and dairy products are endorsed with Healthier Choice Logo.
 COMMUNITY DEVELOPMENT & INCLUSIVE GROWTH	Increase the number of annual community programmes to 11	11 community programmes conducted this year, an increase of 10% compared to FY2020 baseline.
 HUMAN CAPITAL DEVELOPMENT	Provide an average of at least 18 hours of training to executive level employees and 11 hours of training to non-executives	22.2 training hours per employee in the executive category and 13.1 training hours per employee in the non-executive category.
 EMPLOYEE SAFETY, HEALTH & WELL-BEING	Reduce the Lost Time Injury Frequency Rate (LTIFR) to 0	Our lost time injury rate was 1.28 in FY2022, due to 6 recordable lost time injury cases at our plants in Malaysia and Thailand.

¹ based on formulation, excluding canned milk and cordials

Material Issue	2025 Target	2022 Progress
 ENERGY	Reduce the Group's energy intensity ratio at our plants by 8% from a 2020 baseline	Our group energy intensity ratio has improved by 1% to 860.29 (as compared to FY2020 baseline at 868.56), contributed by the various energy improvement initiatives at our plants.
 CLIMATE CHANGE	Reduce the Group's greenhouse gas (GHG) emissions intensity ratio at our plants by 8% from a 2020 baseline	Our group GHG intensity ratio has improved by 4% to 0.0633 (as compared to FY2020 baseline at 0.0661), contributed by the various energy improvement initiatives at our plants and the implementation of solar roofs at our plants in Malaysia and Thailand.
 WATER STEWARDSHIP	Reduce the Group's water intensity ratio at our plants by 8% from a 2020 baseline	Our group water intensity ratio has increased by 1% to 2.32 (as compared to FY2020 baseline at 2.29), Water efficiency was impacted by lower production volume at our dairy plant in Malaysia.
 WASTE MANAGEMENT	Reduce the solid waste sent to landfill by 30% from a 2020 baseline	Our total solid waste sent to landfill increased 31% to 1,471 MT (as compared to FY2020 baseline at 1,122 MT), due to the additional sludge from the maintenance of our wastewater treatment plant at our Shah Alam plant.
 PRODUCT PACKAGING	Increase the recycled content in our beverage and dairy packaging to 25%	The average recycled content in our packaging has improved from 20% in FY2020 to 25% this year.

34

35









Our Contribution to the UN SDG Targets

Through our sustainability framework and targets, our business contributes to the United Nations Sustainable Development Goals (UN 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 value chain:

F&N Alignment with SDG Targets

Legend: Primary SDG Primary SDG

Material Topic	SDGs	SDG Targets
BETTER BUSINESS		
GOVERNANCE & ETHICS		16.5 Substantially reduce corruption and bribery
		16.6 Develop effective, accountable and transparent institutions
POLICY & REGULATIONS		16.6 Develop effective, accountable and transparent institutions
PRODUCT QUALITY & SAFETY		3.4 Promote health outcomes through nutrition
PRODUCT & SERVICE LABELLING		12.3 Reduce food waste and loss
		12.8 Promote and provide information about sustainable lifestyles
INNOVATION		3.4 Promote health outcomes through nutrition
		2.3 Improve productivity and incomes of small-scale food producers
		2.4 Promote sustainable food production and resilient agricultural practices
		8.2 Diversify, innovate and upgrade for economic productivity
		8.4 Improve resource efficiency in consumption and production
		9.4 Promote the use of sustainable industrial processes
		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
		3.4 Promote health outcomes through nutrition
		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
		7.2 Increase use of renewable energy
		7.3 Improve energy efficiency

Legend: Primary SDG Primary SDG

Material Topic	SDGs	SDG Targets
SUPPLY CHAIN STEWARDSHIP		2.3 Improve productivity and incomes of small-scale food producers
		2.4 Promote sustainable food production and resilient agricultural practices
		8.2 Diversify, innovate and upgrade for economic productivity
		8.4 Improve resource efficiency in consumption and production
		9.2 Promote inclusive and sustainable industrialisation
		9.4 Promote the use of sustainable industrial processes
		12.2 Sustainable management and use of natural resources
		12.3 Reduce food waste and loss
		15.2 Promote sustainable forest management
		15.5 Protect biodiversity and natural habitats
		17.6 Knowledge sharing and cooperation for access to science, technology and innovation
BETTER SOCIETY		
NUTRITION		2.2 Improve nutrition for society
COMMUNITY DEVELOPMENT & INCLUSIVE GROWTH		3.4 Promote health outcomes through nutrition
		2.1 Improve access to safe and nutritious food
		2.2 Improve nutrition for society
		8.6 Promote youth employment, education and training
		9.2 Promote inclusive and sustainable industrialisation
		12.8 Promote and provide information about sustainable lifestyles
		1.4 Promote equal rights to ownership, basic services, technology and economic resources
		3.4 Promote health outcomes through nutrition
		4.4 Promote relevant skills development
		4.7 Promote sustainable development education and global citizenship
		4.B Expand higher education scholarships for developing countries

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OUR SUSTAINABILITY APPROACH

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37



Our Contribution to the UN SDG Targets

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OUR SUSTAINABILITY APPROACH

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Legend: Primary SDG

Material Topic	SDGs	SDG Targets
COMMUNITY DEVELOPMENT & INCLUSIVE GROWTH (Cont'd)		10.2 Promote universal social, economic and political inclusion
		17.6 Knowledge sharing and cooperation for access to science, technology and innovation
HUMAN RIGHTS		8.7 End modern slavery, trafficking, and child labour 8.8 Protect labour rights and promote safe working environments
		5.5 Ensure women's full participation in leadership and decision-making
		10.2 Promote universal social, economic and political inclusion
		8.1 Sustain Economic Growth 8.2 Diversify, innovate and upgrade for economic productivity
HUMAN CAPITAL DEVELOPMENT		4.4 Promote relevant skills development
		5.5 Ensure women's full participation in leadership and decision-making
		10.2 Promote universal social, economic and political inclusion
		8.7 End modern slavery, trafficking, and child labour 8.8 Protect labour rights and promote safe working environments
EMPLOYEE SAFETY, HEALTH & WELL-BEING		17.6 Knowledge sharing and cooperation for access to science, technology and innovation
BETTER PLANET		
ENERGY & CLIMATE CHANGE		8.2 Diversify, innovate and upgrade for economic productivity 8.4 Improve resource efficiency in consumption and production
		9.2 Promote inclusive and sustainable industrialisation 9.4 Promote the use of sustainable industrial processes
		12.2 Sustainable management and use of natural resources
		7.2 Increase use of renewable energy 7.3 Improve energy efficiency

Legend: Primary SDG

Material Topic	SDGs	SDG Targets
WATER STEWARDSHIP		8.2 Diversify, innovate and upgrade for economic productivity 8.4 Improve resource efficiency in consumption and production
		9.2 Promote inclusive and sustainable industrialisation 9.4 Promote the use of sustainable industrial processes
		12.2 Sustainable management and use of natural resources
		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
WASTE MANAGEMENT		17.6 Knowledge sharing and cooperation for access to science, technology and innovation
		8.2 Diversify, innovate and upgrade for economic productivity 8.4 Improve resource efficiency in consumption and production
		9.4 Promote the use of sustainable industrial processes
		12.2 Sustainable management and use of natural resources 12.3 Reduce food waste and loss
PACKAGING		6.3 Improve water quality, reduce pollution, enhance wastewater treatment and improve water circularity
		17.6 Knowledge sharing and cooperation for access to science, technology and innovation
		12.2 Sustainable management and use of natural resources 12.8 Promote and provide information about sustainable lifestyles
		17.6 Knowledge sharing and cooperation for access to science, technology and innovation
BIODIVERSITY		15.2 Promote sustainable forest management 15.5 Protect biodiversity and natural habitats
		17.6 Knowledge sharing and cooperation for access to science, technology and innovation

38

39



Task Force on Climate-related Financial Disclosures & Climate Risk Management



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

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

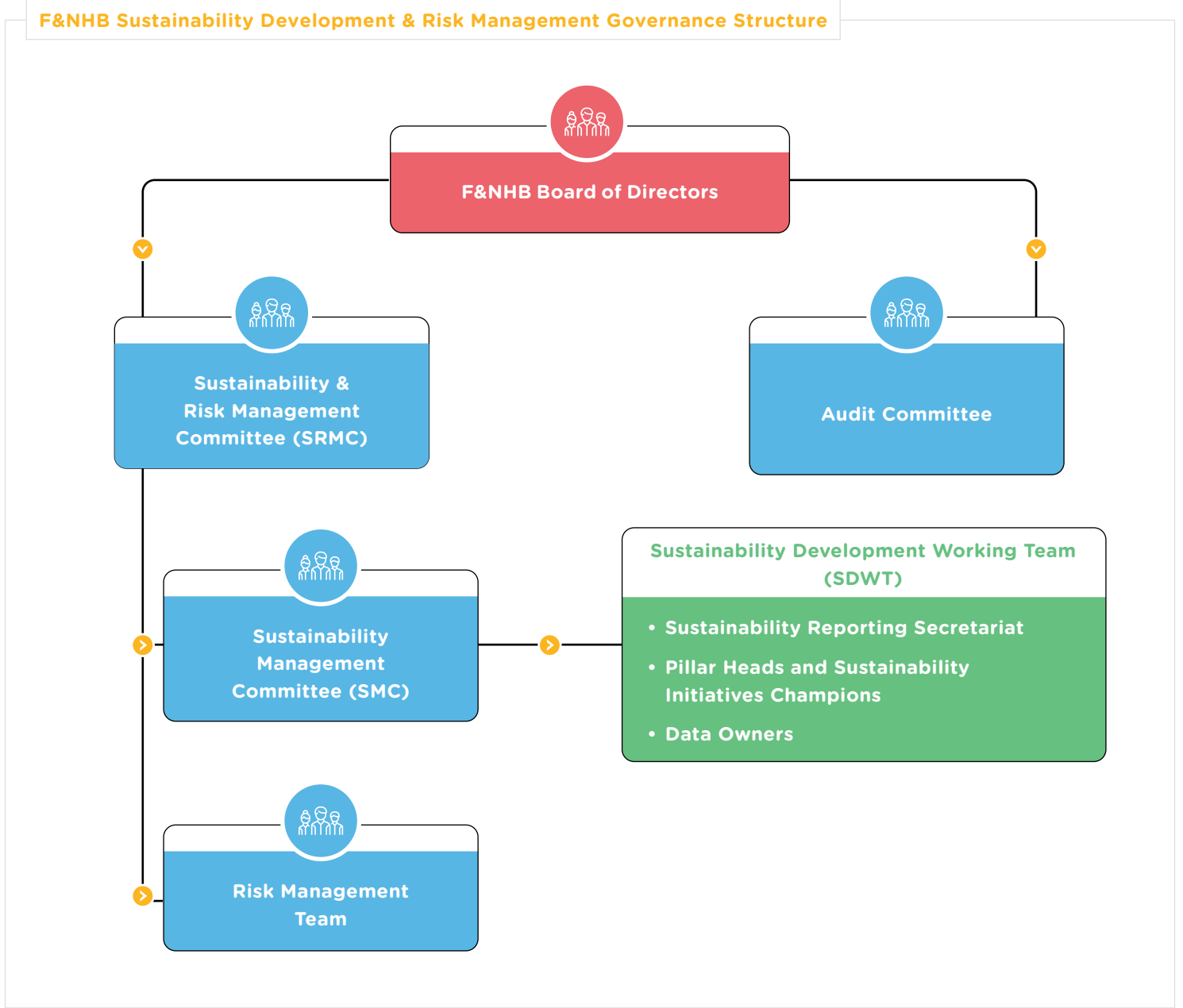
In our inaugural climate-related impact assessment this year, F&N has identified material transition drivers and physical climate-related risks on our operations and supply chain through conducting scenario analyses of transition and physical risks. In subsequent years, F&N hopes to deepen our understanding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

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

1 Governance

In recognising the responsibility and role that F&N has in driving climate action and in transition towards a low carbon economy and society, climate change issues have been incorporated into F&N's governance structure from the board level through to the working team.

Dedicated roles and responsibilities of the Board, Board-level committees, Management and Working Team are described below:



Task Force on Climate-related Financial Disclosures & Climate Risk Management

F&N’s Climate Governance Roles & Responsibilities

F&N Functions	Climate Risks & Climate Strategy Roles and Responsibilities	Meeting Frequency
Board of Directors*	<ul style="list-style-type: none">Responsible for incorporating sustainability and climate issues into the formulation of F&NHB’s strategy.Annual approval of risk appetite and risk tolerance statements, including climate related risks.	Four times a year
Board Committee: SRMC*	<ul style="list-style-type: none">Ensures sustainability and climate risks and opportunities are considered at the highest level of F&NHB. Responsible for approving all strategic initiatives and policies relating to the sustainability and climate agenda of the company.Receives updates on the Group’s sustainability and climate agenda from the SMC three times a year.Guides the development of risk and sustainability frameworks, policies, guidelines and initiatives to ensure that sustainability issues, including climate related issues, are effectively managed and integrated into business operations and corporate objectives.Assists the board in overseeing the Group’s risk management framework and policies. Review risk appetite and risk tolerance statements, including climate related risks.Provides strategic direction in managing sustainability-related risks and opportunities, taking into account the Group’s risk appetite and risk tolerance.	Four times a year
Board Committee: Audit Committee*	<ul style="list-style-type: none">Assists the Board in reviewing and monitoring the integrity towards the Group’s reporting process, the system of internal controls, audit process and compliance with legal and regulatory matters.Reviews key risks and recommendations from the SRMC, including sustainability and climate, and advises the board annually.	Four times a year
SMC	<ul style="list-style-type: none">Headed by the Chief Executive Officer (CEO), the F&NHB SMC translates the overall direction into specific policies and goals for functions.The SMC team works in alignment with the SDC at the F&N Group level, headed by the CEO, F&N Group.The team comprises CEOs and senior executives across various functions for considering, planning and embedding sustainability development matters – including climate risks and opportunities.	Monthly
SDWT	<ul style="list-style-type: none">Consists of cross-functional representatives who take on the various roles of the Sustainability Reporting Secretariat, Pillar Heads and Sustainability Initiative Champions, and Data OwnersSupport the SDC & SMC in planning and monitoring sustainability and climate goals, driving initiatives at an operational level, identifying challenges in performance and gathering data for reporting.Collate data and inputs from data owners for respective operational units.	Ad-Hoc
Risk Management Team	<ul style="list-style-type: none">Risk discussion with (internal and external) stakeholder as part of the risk management system	Four times a year

* The composition of our Board and the following committees in terms of their status, gender, and competencies are further described in our AR2022, in page 95.

2 Strategy

Climate change will present challenges for F&N business, as physical and transition risks intensify in the future. Yet these emerging drivers present opportunities for cost savings and alignment with customer expectations.

Understanding the gravity of our climate risk assessment, F&N intends to incorporate the results into our existing sustainability strategy through the “Better Planet” theme. We aim to meet the expectations of our stakeholders by transforming our strategy into action plans and manage climate-related risks and opportunities.



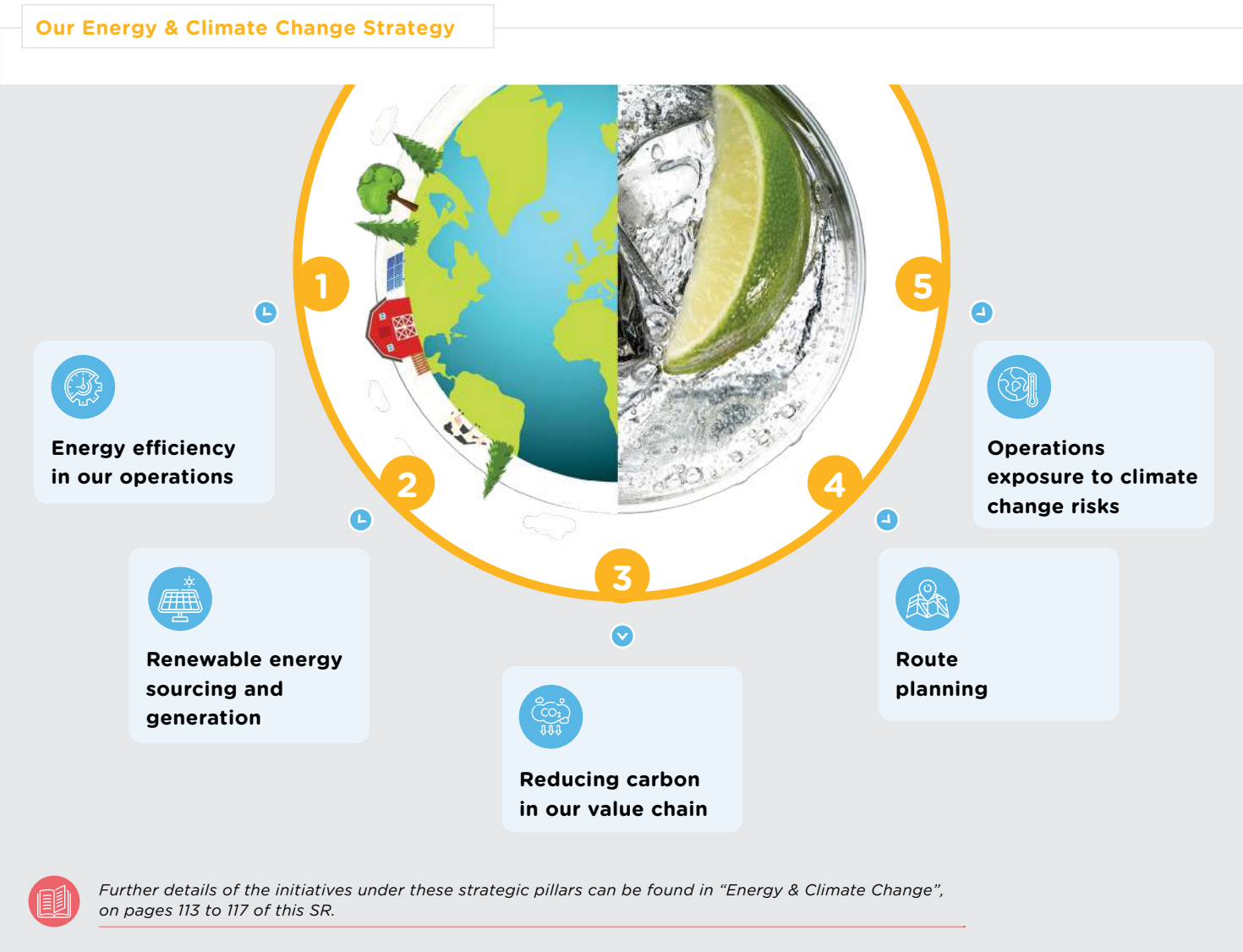
F&N has formalised a climate vision to support the company-wide vision to be a stable and sustainable F&B leader in the ASEAN region. Our climate vision is - to improve F&N’s climate resilience and support a low-carbon economy in line with the 1.5°C – 2°C pathway by 2050.

Our risk appetite and risk tolerance statements are reviewed by the SRMC and approved by the Board annually. It is intended that at the end of the financial year, the Board receives assurance from the CEO, Director, Group Finance and key management that the risk management and internal control systems are adequate and effective to address material risks, including key climate-related risks and opportunities, as identified by the Group.



Task Force on Climate-related Financial Disclosures & Climate Risk Management

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



Climate-Related Risks & Opportunities

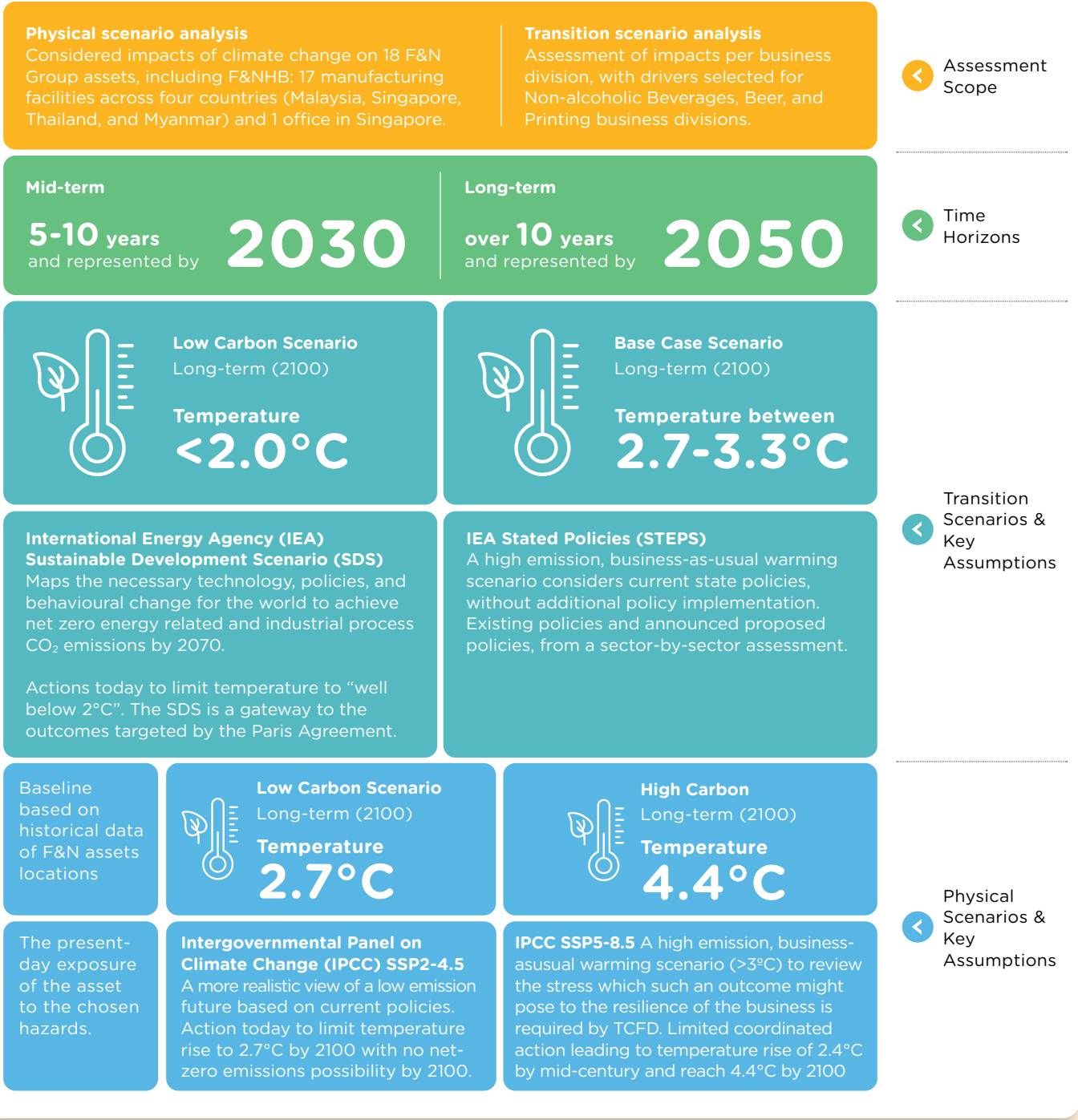
A key driver in conducting a climate-related risks and opportunities assessment is to be prepared ahead of the potential risks and opportunities that may unfold along the future time horizons. In our climate-related impact assessment, F&N has identified material transition drivers and physical climate-related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

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

Scenario Analysis

As part of F&N ERM framework, scenario analysis within climate risks is adopted to enhance strategic thinking through the exploration of alternative pathways the world could take, factoring uncertainty. In 2022, F&N conducted a formal qualitative assessment of climate-related risks and opportunities to identify, evaluate, and manage the potential impacts. The assessment of the risks and opportunities are considered under selected climate scenarios to assess the climate impact of key transition and physical risks under the respective climate scenarios.

Transition & Physical Climate Change Risk Assessment Scope



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

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



Task Force on Climate-related Financial Disclosures & Climate Risk Management

Transition Risks & Opportunities

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

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**

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

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

Qualitative Assessment of Transition Risks & Opportunities

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

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

Physical Climate Change Risks

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

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**

Identification of Relevant Climate Hazard Drivers

Through literature review, we identified six main natural hazards type - Water Scarcity, Inland Floods, Coastal Floods, Landslides, Wind and Cyclones, and Extreme Heat - that could impact our assets by resulting in both acute (event driven) and/or chronic (long-term shifts in climate patterns) climate change. These natural hazards pose varying severity to our businesses.

Physical Risks Assessment

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

3 Risk Management

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

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

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

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

Climate Risk Management Integrated in F&N ERM Process

Step 1 Objective Setting	Step 2 Risks/Opportunities Identification	Step 3 Risk Responses	Step 4 Unifying risk management strategy
<ul style="list-style-type: none">Review previous year's business strategies and objectives across the Group.Set business strategies and objectives for all business divisions.Incorporate climate-related objectives based on F&N's climate vision for the organisation.	<ul style="list-style-type: none">Sustainability risks and opportunities identified through stakeholder engagementsClimate-related physical and transition risks are assessed with scenario analysis and external climate data projections.External sources are referred to - peer analysis and industry/sector-specific research papers.	<ul style="list-style-type: none">Each risk is rated by measuring the probability of risk occurrence and impact of risk occurrence on the business. Scenario analysis is updated as neededRisks are prioritised according to the four core risk response strategies of the F&N ERM framework: Accept, Avoid, Reduce, TransferDevelopment of mitigation actions and plans to control risks and leverage opportunities	<ul style="list-style-type: none">Consolidate risk management outcomes into CRS as a reference for the Group.The CRS records risks, mitigating measures, timelines for action items and risk rating with key indicators.CRS enables subsidiaries within the Group to assess and report risks in a holistic and consistent manner.

4 Metrics & Targets

F&N commits to accounting for climate-related risks and leveraging on opportunities. We seek to build trust with our stakeholders by reporting climate-related metrics and targets fairly. Data on GHG Emissions Scope 1 and Scope 2 is elaborated in "Energy & Climate Change" on page 117 of this SR.

F&N has established climate goals and metrics to achieve by 2025, which are mapped to relevant climate risks and opportunities that have been identified during transition and physical risk assessments, which are further elaborated in the pages 34 to 35 of this SR.

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OUR SUSTAINABILITY APPROACH

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46

47



Stakeholder Engagement

GRI 2-29

F&N’s stakeholders include any individual or group who is impacted by or interested in our activities. Trust and respect are the foundation to maintaining strong relationships with our stakeholders.

Engaging stakeholders is a critical part of our business planning and sustainability strategy. It enables us to flag out potential negative impacts our business might unintentionally cause and implement mitigating measures to minimise the impact to a reasonable level as determined through engagements with our stakeholders.

We identify stakeholder groups with which to engage through consideration of individuals or groups which may have an interest in our business, and/or have influence over the functioning of our business. We tailor our engagement approach depending on the stakeholder groups level of interest and influence.



F&N Engagements with Stakeholders

Engagement Channels and Frequency of Engagements	Key Concerns	How F&N Creates Value for this Stakeholder	Relevant Sections
S1 <ul style="list-style-type: none">Annual General MeetingsRegular face-to-face meetings & conference callsOffice/plant visits, as and when requiredInvestor days/briefing	<ul style="list-style-type: none">Transparent & accurate disclosureReturn on investmentSustainable financial & operational performance	<ul style="list-style-type: none">Managing our resources effectively to maximise profitsMaintaining a strong balance sheet	<ul style="list-style-type: none">Governance & EthicsEconomic Performance
S2 <ul style="list-style-type: none">Biennial employee engagement surveyAnnual CEO town hall/roadshowAnnual dinnerFestive gatheringsSports tournamentsF&N Chairman's AwardiConnect (intranet), F&N Bites (news update), monthly email highlights, digital TV, Fraserians Connect (mobile app)F&N Voice WhatsApp channelDialogues with unions	<ul style="list-style-type: none">Compensation & benefitsCompetency developmentSenior leadershipLearning & developmentRewards & recognitionSafety at work	<ul style="list-style-type: none">Career advancement and ability to reach individual potentialBoosting earning potential of employees with training and developmentStrict hygiene practices and sanitary environment in the workplace	<ul style="list-style-type: none">Human Capital DevelopmentEmployee Health, Safety & Well-beingHuman Rights
S3 <ul style="list-style-type: none">Annual customer meetingsAnnual factory visitsAnnual business planningRegular business development activitiesJoint supply chain meetingsQuarterly business reviewsCustomer appreciation events	<ul style="list-style-type: none">Supply chain disruptionReduced raw materials yieldLatest consumer & shopper trendsProduct innovationCustomer relationship managementShopper loyalty programmesImproving customer service levelBusiness practices & ethicsEfficient delivery systems	<ul style="list-style-type: none">Partnering with retailers on shared opportunitiesSource of income & job creation at our distributorsSupporting the livelihood of Small Medium Enterprises (SMEs) in Thailand, Laos and Cambodia	<ul style="list-style-type: none">InnovationNutritionProduct Quality & SafetyProduct & Service Labelling
S4 <ul style="list-style-type: none">Marketing & sales promotionsBrand communication through advertisingOn-going social media interactionsOn-ground events & activitiesDedicated consumer hotline	<ul style="list-style-type: none">Product quality & safetyConsumer health & safetyFair & reasonable product pricingSocial & community engagementEnvironmental-friendly packaging	<ul style="list-style-type: none">Launching innovative productsFulfilling consumers' demand for safe and quality productsProviding accessible products through an extensive distribution network coverage	<ul style="list-style-type: none">InnovationNutritionProduct Quality & SafetyProduct & Service Labelling
S5 <ul style="list-style-type: none">Collaborations & partnershipsMeetingsOutreach programmesMeetings/dialogues with community representativesLeadership programmesSponsorships for more than 10 communities	<ul style="list-style-type: none">Social & environmental responsibilityJob opportunities for localsPromotion of good health & quality of lifeSkill development in sports & leadershipStimulating local economies	<ul style="list-style-type: none">Social investment in community projectsAdvocating active lifestyles via sports events and activitiesSupporting beneficiaries from vulnerable communities	<ul style="list-style-type: none">Community Development & Inclusive GrowthHuman Rights
S6 <ul style="list-style-type: none">Active collaborations, e.g. Federation of Malaysian ManufacturersMeetings with government agencies and statutory bodiesCollaboration & partnerships with local councils	<ul style="list-style-type: none">Good governanceFair labour practicesSafety at workCompliance with laws & regulationsWater & waste managementEnvironmental-friendly labelling & packagingGHG gas emissionsRecycling awareness	<ul style="list-style-type: none">Compliance with regulation to mitigate against systemic risksAdhering to sustainable practices to protect our stakeholdersActive industry collaboration and knowledge exchange	<ul style="list-style-type: none">Policy & Regulations
S7 <ul style="list-style-type: none">Supplier meetingsTender Management SystemAnnual supplier assessment review & auditF&N Business Partner Award Programme	<ul style="list-style-type: none">Fair & robust procurement systemSupport of local businessesSocial & environmental responsibilityEthics - anti-bribery & corruption	<ul style="list-style-type: none">Working with local suppliersPartnering with suppliers on shared opportunitiesExtend our Environmental, Safety & Health Policy to our suppliers	<ul style="list-style-type: none">Supply Chain StewardshipBiodiversity

Our Key Partnerships & Collaborations

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OUR SUSTAINABILITY APPROACH



We believe that our sustainability journey is one where we proactively manage and understand our footprint on the larger environment and society. As such, we partner with international organisations and sustainability thought leaders. F&N is a proud member of the Roundtable on Sustainable Palm Oil (RSPO), Support Asia for Sustainable Palm Oil (SASPO) and Supplier Ethical Data Exchange (SEDEX).

In Malaysia, F&NHB continues to partner with Halal Development Corporation Berhad (HDC), providing technical advice and knowledge transfer to SMEs on Halal matters, as well as the CEO Action Network (CAN) to uplift the sustainability capacity in supply chains and business ecosystems. This year, F&NHB facilitated in organising a series of training under the CAN capacity building workstream on 3 topics – Human Rights, Circular Economy and Climate Change. F&NHB also teamed up with key industry leaders to establish a voluntary, industry-led Extended Producer Responsibility (EPR) – Malaysian Recycling Alliance (MAREA) that focuses on improving collection and recycling of post-consumer packaging.

In Thailand, F&N has been collaborating with local Thailand-based farmers in cooperatives since 2013 to help farmers increase productivity, lower cost, improve milk quality, and reduce waste.

F&N is aligned with sustainability charters, principles and standards, including UN SDGs, GRI and IIRC. The achievements of our efforts towards environmental excellence and sustainability reporting were acknowledged through different prestigious awards received in Malaysia and Thailand.

The awards included:

PRIME MINISTER'S INDUSTRY AWARD

F&N Dairies Thailand won the Prime Minister's Industry Award 2021 in the category of Quality Management from the Ministry of Industry Thailand.



NATIONAL ANNUAL CORPORATE REPORT AWARDS (NACRA) 2021

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



THE EDGE MALAYSIA ESG AWARDS 2022

In recognising our performance in ESG, F&NHB bagged two awards in the inaugural The Edge Malaysia ESG Awards 2022, namely Best Performing Company in Consumer Products & Services and Top Three Performers in ASEAN.



Refer to the full list of awards in our AR 2022.

External sustainability ratings enable us to benchmark against global peers, communicate our sustainability commitment to our stakeholders, as well as to identify strengths and opportunities for improvement. F&NHB participated in the following this year:

S&P GLOBAL ESG SCORE 2022

We emerged as one of the top decile companies in the S&P CSA and ranked among the top ten companies out of 89 companies assessed in the beverages industry. Our company scored 71 (out of 100). Notably, F&NHB achieved the forth-highest score for the Social dimension. (Score date: Nov 18, 2022).



FTSE4GOOD BURSA MALAYSIA INDEX

F&NHB remained as a constituent of FTSE4GOOD Bursa Malaysia Index for the fourth consecutive year and FTSE4GOOD Bursa Malaysia Shariah Index for second consecutive year, with an improved score of 4.4 in September 2022 from 4.1 last year.



50
51



BETTER BUSINESS: RESPONSIBLE BUSINESS FUNDAMENTALS

F&N recognises the scale of the impact our business has on the societies and environments in which we operate. As a prominent F&B organisation in Southeast Asia, we are accountable for the future of our business by advancing our actions in consideration of our business fundamentals – the corporate governance in our operations and supply chain, and the social, environmental, and financial value we create for our stakeholders.



We strive to be a regional leader by embedding Responsible Business Fundamentals in the way we do business, including:

Responsible Business Practice

- Governance & Ethics
- Policy & Regulations
- Economic Performance

Responsible Product Stewardship

- Product Quality & Safety
- Product & Service Labelling
- Innovation

Responsible Supply Chain

- Supply Chain Stewardship

Our contribution to the SDGs:



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.

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



Governance & Ethics



Policy & Regulations



Economic Performance

Governance & Ethics

GRI 205-3

SDG



Sustainability
Report
2022

We are committed towards addressing ESG issues, therefore the ESG-related matters are integrated in our governance structure and decision-making process, this includes the Board's Charter in considering the sustainability issues such as environment, social and governance factors during our formulation for F&N business strategy. Our Board has the ultimate oversight of all sustainability issues, and they are guided by sustainability principles when making decision for long-term strategy planning.

During FY2022, Directors attended four training modules on ESG topics, which were conducted by an external ESG consultant. The training was arranged by the Company for Directors and senior management as part of the on-going initiatives to enhance the Board's effectiveness in overseeing the Group's sustainability and its underlying ESG issues. The 4 topics were ESG Eco System, Human Rights, Climate Change and Biodiversity.

F&NHB SRMC is the board level committee responsible in overseeing sustainability-related matters and approving all sustainability related strategic initiatives and policies while considering the related risks and opportunities in the process. SRMC meets quarterly to provide regular updates on Group's sustainability agenda.

The SRMC meets quarterly and receives regular updates on the Group's sustainability agenda with the following members:

F&NHB Sustainability & Risk Management Committee (SRMC)

Chairman



Madam Tan Fong Sang

Members



Dato' Jorgen Bornhoft



Mr. Kosit Suksingha
(Alternate Director: Mrs. Tongjai Thanachanan)



Dato' Ng Wan Peng

SRMC also works closely with Audit Committee. The Audit Committee is responsible to review and monitor the integrity of the Group's reporting process, audit process, internal controls system while ensuring the compliance with legal and regulatory matters.

Headed by the Chief Executive Officer (CEO), the F&NHB Sustainability Management Committee (SMC) is responsible in executing the Group's sustainability direction with supporting initiatives, policies and goals. The SMC team works in alignment with the Sustainability Development Council at the F&N Group level, headed by the CEO, F&N Group. The team comprises of CEOs and senior executives across various functions for considering, planning and embedding sustainability development matters.

F&NHB Sustainability Management Committee (SMC)



Lim Yew Hoe
Chief Executive Officer



Tiong Yean Yau
Director, Finance



Suchit Riewcharoon
Managing Director, Dairies Thailand



Graham Lim
Managing Director, Commercial Operations
(East Malaysia & Borneo)



David Hoong Cheong Wai
Senior Director, Human Capital



Dr. Yap Peng Kang*
Senior Director, Projects Management
(Agriculture & Dairy Farm)



Timothy Ooi Aik Tuan
Director, Group Legal Counsel & Company Secretary



Karen Tan Chui Chui**
Director, Communications, Corporate Affairs & Sustainability



Dato' Raffiq Md Ariff
Managing Director, Government & Industry Engagement



Waradej Patpitak*
Director, Manufacturing & Supply Chain, Dairies Thailand



Kelleigh Foo Chooi Kian
Director, Risk Management & Corporate Planning

* F&N Group Sustainability Development Committee
** F&N Group Sustainability Reporting Secretariat

54

55

Fraser
& Neave
Holdings
Bhd

Governance & Ethics

SMC is supported by the SDWT, who consists of key representatives from different functions such as Sustainability Reporting Secretariat, Pillar Heads, Sustainability Initiative Champions and Data Owners. They are responsible in monitoring the progress of the designated goals, executing initiatives at operational level and collecting data for reporting.

For the Sustainability Development & Risk Management Governance Structure, refer to "TCFD & Climate Risk Management Summary", on page 41 of this SR.

At F&N, we have integrated sustainability metrics which are aligned with F&N Group targets into all executives' annual variable compensation (including CEO and senior management) in the below areas:

- **ENVIRONMENT** - Energy, Water Stewardship
- **SOCIAL** - Employee Safety, Health & Well-being, Human Capital Development

Sustainability metrics are weighted at 10% of the annual variable compensation plan.

RISK MANAGEMENT

SRMC is responsible to review the risk appetite and risk tolerance statement, while the Board is responsible to provide approval for the review annually. CEO, Director, Group Finance and key management personnel provide assurance to the Board that the risk management and internal control system in place for the Group is adequate and effective to address risks which the Group considers relevant and material to its operations through ERM Validation Report and Comfort Matrix.

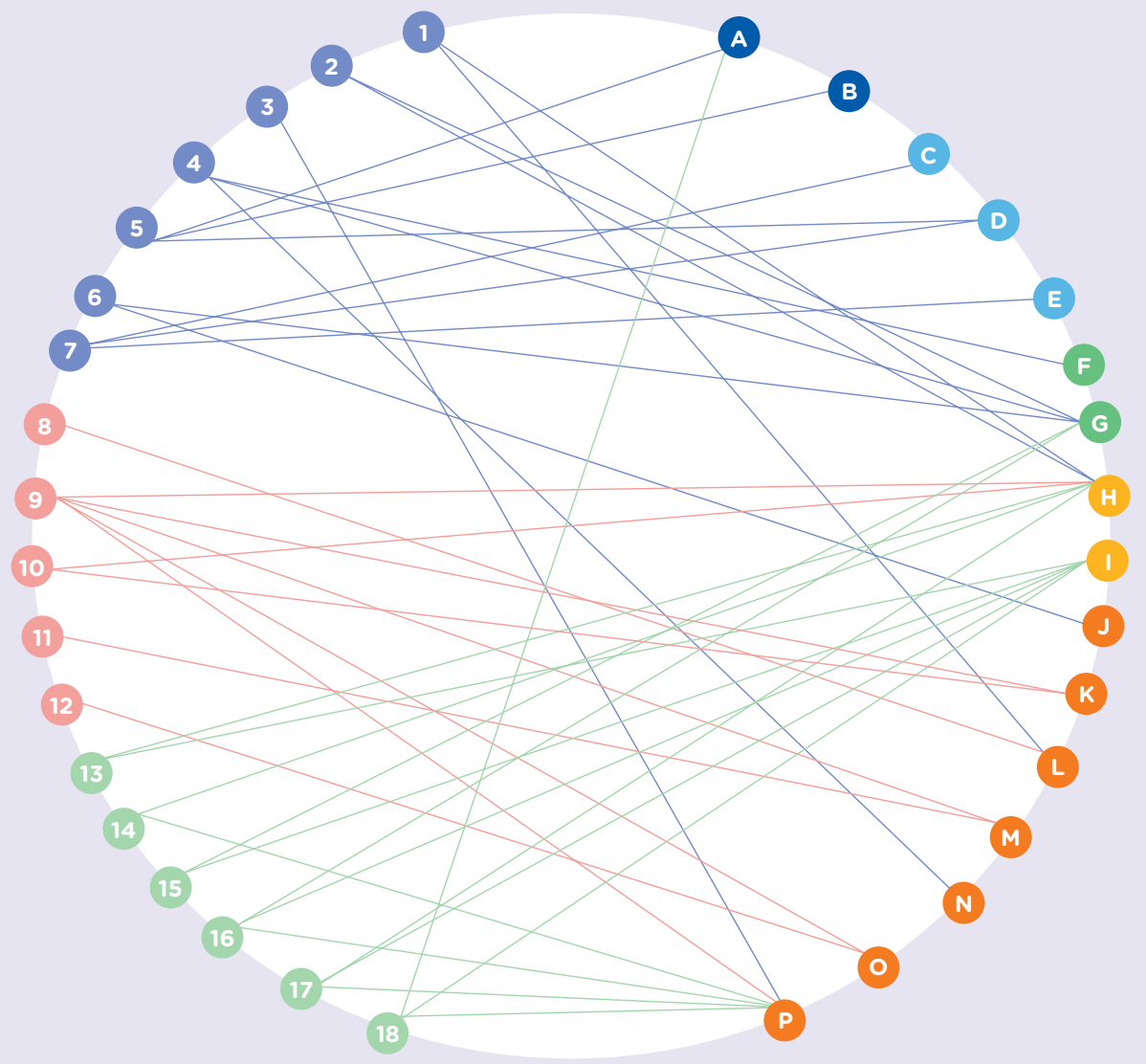
To drive our strategic decisions for the financial year, we have identified the key priorities for sustainability issues, including the related risks and opportunities, and integrated it into our overall risk management framework.

The three key areas F&NHB focuses on overall risk management frameworks are (a) business operational risks, (b) integration of material sustainability issues, and (c) emerging risks which may impact us on a mid-term or even long-term basis. We have integrated the material sustainability issues into our overall risk management framework by identifying specific risks, opportunities and key priorities to drive our strategic decisions. By considering the sustainability matters, it enables us to produce products that are valuable to our stakeholders.

Material Issues

- 1 Product Quality & Safety
- 2 Product & Service Labelling
- 3 Supply Chain Stewardship
- 4 Governance & Ethics
- 5 Economic Performance
- 6 Policy & Regulations
- 7 Innovation
- 8 Nutrition
- 9 Human Rights
- 10 Community Development & Inclusive Growth
- 11 Employee Safety, Health & Well-being
- 12 Human Capital Development
- 13 Packaging
- 14 Water Stewardship
- 15 Waste Management
- 16 Energy
- 17 Climate Change
- 18 Biodiversity

- Economic
- Social
- Environment



Key Risks

- | | | | |
|--|---|--|--|
| A Significant Increase in Commodity Prices | E Risk from Disruptive Digital Technology & Innovation | I Environmental Damage | M Health, Safety & Security |
| B Other Financial Risks | F Corruption, Fraud, Pilferage & Ethical Risks | J Political/International Instability & Geopolitical Risk | N Cyber Threats & Data Security Risk |
| C Strategic Risk Involving New Business Investment | G Non-compliance with Laws, Rules, Regulations & Standards | K Infectious Disease | O Talent Management & Succession Planning |
| D Inability to Anticipate/Respond Timely to Changing Consumer Needs | H Managing Stakeholders, Expectations & Perceptions | L Product Quality & Standards | P Supply Chain Risks |

- Financial/economic
- Strategic
- Governance & Ethics
- Reputational
- Operational



Governance & Ethics

KEY POLICIES

We strongly believe the importance of the leadership in setting the appropriate tone and defining organisational culture. Therefore, the board sets good principles of ethics and values for the Group, sets appropriate tone-from-the-top and desired organisational culture, ensures proper accountability within the Group and seeks to ensure that obligations to shareholders and other stakeholders are understood and met.

We have policies and frameworks in place to establish control and processes for our governance system. We also support international requirement or guidelines through incorporating them in our internal policies such as the UN Guiding Principles on Business and Human Rights, International Labour Organisation (ILO) guidelines, Thailand's Labour Protection Act and Malaysia Employment Act 1955.

In addition, we have the F&N Code of Business Ethics & Conduct which upholds principles related to integrity, respect and excellence. The Code is communicated to our employees by email and has also made available on our intranet and internal mobile app, Fraserians Connect. Our employees are required to acknowledge and declare any potential conflict of interest with F&N business annually.

During the reporting year, training was delivered to all F&NHB executives on topics that included ESG, code of conduct, bribery prevention, business ethics and integrity and fraud prevention.

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

List of Policies that F&NHB has in place:

- Anti-Bribery & Anti-Corruption Policy (ABC Policy)
- Code of Business Ethics Conduct
- Code of Business for Third Parties (COBP)
- Corporate Donation & Sponsorship Policy
- Environment, Safety & Health Policy
- Fraud Control Policy
- Halal Policy
- Human Rights Policy
- Supplier Code of Practice
- Whistleblowing Policy

Read the codes and policies here:



Policies are also communicated through F&NHB's internal mobile app, intranet and training sessions.

Any violation of Code can be reported via these mechanisms, managed internally by F&N:

- 1 Email to whistleblowing@fn.com.my or
- 2 Email to noncompliance@fn.com.my or
- 3 Any reporting mechanism provided in existing F&NHB's policies

The mechanisms provide internal and external parties a way to raise concerns on our business conduct. We ensure non-anonymous parties are treated confidentially, and that reported cases are investigated through internal channel of communication. The reporting party will be kept informed of the case outcome, including follow-up actions to assure our external stakeholders.

0 publicly reported breaches of the code of conduct

0 publicly reported case of corruption and bribery

We also ensure we fulfill our duty to the government by paying tax based on our income annually. To guide our tax management and to ensure we are complying with the applicable standards, laws and regulations in the countries we are operating in, we have policies and procedures established internally, while at the same time ensuring they are aligned with our business strategy with considerations on commercial aspects. These tax related policies and practices will be reviewed annually.



Performance

GRI 205-3: Confirmed incidents of corruption and actions taken

- There is no incident of corruption in the year.

Policy & Regulations

GRI 2-27

Approach

F&N places a high importance on regulatory compliance across our operations and engages with policymakers in a responsible and transparent manner. We work closely with local regulators, such as the Ministry of Health (MOH), Malaysian Ministry of International Trade and Industry (MITI), the Malaysian Investment Development Authority (MIDA).

Embedding Halal Standards & Requirements

As a leading manufacturer of Halal-compliant products, ensuring Halal compliance and maintaining Halal integrity is crucial throughout our entire supply chain. Strict adherence and implementation of Halal standards are required to meet the needs of our local and global Muslim consumers, and we will go beyond compliance of laws and regulations.

• Establishing Group Halal Council

As we aspire to be the market leader in the Halal F&B industry, we have established a Group Halal Council in 2016 to embed the Halalan Toyyiban guidelines, extending it across our operations and our engagement with consumers and society. The Group Halal Council is assisted by the Halal Affairs Department, while a dedicated Internal Halal Committee is set up in each of our manufacturing plants.

The Internal Halal Committee is responsible for all matters related to Halal compliance in our supply chain, from material selection, purchasing, raw materials receiving, manufacturing facilities and personnel involved directly in production processes, to the storage and transportation of our products.

• Strengthening Internal Control & Processes

All our products are Halal-certified by the Department of Islamic Development Malaysia (JAKIM) and other relevant authorised certification bodies such as Majelis Ulama Indonesia (MUI) and Central Islamic Council of Thailand (CICOT). Our strict Halal standards and robust assurance system have enabled Shah Alam and Pulau Indah plant to be awarded the Whitelist status by JAKIM, in which Halal applications and approval are fast tracked.

Halal Assurance Management System (HAS) version 2020 is implemented to maintain and ensure sustainability of Halal production processes according to JAKIM Halal requirements and standards. Additionally, we perform porcine analysis for our products and ingredients as further assurance of Halal. Used equipment or machines brought into our factories have undergone Shariah sertu cleansing to maintain Halal integrity of our products. We are fully committed to meet the Halal standards and requirements through continuous strengthening of

employee's Halal awareness and understanding with the following initiatives:

- Regular Halal Awareness programme, including training, contests and quizzes
- Regular training in Good Manufacturing Practices (GMP) and Good Hygiene Practices
- Prohibition of non-Halal foods and drinks within the factory premises, including office and canteen

Various trainings were organised to expand internal capacity. All employees in Malaysia, undergo mandatory Halal awareness training while employees with a responsibility in Halal matters also attended a series of professional training related to Halal internal audits and assurance. Over 1,200 employees attended Halal-related training this year.

Apart from our employees, the Halal awareness training was also extended to all our transporters and distributors. Halal audits were conducted on our transporters and distributors to ensure Halal compliance further downstream our supply chain.

• External Engagement

To further propel the Halal eco-system in Malaysia, we facilitate positive collaborative engagement with Halal authorities such as JAKIM, Jabatan Agama Islam Selangor (JAIS) and HDC. We are actively engaging with the Department of Malaysia standards through Federation of Malaysian Manufacturers (FMM) to provide our input towards developing Halal related standards, such as Sertu standards, Malaysian Standard 1514 Good Manufacturing Practice (for Food) and Halal Industrial Park - General Requirements and Guidelines.

This year, we continued to partner HDC on the Halal Sourcing Partnership Programme, to build the capacity of SMEs.



Read more in "Supply Chain Stewardship", on page 76 of this SR.



Policy & Regulations

F&NHB also participated in knowledge sharing forums with international industry representatives, government leaders, trade council and civil society leaders - World Halal Business Conference Australia 2022 and 18th Malaysia International Halal Showcase (MIHAS), focusing on topics related to Halal and sustainability.

We also support HRDCorp by providing our input towards the development of Industrial Skills Framework for Food & Beverages – Food Manufacturing, particularly in career development related to Halal Industry.

Engagements with Policy & Regulatory Bodies

F&NHB places high importance on regulatory compliance across our operations and engaging with policymakers in a responsible and transparent manner. F&NHB works closely with local regulators, such as the Malaysian MOH, MITI and MIDA in these areas:

• Environmental Compliance & Management

The F&B manufacturing process involves the generation of both liquid (effluent) and solid wastes. We continue to improve on our solid waste management by identifying key categories and key waste streams so that we can recycle and reduce our waste generation. We strive to reduce the impacts from our operations, and this means complying with, and going beyond, relevant regulations.

Under the guidance of our Environmental, Safety and Health (ESH) Policy and the principles of a circular economy, we apply strict standards over the quality of our effluent discharges, and we continuously explore how 'waste' from our operations can be minimised and put to alternative uses.

• Product & Service Labelling

We ensure that our marketing and advertising activities do not violate any ethical standards. We adhere to the Malaysian Code of Advertising Practice in Malaysia and the Consumer Protection Act of B.E. 2522 (1979) and Food and Drug Administration (FDA)'s Advertising Guidelines in Thailand. In Malaysia, we are a signatory to the 'Responsible Advertising to Children' initiative and have pledged to restrict marketing to children under 12 years of age.

• Employee Safety, Health & Well-being

At F&N, safety is integrated across our operations through the implementation of ESH systems and monitoring processes. Our adhesion to local regulations and international standards, such as ISO 14001 and ISO 45001 for our major sites, demonstrates that our safety practices extend beyond compliance with national regulations. All employees, workers and activities are covered by our ESH systems, and all workers receive necessary training and safety equipment.

• Quality Management

In our own operations, we adhere to all health and safety regulations applicable to the F&B industry for the markets in which we operate. All our products are manufactured under stringent international quality and food safety standards; and are subjected to rigorous quality control procedures across all stages of our production processes. Our plants are certified with FSSC Scheme 22000, ISO 22000, Halal certifications and Hazard Analysis Critical Control Points (HACCP) Food Safety management systems.

Performance

GRI 2-27:

Non-compliance with laws and regulations

- In FY2022, there was no incident of non-compliance with laws and regulations resulting in a fine, penalty or warning.

Economic Performance

GRI 201-1

Our business success is based upon long-term value creation for our stakeholders. We achieve this by maintaining leadership in our core markets, and by leveraging innovative technologies and employees' expertise to meet consumers' evolving demands and enter new markets. Our economic performance provides us with a solid foundation to continue delivering the products which our customers and consumers love.

Our Value Creation Business Model is explained in detail on pages 26 to 27 of this report. Our economic performance depends upon all six capitals (financial, manufactured, intellectual, human, social & relationship, and natural) to create financial value for our stakeholders.



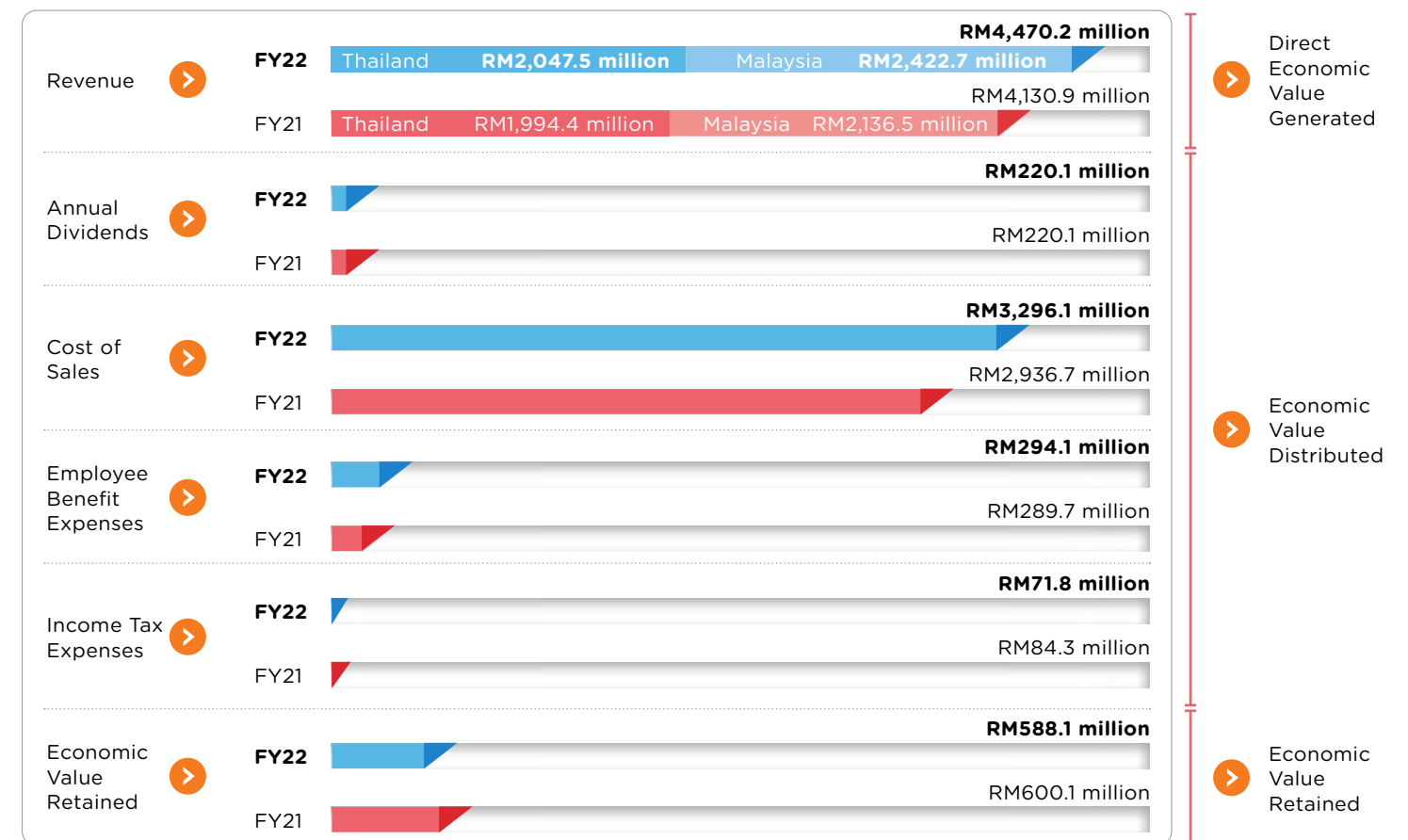
Full information is included in our audited financial statements, as part of our AR 2022:

- Group Financial Highlights, pages 84 to 85.
- Group Financial Statements, pages 84 to 85.

Performance

GRI 201-1:

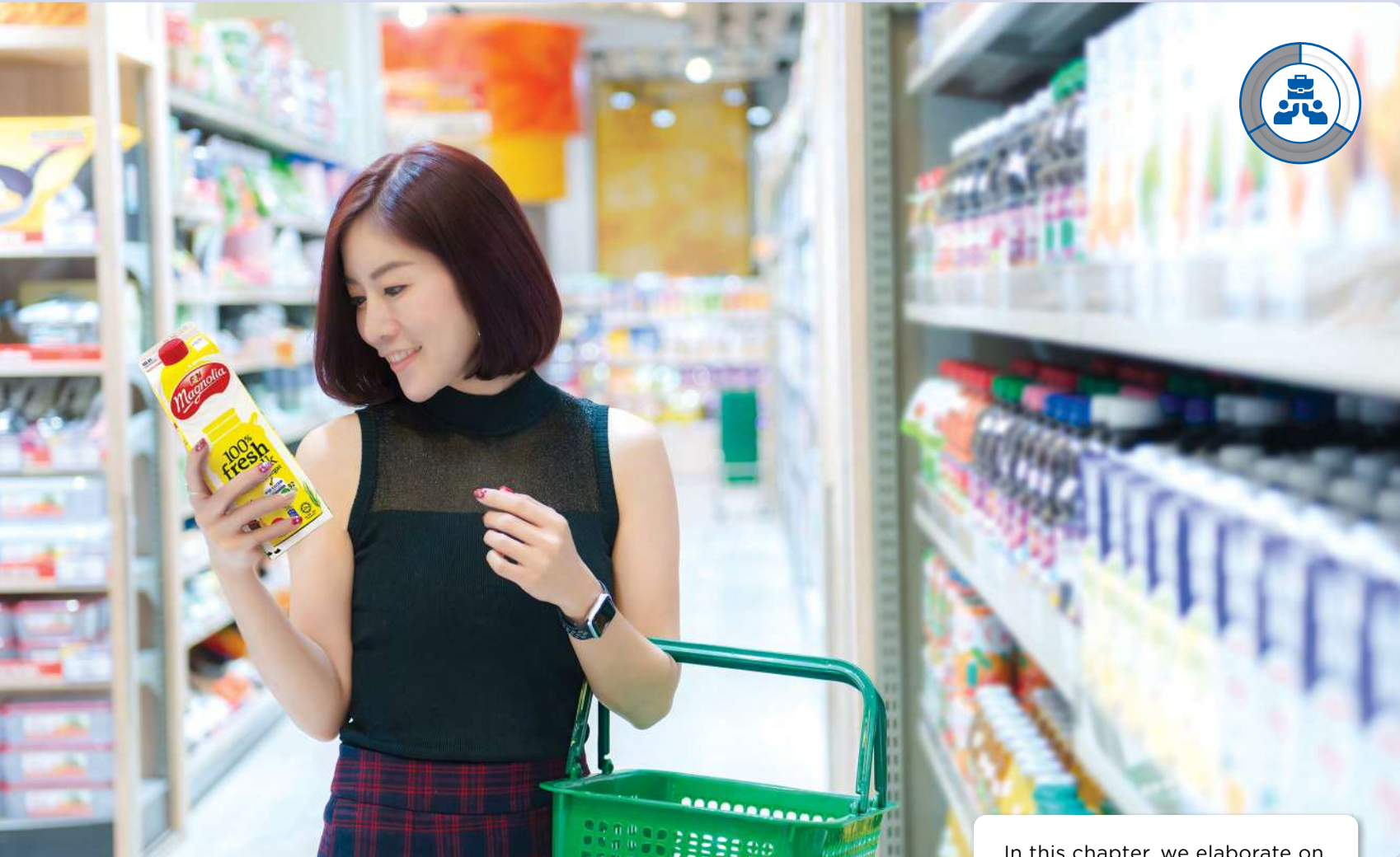
Direct economic value generated and distributed



Notes:

- Employee benefit expenses comprise wages, salaries, contributions to state plans, expenses related to defined benefit plans, share-based payment expense, one-off restructuring costs and other staff costs.
- Economic value retained is calculated by direct economic value generated (revenue) - economic value distributed (annual dividends, cost of sales, employee benefit expenses and income tax expenses). Community investments are not included.

RESPONSIBLE PRODUCT STEWARDSHIP



Our philosophy ‘Pure Enjoyment. Pure Goodness’ is our commitment to consumers in delivering quality products and adhere to all safety standards. Putting our customers first in our product stewardship approach, we are committing to provide product information 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 we practice responsible product stewardship in the following sections:

-  **Product Quality & Safety**
-  **Product & Service Labelling**
-  **Innovation**

Product Quality & Safety

SDG

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Product Quality and Safety is our utmost priority and core principle embedded in F&N.

Our 139 years of success is built on providing products that have earned their trust, created satisfaction for our consumers, and have enhanced their future well-being. This requires a comprehensive approach to quality and safety across the life cycle of our products.

Approach

We are committed to ensuing product integrity from manufacturing to distribution and storage.

Therefore, from boots to boardroom, we promote a culture for high product quality and safety standards.

In our own operations, we comply with all health and safety regulations applicable to the F&B industry for the markets in which we operate. All our products are manufactured under stringent international quality and food safety standards. Our plants are certified with international standards – FSSC Scheme 22000, ISO 22000 and HACCP, and all stages of our production processes are subjected to rigorous quality control procedures. Our Board SRMC reviews the key risks in relation to Product Quality and Safety on quarterly basis during the SRMC meeting.

Our production facilities comply with strict standard of operation procedures so that all our products are stored and transported in good conditions, such as the appropriate temperature range, lighting and stress on packages.

At F&N, we believe listening and acting on customers’ feedback is critical to F&N’s customer experience. We provide multiple communication channels for our customers to provide feedback. Customers can contact us through our toll-free consumer care line, website or by sending us an email with their enquiries.

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

**Malaysia**

- FSSC 22000 Food Safety System Certification
- Good Manufacturing Practice (GMP)
- HACCP
- Halal Certification (JAKIM + MUI)
- Industry Responsibility of Food Certification Scheme (Mesti)
- ISO 22000 Food Safety Management System
- ISO 9001:2015 Quality Management System
- ISO/IEC 17025:2017 Accredited Laboratory
- ISO/TS 22002-1:2009 Prerequisite Programme on Food Safety
- MS 1480:2019 Food Safety According to HACCP
- Veterinary Health Mark (VHM) Certification
- GB12693:2010 China National Certification and Accreditation (CNCA)
- Roundtable Sustainability Palm Oil (RSPO) Supply Chain Certification Standard 2017
- SEDEX – SMETA (4-Pillar)

**Thailand**

- ISO 22000:2005 Food Safety System Certification
- Food Safety System Certification 22000:2010
- Good Manufacturing Practice (GMP)
- Green Industry Level 4
- HACCP
- Halal Certification (CICOT)
- Labour Relations and Welfare Certificate 2013-2018
- ISO 22000 Food Safety Management System
- ISO/IEC 17025:2017 Accredited Laboratory

2025 Target

Achieve 100% of our plants and production processes certified with the FSSC Scheme 22000 and Halal Standard (or equivalent)

Progress

- At the end of FY2022, all our plants are certified Halal, with 50% of them are certified with FSSC Scheme 22000. In the coming years, we will embark on various initiatives to meet this target by 2025.
- For Halal standards, we will continue to focus our efforts in ensuring high Halal standards through a holistic approach. Internally, we will drive incorporation of high Halal standards culture and strengthen internal control. Externally, we will continue to engage the private and public stakeholders and upkeep Halal communications.

 Read more in “Policy & Regulations”, on pages 59 to 60 of this SR.

Product & Service Labelling

GRI 417-1, GRI 417-2

Packaging and labelling are the primary means by which we communicate information about our product quality, nutrition, safety, and disposal methods to consumers. 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 all the requirements of the Food Act in Malaysia, and the FDA in Thailand. Our range of internal experts from the Research & Development team, and Scientific & Regulatory Affairs teams review all information disclosed on our labels regularly to ensure rigorous quality standards. Labels are then submitted to government authorities for verification and endorsement.

At F&N, we go beyond mandatory labelling requirements because we believe information provided to our customers should be comprehensive to provide clarity and transparency. For all products, we include information on ingredients, sourcing, energy per serving size, recommended daily allowances of the different nutritional components, expiry dates and nutrition tips.

Fundamental information – calories and contribution to recommended daily caloric intake, is displayed in “front-of-pack-labelling” for most of our ready-to-drink products. This will help our consumers to understand the information and data clearly.

Front-of-pack includes a clear statement of the Calories per serving, and the percent of Guideline of Daily Amounts (GDA) these Calories represent. Back-of-pack labelling will include three elements.

- 1 List of nutrients (energy, protein, carbohydrate, sugars, fat, saturated fat, fibre and sodium/salt)**
- 2 Nutrition information per serving, in addition to the required 100g/100ml**
- 3 GDAs for the public-health sensitive nutrients - energy, fat, saturated fat, sugars, sodium/salt.**

The Halal logo is also displayed on all our products for our Muslim consumers to easily identify suitable products that meet their requirements.

Our customers are increasingly concerned about the environmental footprint of our products. 100% of our products with paper carton packaging are FSC™ certified cartons and labelled as such. FSC™ cartons are from responsibly managed forests and other controlled sources where new trees replace the ones that are harvested, either through planting or regeneration.

Besides declaring nutritional component on pack, we have provided our product nutritional information in Malaysian Food Composition Database for easier access of such information to our consumer.

To view Malaysian Food Composition Database, visit <https://myfcd.moh.gov.my/myfcdindustri/>



Responsible Marketing & Advertising

As a responsible company, we are committed to conducting marketing and advertising activities ethically and responsibly, by providing accurate and balanced information about our brands and products.

We ensure that our marketing and advertising activities comply with relevant laws and regulations, and do not violate any ethical standards. We adhere to the Malaysian Code of Advertising Practice in Malaysia, and the Consumer Protection Act of B.E. 2522 (1979) and the FDA's Advertising Guidelines in Thailand, which sets out the principles in protecting consumer rights.

In addition, we also go beyond laws and regulations by ensuring our communication about our brands and products to our customers/consumers is ethical. This includes abstaining from disinforming customers/consumers on competitors' activities and making exaggerated claims about the social and environmental impacts of our activities.

In Malaysia, we are a signatory to the 'Responsible Advertising to Children' initiative and have pledged to restrict marketing to children under 12 years of age.

All employees and new joiners responsible for marketing communication activities undergo orientation training on marketing ethics. An annual refresher training is also conducted.

Performance

GRI 417-1:
All product categories comply with product labelling requirements

All our product categories comply with product labelling requirements:

- The sourcing components of the product or service
- Content, particularly with regard to substances that might produce and environmental or social impact
- Safe use of the product and service
- Disposal of the product and environmental/social impacts
- Others such as Halal logo, Certification on HACCP, Nutritional Information

GRI 417-2:
Incidents of non-compliance concerning product and service information and labelling

- Throughout our product information, labelling and marketing communications efforts in FY2022, 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 is crucial for long-term business success. It represents a response to growing concerns about social and environmental issues. We invest in product and process innovation to increase our product range and improve efficiency and productivity. We continuously evolve to deliver new and unique product offerings which cater to consumers' changing needs. Further guided by the 'circular economy' principle of decoupling our activities from the consumption of finite resources, we continuously innovate for longer shelf life and better recyclability of our product packaging.



Product Innovation

Meeting consumer's evolving needs through product choice and availability

Process Innovation

Improving our operations to increase resource efficiency, reduce environmental impact and contribute to a circular economy

Approach

Our Research & Development (R&D) Unit in Singapore is supported by teams in Malaysia and Thailand. The unit initiates efforts for continuous improvements to our product formulas according to the ever-changing consumer preferences and the evolving regulatory environment, while we also search for various ways to improve our products' functional benefits and shelf-life.

F&N also collaborates with Nanyang Technological University (NTU), through the F&N-NTU F&B Innovation Lab in Singapore, to foster study that will contribute to better food packaging and the conversion of spent produce from food processing into valuable resources.

R&D Principles

- SCIENTIFIC ADVANCES** for application in our processes and products.
- TECHNICAL DEVELOPMENTS** that support quality improvement and cost optimisation.
- REGULATORY COMPLIANCE** for application in our processes and products.
- QUALITY PRODUCTS** that meet food safety standards.
- INNOVATION & CREATION** in terms of products, processes, packaging and sensory science (a scientific method of measuring and interpreting consumers' response to prototypes/ products based on the senses of taste, smell and touch/texture).



2025 Target

Achieve 10% product innovation for commercialised F&N products

Progress

- In FY2022, we have achieved 13% of commercialised products.



Initiatives

Consumer-centric Innovation

At F&N, we strive to deliver our 'Pure Enjoyment. Pure Goodness' promise to consumers by offering more options in different product categories; healthier options without compromising on taste and convenience through differentiation in packaging (including sustainable packaging) to cater to consumers' evolving needs.

We launched 14 new products during FY2022, with each one underwent comprehensive tests before they reached the shelves to ensure that they are safe for our consumers and of the desired quality.

New products and packaging formats launched in Malaysia and Thailand:



Increasing Offerings of Healthier Options

In responding to consumer demands for healthy products, our product development team continued to develop more healthier choice product options. Among the new healthier additions are healthier options for Condensed Milk - F&N 25% Reduced Sugar Sweetened Creamer and TEAPOT Low Fat 25% Less Sucrose Sweetened Condensed Milk Tube, new range of milk products - F&N Magnolia Pasteurised Full Cream Milk, F&N Magnolia UHT Milk in Plain and Chocolate flavour and F&N Magnolia Plus Vitamin ACD in Blackcurrant and Brown Sugar flavour, and re-introduction of F&N SEASONS Soya Rose endorsed with Healthier Choice Logo by the Malaysian MOH.



Read more in "Nutrition", on pages 81 to 83 of this SR.

Increased Convenience

Catering to the different needs of consumers, we offered differentiated product packaging to cater to the different needs of consumers. In Thailand, we have introduced condensed milk and sweetened evaporated milk in 1L paper carton format for greater convenience of usage and at the same time maintains the hygiene of product.

Sustainable Packaging

We have introduced a sustainable packaging solution for our F&N ICE MOUNTAIN Drinking Water where it is made from recyclable paper carton packaging. The caps are also bio-based, made from sugar cane.

Employee-drive Process Innovation

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

Cost & Eco-efficiency

We review our 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.



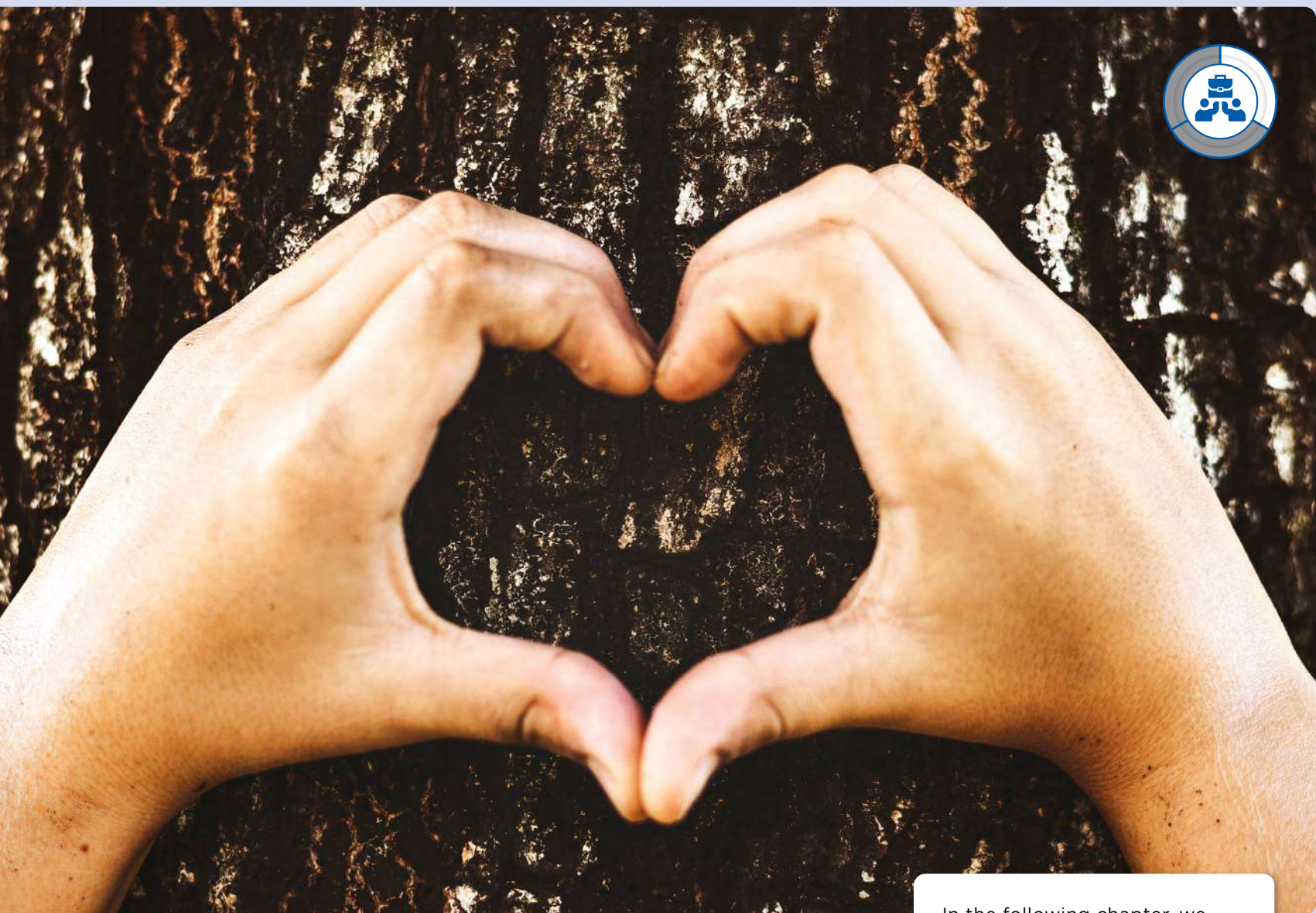
Read more in "Energy & Climate Change", "Water Stewardship" and "Waste Management", on pages 113 to 124 of this SR.

Cultivating Innovative Culture & Mindset

To promote continuous improvement in productivity, quality, cost, delivery, safety, ethics and environment, our Dairies Thailand team organised its annual World Class Manufacturing - Excel as One Convention 2022 on 25 November 2022, which encouraged manufacturing teams to propose and implement innovative and cost saving initiatives. The innovative ideas initiated through the convention have already successfully achieved an average cost saving/avoidance of THB30 million per annum.

The Innovation Excellence Day 2022 exhibition was held at our Dairies Thailand plant in August 2022 with the objective to drive innovation for continued, excellence and to encourage our employees to participate in more innovative projects. Awards were presented to our innovation team in Thailand to recognise their value-creating innovations for sustainable corporate growth. The Innovation Excellence Day allowed our employees to learn and shared values through the showcase of successful innovation solutions and has also generated savings of over THB 30 million in addition to continuous improvements through innovation projects.

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 we engage and work with our suppliers to reduce environmental and social impacts of F&N products.



Supply Chain Stewardship

Supply Chain Stewardship

GRI 204-1, GRI 308-1, GRI 414-1

SDG

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Affected by the Ukraine-Russia war, the global supply has faced massive disruptions. Other factors such as the changing weather and climate conditions, regulatory changes imposed by the Government and human rights risks, have also been identified as key supply chain risk factors. Having a resilient and sustainable supply chain means ability to manage the cost of raw materials and ensure sustainable sourcing, which have direct impacts on F&N operations and the bottom line of the business.

Approach

As a market-leading F&B company, we constantly work with the counterparts of our supply chain, including business partners, suppliers and vendors, to understand their needs, and deliver mutually sustainable solutions that create long lasting value.

We encourage our stakeholders to improve their sustainability performance throughout the supply chain, where applicable, and lead by example.

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

2025 Target

100% active key supplier accept and comply with F&N's SCOP

Progress

- 99% of our active key suppliers have accepted and complied with our SCOP, of which all our direct suppliers have accepted.

At F&NHB, we have also set an additional commitment to assess all critical suppliers to ensure compliance with SCOP by 2025.

Progress

- The team is preparing to conduct assessment on critical suppliers beginning FY2023, working towards our 2025 commitment.

Active Key Suppliers

- Suppliers who have transactions with F&N within the last 24 months

Critical Suppliers

- Active direct (tier-1) material suppliers with sales value >RM1 million per annum and/or irreplaceable suppliers
- Irreplaceable suppliers include single-source suppliers

Direct Suppliers

- Suppliers who supply F&N with packaging materials, raw ingredients and auxiliary materials

70

71

Initiatives

Sustainable Sourcing

We source for raw materials that are certified with eco-credentials, including RSPO and FSC™ to ensure that they are produced in an environmentally and socially responsible manner.



- Sustainable Palm Oil**
 In F&N products, palm oil is a widely used raw material, and it is a key raw material in our supply chain. It has potentially major indirect impacts as irresponsible palm oil cultivation has caused – and continues to cause significant social and environment damage. We understand that our actions and business practices pertaining to the support of sustainable palm oil production is important and, having become a member of RSPO in August 2017, we reiterate our support for the use of Certified Sustainable Palm Oil in product. We achieved our goal in 2020 through the purchase of RSPO Credits for 100% of annual palm oil usage.

In 2022, we have purchased 23% RSPO’s physical certified palm oil for our palm oil usage, and balance 77% RSPO credits. Now and moving forward, with the RSPO Roadmaps in place, we will increase the proportion of the mass balance approach in the upcoming years. By 2025, we have set a commitment to purchase 100% RSPO’s physical certified palm oil for our palm oil usage.



- Sustainable Paper**
 Paper carton is another key packaging material for F&N. It is important to ensure that harmful environmental and social impacts are mitigated or reduced to a minimum. All our paper products used in carton packaging carry the FSC™ certification, ensuring that they come from responsibly managed forests that provide environmental, social and economic benefits.

Sustainable Supply Chain

We support the UN Guiding Principles on Business and Human Rights, and we are a member of the SEDEX. Our full commitment to standard principles of ethical business practices throughout our supply chain is covered in our Procurement Policy.

Our SCOP and COBP include the following requirements: business ethics, whistle blowing, communications, competitors, environmental management, human rights and occupational health and safety. Suppliers are expected to treat their employees fairly and equally, with respect and dignity, in accordance with ILO standards and applicable



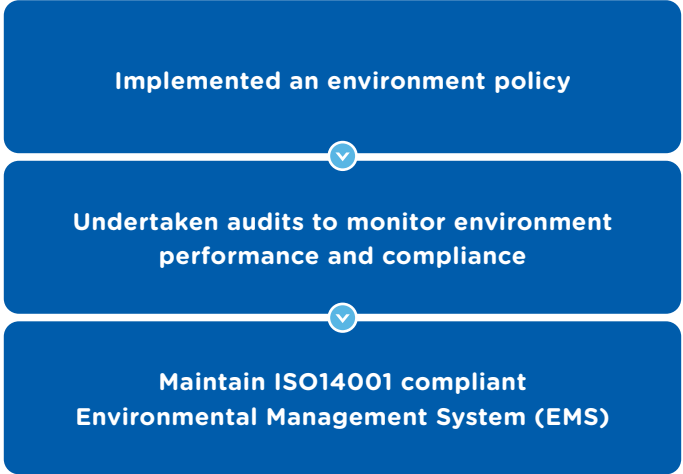
labour laws under SCOP. This also covers child and compulsory labour, equality, human capital development, layoff practices, wages and benefits and working hours.

Supplier Management

- Identify Risks – Screening & Critical Suppliers Identification**

 At F&N, we have a systematic screening process, which also incorporates environmental and social criteria, for all our new suppliers. These criteria reflect the commitments towards the environment (such as reducing waste, pollution and water usage) and society (including human rights and labour practices).

The environmental performance of their raw material and primary packaging suppliers are also assessed annually to verify if they have:



During the pre-qualification screening of suppliers, we assess our suppliers based on a wide range of criteria, from delivery capacity and technical capabilities to ESG company policies and certifications. This would include policies for business continuity plan, food safety, responsible sourcing, bribery & corruption, carbon management and child labour and certifications for management systems such as quality, occupational health and safety, environment and food safety.

On annual basis, we will conduct a vendor performance evaluation for all critical suppliers, including sustainability-related metrics. Critical suppliers are our active direct (tier-1) material suppliers with high sales value greater than RM1 million per annum and/or irreplaceable suppliers. Direct material suppliers are suppliers who supply packaging materials, raw ingredients and auxiliary materials. Irreplaceable suppliers include single-source suppliers. For non-compliant or underperforming suppliers, they must demonstrate that they are committed to taking necessary corrective actions within a predefined period, or risk having contracts terminated.

- Managing Risks – Supplier Capacity Building & Partnerships**

 In FY2022, we have engaged with over 2,300 global and local suppliers across our supply chain, including manufacturers, wholesalers, retailers, importers/merchants, contractors and professional services providers.

Initiatives

Case Studies

Farming Excellence System - Thailand



Since 2013, F&N has been collaborating with local Thailand-based farmers in cooperatives which supply F&N Dairies Thailand with fresh milk.



This year, we continued to build the capability of over 2,000 farmers through the Farming Excellence System, which consists of 3 key programmes:

1

Booklet, guidelines and newsletters to share information about good farming practice to improve milk quality

2

Mobile application to conduct assessment at farms

- GMP assessment, focusing on cleaning, antibiotics' drug usage and physical properties inspection of raw milk
- Online COA assessment to monitor the waiting and delivery time to F&N, to ensure quality of raw milk

3

Sustainability projects

- Water champagne tank project to tackle the water shortage problem
- GHG study on milk farms to understand the GHG impact of milk farms by identifying the key sources of GHG emissions, and develop a long-term roadmap to reduce the GHG impact

Supplier engagement at F&N takes a ground-up and collaborative approach. We understand the problems the suppliers face and provides solutions accordingly. Apart from organising seminars and producing quarterly educational newsletters for the farmers, F&N introduced new technologies and equipment to help farmers increase productivity, lower cost, improve milk quality, and reduce waste.

With an investment of THB273,000, we supported Dan-Khun-Tod Dairy Cooperative in Saraburi Province with a Submersible Solar Water Pump, which can draw water from the ground and transfer to storage/pond for later consumption, and also a tiller fertiliser spreading machine that reuses the cow's waste as fertiliser for corn and corn silage fermentation to reduce the cost of cow feed.

To maintain the quality of fresh milk, the team developed a digital platform to support the milk collecting centers and farmers to improve milk quality and to encourage traceability from farm to factory. After implementation, the

receiving time of the raw milk was reduced significantly by 70%. The second solution is to develop a new method of milk transportation to simplify running routes, reduce environmental impact and monitor raw milk data in real time. This new milk transportation method can reduce more than 200,000 kg CO₂ emission per year.

Understanding the challenges brought about by weather and climate changes, F&N installed a large water storage tank to raise water security for our milk farmers in Chaiyaphum Province. This has minimised the need to travel long distances to access reservoirs and water resources, especially during times of droughts. This initiative provides 1,680,000 liters of water every month for up to 180 households across communities in Chaiyaphum Province, supplying sufficient water for up to 24 farms, consisting of 955 cattle, to minimise disruption from drought and ensure farmers can continue their farming operations sustainably.

Initiatives

Case Studies

Halal Sourcing Partnership Programme – Malaysia

Operating in a Muslim majority market, we elevated our efforts in the development of the Halal industry in Malaysia.

Apart from ensuring the Halal standards within our own operations, we also look beyond our operations and expand into upstream (suppliers) and downstream (packers) processes. We continue to partner with HDC on the Halal Sourcing Partnership Programme, providing technical advice and knowledge transfer to SMEs. In 2021, one of the identified vendors has been on-board as our ingredient supplier for F&N Kurma Madu Cordial. We are in the midst of developing more Halal SMEs to become our supplier.

This year, we embarked on a F&N Business Partner Award Programme to strengthen our partnership with our vendors and work with them to elevate the quality of their services as well as align them with our values. The overall objectives of this programme are to:

- Build mutually beneficial business relationship with business partners.
- Strengthen strategic partnerships which foster strong and productive collaboration.
- Encourage suppliers to strive for excellence in their products, service levels, and operations.
- Drive supply chain performance in delivery, quality, price, project development, and sustainability.

Through this programme, we are working to empower our local suppliers to grow with F&N and become regional suppliers with an expanded business horizon.

• **Monitor Risks – Monitoring, Auditing & Corrective Action Planning**

To ensure standards and practices for food safety and the environment are maintained throughout the value chain, we work closely with our suppliers and conduct regular audits. Performance of all suppliers are assessed monthly, and audits are done for medium and high-risk suppliers twice per year based on a set of criteria, including quality, delivery, service, food safety compliance and certification systems including quality, environmental and occupational health and safety. Non-compliant or underperforming suppliers must demonstrate that they are committed to taking necessary corrective actions within a predefined period, or risk having contracts terminated. We continue to review and expand our evaluation checklist, by including more environmental, social and governance criteria such as corporate governance.

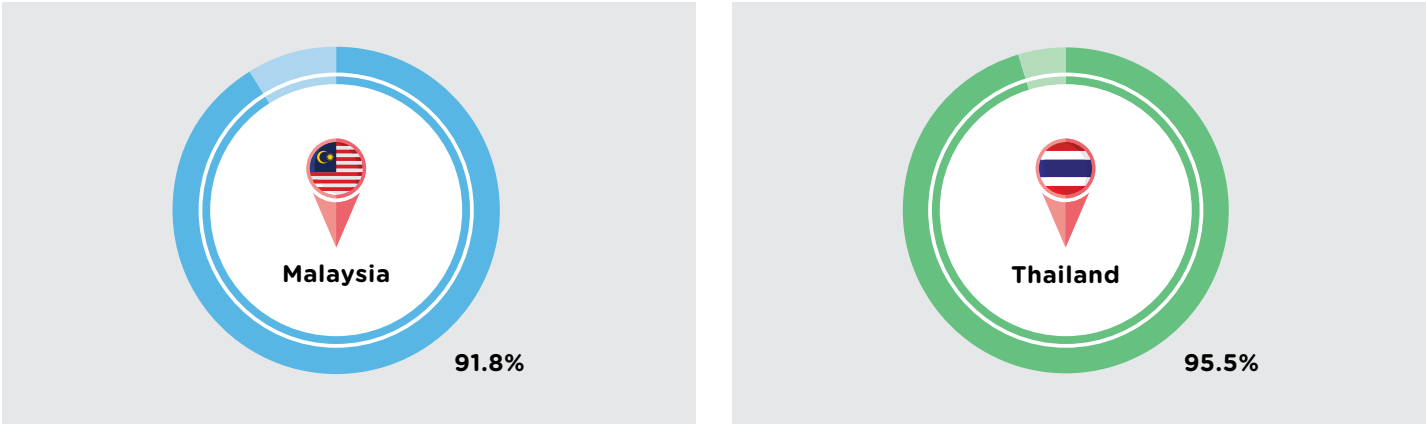
In FY2022, all 312 critical suppliers have been audited on food safety regulations and standards, and none were found to be non-compliant. For food safety, we assess a range of quality assurance and food security criteria to protect the health and safety of our consumers and workers in our supply chain. Our criteria for assessing suppliers include the implementation and monitoring of good manufacturing processes, use of protective clothing, food safety management systems, and chemical management.

Performance

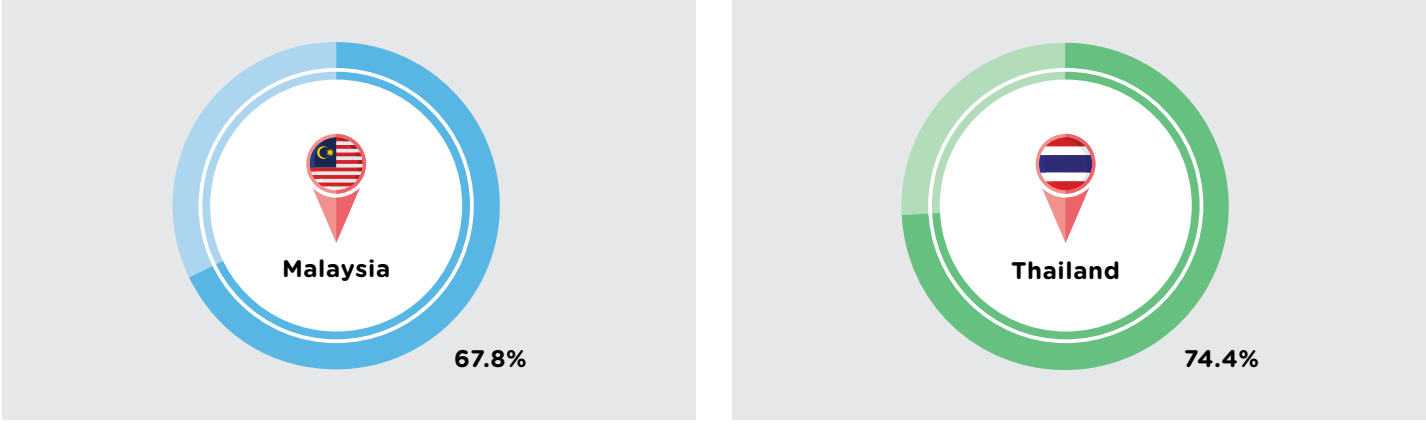
GRI 204-1:
Proportion of spending on local suppliers

F&NHB engages with local suppliers, where possible. About 93.3% of our suppliers are local to the country of operations, representing 70.8% of our purchase value expenditures.

Percentage of local suppliers



Percentage of purchase value spent on local suppliers



GRI 308-1:
New suppliers that were screened using environmental criteria

Over the year, a total of 345 new suppliers were screened using environmental criteria.



GRI 414-1:
New suppliers that were screened using social criteria

Over the year, a total of 345 new suppliers were screened using social criteria.





BETTER SOCIETY: WELL-BEING OF PEOPLE & COMMUNITIES

F&N's successes over the last 139 years were made possible through the commitment of our people, the contributions from our consumers, and the support of communities in which we operate. Continuing to build collaborative relationships with these stakeholders is crucial to us. We do so by offering a strong portfolio of good 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.



This section elaborates on our approach in promoting the well-being of our key stakeholders, including:

Creating Value for Society

Nutrition

Community Development & Inclusive Growth

Human Rights

Empower Our People

Human Capital Development

Employee Safety, Health & Well-being

Our contribution to the SDGs:



CREATING VALUE FOR SOCIETY



F&N believes that as a corporate citizen, we should create value for our society and our operational areas, through the introduction of healthy products for our consumers, providing support for local communities and advocating for human rights.

Our efforts are further elaborated in the following sections:



Nutrition



Community Development & Inclusive Growth



Human Rights

Nutrition

GRI 416-1, GRI 416-2

SDG

>



Sustainability
Report
2022

Consumer health is our top priority and a core principle in F&N’s culture. Our commitment, ‘Pure Enjoyment. Pure Goodness’ is that we will deliver products that are not only delicious, but are packed with nutritional goodness to our consumers. Together with promoting an active lifestyle to our consumers, we also aim to offer products that will satisfy our consumers and enhance their health and well-being.

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 products.

Nutrition Charter

The F&N Nutrition Charter outlines our commitment to developing products that are healthy for consumers and it guides us throughout product development, with the below principles:

1

Led by our brand promise of ‘Pure Enjoyment. Pure Goodness’ to consumers - to deliver products which are not only great-tasting but also packed with nutritional goodness

2

To actively self-regulate and ensure accountability via strong corporate governance

3

To provide safe, high quality and affordable products to all our consumers

4

To develop products based on proven scientific evidence and research, and consumer insights and tastes relevant to evolving Asian lifestyles

5

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

Based on the World Health Organisation (WHO)’S recommendations, our Nutrition Guidelines strengthens our commitment to promoting healthy lives and lifestyles. as below:

- all products should be free from trans fatty acids
- >70% of our products (by SKU) should contain less than 5% added sugar

Our increasing health and nutrition ambition focuses on:

Reducing Sugar Level

Since 2004, F&N has taken deliberate steps in reducing sugar content in our beverages. Today, over 90% of our ready-to-drink products have less than 5g sugar per 100ml.

Developing Products without Partially Hydrogenated Oils (trans fatty acids)

100% of our products sold do not contain partially hydrogenated oils (trans fatty acids) and we remain committed to this in our product formulation.

Fortifying our Products with Micronutrients

Our product development team is constantly on the mission to meet consumer demands for healthier and immune building products.

Catering to Consumers with Diverse Dietary Need and Preference

Today’s consumer preferences have become more diverse. We aim to provide more flexibility through alternative options for example by developing products for consumers with certain food intolerances.

Promoting Health and Well-being through Consumer Education Programme

F&NHB has a long and proud tradition of supporting and promoting hydration and active lifestyles in the community.

80

81

Fraser
& Neave
Holdings
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2025 Target

At least two third of beverage and dairy products comply with the Nutritional Guidelines

Progress

- 58% of our beverage and dairy products are endorsed with Healthier Choice Logo (HCL).

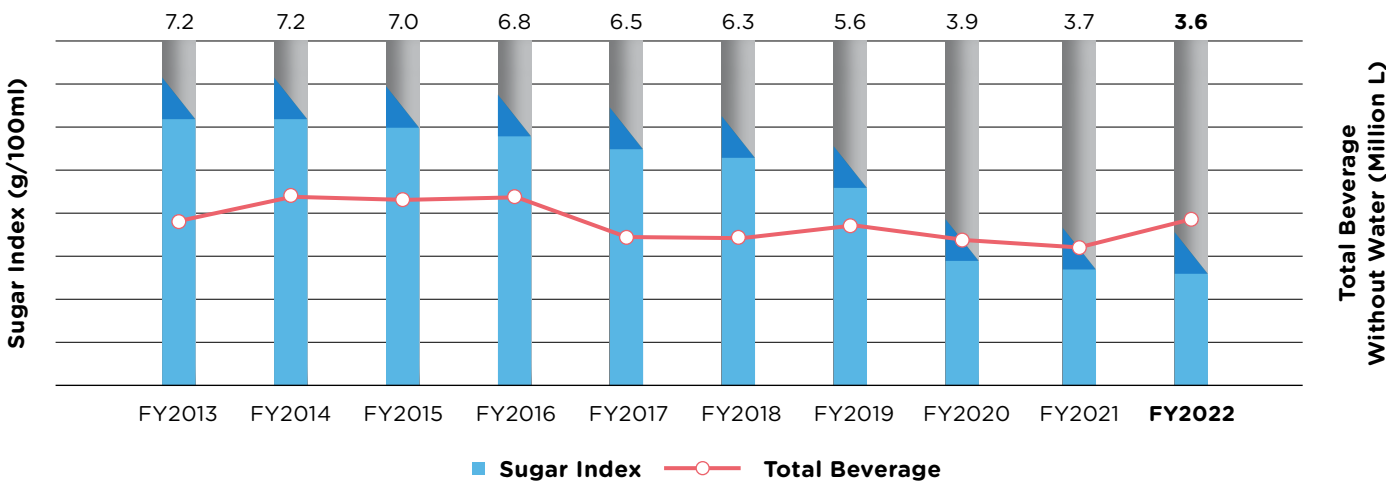
Initiatives

This year, our product development team continues to improve the health and nutrition profile of our portfolio through various initiatives including addressing rising demand for immune building products. It is of paramount importance for us to offer healthier choices as options for our consumers, but not at the expense of their enjoyment. At the same time, we encouraged consumers to care for their health and well-being by raising awareness on the importance of hydration.

Reducing Sugar Level

An important aspect to healthier offering is our commitment to reducing sugar content in our products. Since 2013, F&N Group has taken deliberate steps in reducing sugar content in our beverages. We have achieved very significant reduction in the sugar index (grams of sugar content per 100ml) across our range of beverages against 2013, cutting the sugar content in our total products by 50%.

FY2022 Sugar Index (Total Beverages)



Catering to Consumers with Dietary Restrictions & Preferences

Lactose-free

We provide alternative and healthier options by developing products for consumers with food intolerances, such as lactose free milk. Lactose free milk is currently available in Thailand, and we are looking to expand this offering to Malaysia.

Zero-sugar

With the increased demand for low sugar or no sugar products, we have introduced a zero-sugar, zero-calorie variant for our isotonic range - 100PLUS Zero. This has been expanded into more retail outlets. We are looking into offering more zero sugar variants for our consumers.

Advocating Healthier Choices and Lifestyle

We have placed greater emphasis on developing low sugar products and fortifying our products with micronutrients. Many of our products carry the Healthier Choice Symbol or Logo. This year, a total of 68 products are endorsed with a HCL, representing 58% of our total portfolio. This is in support of the local governments' programme in providing healthier products to local consumers.

New Healthier Product Options Introduced



Malaysia



F&N 25% Reduced Sugar Sweetened Creamer
Our latest reduced sugar offering in Malaysia specially formulated for consumers who want to enjoy 'guilt-free' indulgence with the same great taste with lesser sugar.



F&N SEASONS Soya Rose
F&N SEASONS Soya Rose is re-introduced in the market for a limited time for consumers to enjoy. The product has obtained a Healthier Choice Logo from MOH.



F&N Magnolia Pasteurised Full Cream Milk
Launched in Apr 2022, F&N Magnolia Pasteurised Full Cream Milk is HCL - certified and contains high calcium with Vitamin D, which can help in calcium absorption and retention.



Thailand



F&N Magnolia UHT Milk Plain and Chocolate
Expanding our UHT milk portfolio by introducing F&N Magnolia UHT Milk. High in Vitamin D and natural milk calcium, it can help to boost immune system, and build and maintain strong bones and teeth.



F&N Magnolia Plus Vitamin ACD
Available in Blackcurrant and Brown Sugar, this is a new healthy indulgent milk from F&N Magnolia Plus Milk. It provides healthy nourishment from the goodness of milk plus fortified vitamin, while offers a unique delicious taste.



TEAPOT Low Fat 25% Less Sucrose Sweetened Condensed Milk Tube
TEAPOT introduces a healthier variant - TEAPOT Low Fat Sweetened Condensed Milk Tube with 25% Less Sucrose (170g) in Thailand. Low in fat and sugar, this new introduction is high in Vitamin D & B1, delivering milky aroma and flavourful delights to the desserts.

Alongside developing healthier options for consumers, F&NHB also promotes hydration and active lifestyles to the community through consumer education programmes. This year, we increased public awareness on the importance of staying hydrated, through the World Hydration Day, organised by our key hydration brand, 100PLUS. Through this initiative, 100PLUS successfully spread hydration awareness to over 100,000 Malaysians, in pursuit of their active lifestyle. The information includes key messages on the importance of hydration, such as:

- Body** : Regulates body temperature, reduces nausea, prevents head & body aches
- Overall well-being** : Regulates body temperature, reduces nausea, prevents head & body aches
- Brain** : Better concentration, greater mental alertness, improves memory
- Energy** : Promotes muscle function, reduces fatigue, & maintains energy levels

Performance

GRI 416-1: Assessment of the health and safety impacts of product and service categories

- Percentage of significant product categories for which health and safety impacts are assessed for improvement by country



GRI 416-2: Incidents of non-compliance concerning the health and safety impacts of products and services

- In FY2022, we maintained our health and safety standards with no significant incidents of non-compliance with regulations resulting in fine, penalty or warning.



Community Development & Inclusive Growth

GRI 413-1

We understand that the scale of our operations in the region goes beyond impacting only our consumers. We connect and support our local communities by maintaining positive relationships and strengthen these relationships between different cultures to promote social inclusion. We believe that social inclusion allows for businesses and societies to flourish together.

Approach

In each market that we operate in, we undertake a number of long and short-term programmes that serve to create greater social equity. To that end, we have developed five main thematic areas to focus our community endeavours:

- Supporting Flood Relief
- Strengthening Vulnerable Groups
- Promoting Environmental Consciousness
- Spreading Festive Cheer
- Promoting Sports & Active Lifestyle

2025 Target

Increase the number of annual community programmes to 11.

Progress

- 11 community programmes conducted this year, an increase of 10% compared to FY2020 baseline.

Initiatives

Supporting Flood Relief



The flood in end 2021 was one of the worst in years, covering many parts of Peninsular Malaysia, with Selangor being hit hardest. Videos posted on social media showed overflowing rivers, landslides, and cars submerged on abandoned streets. And this has driven more than 22,000 people away from their homes. In view of this situation, F&N quickly contributed over 600 cartons of F&N ICE MOUNTAIN drinking water to be distributed directly to flood victims and affected areas / via non-profit organisations like Red Crescent and Asia Crisis Response Alliance. For our employees, we have distributed about RM400,000 in crisis assistance funds to 224 employees affected by the flood.

SDG



Initiatives

Strengthening Vulnerable Groups

F&N-ICDL Programme

Since 2010, F&NHB has invested a total of RM200,000 in two F&N Information Technology Corners at Montfort Boys Town in Shah Alam & one in Montfort Youth Center Melaka, to equip the centers with the necessary computer equipment, printers, projectors, internet access, as well as funding to conduct the International Computer Driving License (ICDL) programme.

To date, 585 children have excelled and graduated with the ICDL certification. Montfort Boys Town records a total of 414 graduates, while Montfort Youth Centre in Melaka records a total of 171 graduates. ICDL is the world's leading computer skills certification, with the course enjoying the participation of more than 16 million people in over 100 countries through 24,000 ICDL Accredited Test Centres worldwide.



Computer Donation to Local Schools

In Thailand, we provided scholarship worth up to THB20,000 to students and donated 20 sets of used computers to Watkok-Mayom school near our Rojana plant for education development of children with financial challenges. On top of this, we have also provided financial support to the school to organise educational activities to enhance learning experience. This initiative is in line with our commitment in giving back to the local community, especially in the area where we operate in.

Promoting Environmental Consciousness



F&N School Recycling Programme

F&NHB kick-started its annual nationwide School Recycling Programme again after a two-year break due to the COVID-19 pandemic. Promoting the 5R philosophy - Reduce, Reuse, Recycle, Rethink and Reinvent, F&NHB's school recycling initiative aims to instill good recycling habits in students from kindergartens, to primary and secondary schools.

F&NHB has also organised a "How To Keep Malaysia Green With R-Boy" poster competition, which ran from 15 June to 19 July 2022, as a supplementary programme to generate students' interest in recycling. This competition will also be an avenue for children in participating schools to gain greater understanding about the importance of going green.

In Thailand, the Waste Bank and Recycling Project was set up in 2 local schools - Wattanodtia School, Ayutthaya Province, Thailand and Watkokmayom School, Ayutthaya Province, Thailand. The waste bank has provided tangible monetary benefits to the students by selling the recyclables collected. Approximately THB150,000 was spent on improving the waste management infrastructure of the schools from setting up recycling stations to renovating waste storage areas. This year, we encouraged the students to continue collecting the recyclables through a reward programme, in which the participating students are rewarded with our products.



Community Development & Inclusive Growth

Initiatives

Strengthening Vulnerable Groups (Cont'd)

Community Recycling Programme

This year, F&NHB joined hands with Majlis Bandaraya Seberang Perai (MBSP) to organise a Community Recycling Program - Household Products Exchange. F&NHB subsidised some household items for exchange when the community brings in the required amount of Cans or Polyethylene Terephthalate (PET) bottles in exchange for any of the offered household items such as cooking oil, toilet rolls, laundry detergent and condensed milk.



F&N Save Our Seas Programme

From 2011-2013, F&NHB collaborated with Reef Check Malaysia, Marine Park Terengganu and DM Scuba to rehabilitate coral reefs and encourage responsible behaviour on the beach among communities and tourists at Redang Island. Our team and partners conducted reef rehabilitation initiatives by collecting coral fragments and planting them in nursery sites, then transplanting them to permanent sites at Paku Kecil and Terumbu Kiri. Our coral reef rehabilitation initiative has now shown promising rejuvenation with corals of different colonies on the man-made reefs.

Improving the Reliability of Water Supply for Farmers in Thailand

In the Chaiyaphum Province in Thailand, a water storage tank was installed by Dairies Thailand team to provide efficient water supply for community and dairy farmers. This project minimises the need to travel long distances to access reservoirs for water resources during seasonal droughts. The THB460,000 investment is able to supply 1,680,000 liters of water every month for up to 180 households across communities in Chaiyaphum Province. This provides sufficient water supply for up to 24 farms, consisting of 955 cattle, to minimise disruption from drought and ensure farmers can continue their farming operations sustainably.

Spreading Festive Cheer

Our brand promise is to deliver 'Pure Enjoyment. Pure Goodness' to all. Our community development programme regards this promise by encouraging communities to connect with each other through spreading festive cheers. This strengthens relationships between different cultures and promote diversity to foster national unity in our communities.

Christmas

In the spirit of giving this Christmas, F&NHB spread some Christmas cheer to the SHELTER Home for Children, a registered welfare organisation to help abused, abandoned, neglected or at risk-children, by providing much-needed supplies in response to their request for assistance. As part of this year's initiative, F&NHB provided necessities such as groceries and personal care items to SHELTER, as well as RM2,500 worth of vouchers for them to purchase other essentials.



Chinese New Year

This year, F&NHB shared festive joy at 12 charitable homes across Malaysia by contributing much needed daily essential items as well as F&N products to liven up the celebrations in these unprecedented times. In the spirit of caring and sharing, a total of 73 staff volunteers from all over Malaysia shared Chinese New Year joy and goodies to those in need of a good cheer, bringing along with them angpows, sundry provisions, packed food and, most importantly, smiles. In total, the volunteers visited 247 orphans, disabled children, seniors and the less fortunate in Butterworth, Ipoh, Selangor, Melaka, Johor, Kuantan, Mentakab, Kota Bharu, Kuching and Kota Kinabalu.

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CREATE VALUE FOR SOCIETY

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Community Development & Inclusive Growth

Initiatives

Spreading Festive Cheer (Cont'd)



Hari Raya

F&NHB shared the joys of Hari Raya Aidilfitri with an annual nationwide programme to support over 500 individuals and families from vulnerable communities, totalling over RM45,000 in contribution distributed. The programme was conducted across States of Malaysia, including Kuala Terengganu, Kota Bahru, Kuantan, Johor Bahru, Seremban, Penang, Perak, Klang Valley, Kota Kinabalu and Kuching, and saw 70 F&N volunteers contributing over 170 hours to the community.

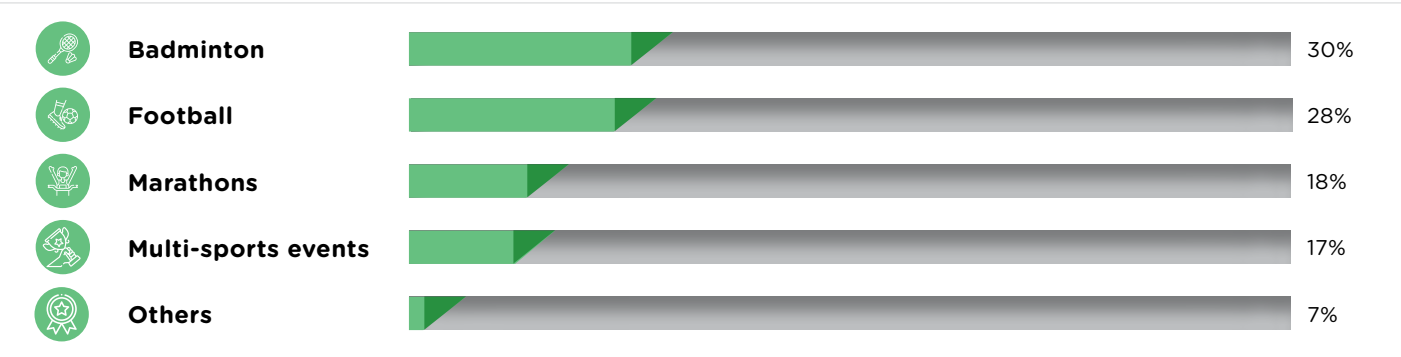
100PLUS joined hands with Persatuan Seniman Malaysia on a Program Bubur Lambuk. The 100PLUS team also distributed products to more than 20 locations across the Klang Valley to keep Muslims hydrated after performing Terawih (Congregational prayers) in mosques or during Iftar. This initiative reinforces the functional benefits of Isotonic drinks as the healthy choice to replenish the energy to carry out everything planned during this meaningful period.

F&NHB, National Sports Council (NSC) and Sportswriters Association of Malaysia (SAM) brought some early Hari Raya Aidilfitri cheer to 10 former national athletes living around the Klang Valley. The 10 former athletes they visited were Mohd Raduan Ameari (para athletics); Aidil Haris (golf); Zolkifli Ahmad (football); Mohd Sharrulhaizy Abd Rahman, Norsham Yoon (athletics); Rosman Alwi (track cycling); Rozita Latip, Zakri Ibrahim (silat); Halimah Hassan (para lawn bowls); and Nurul Shakina Abdullah (para swimming). The former athletes also received food baskets and cash aid.

Promoting Sports & Active Lifestyle

F&NHB has a long and proud tradition of promoting sports and active lifestyle in the community - from grassroots development to supporting elite levels. We believe that sports have an important role in all societies and is a powerful tool to support nation-building.

We believe access and participation in sports is vital to youth development because it teaches core values like co-operation and respect, while instilling discipline and confidence within the individual. This is the reason why 100PLUS is passionate in supporting schools and grassroots sports programmes, especially in football and badminton to nurture future generations of champions. Allocation of investment in sports development are as follows:



Grassroot Badminton Programmes

Since 2003, 100PLUS has been the official partner for the events and activities of Badminton Association of Malaysia (BAM). This includes the organising of 100PLUS Junior Elite Tour (previously known as 100PLUS National Junior Circuit), a premier youth development competition to motivate young and rising players to excel in the game. Many of the current national players, including Tan Wee Kiong, Goh V Shem, Chan Peng Soon, Goh Liu Ying and Goh Jin Wei competed in the 100PLUS National Junior Circuit during their junior days.

Supporting Football Development

As a long-term supporter of football development in Malaysia, we continued our support towards the Football Association Malaysia (FAM) as the official hydration partner for major football and futsal events across Malaysia.

Recognising Local Sports & Sports Media Practitioners

A proud advocate of local sports development, we recognise our local sports personalities and sports media practitioners through the annual SAM - 100PLUS Unity Awards and we have been the main sponsor of this award since 2006.



Commonwealth Games powerlifting gold medallist Bonnie Bunyau Gustin retaining the Para Athlete of the Year award and cycling icon Azizulhasni Awang was named the Athlete of the Year at this year's SAM - 100PLUS Unity Awards.

Advocating for Healthy & Active Lifestyle

We continued our commitment to encourage Malaysians to lead an active lifestyle by supporting major runs, marathons and sports activities such as Borneo Ultra Trail Marathon, Program FIT Integriti, PJ Half Marathon, Standard Chartered Kuala Lumpur Marathon and KL Car Free Morning. The initiatives are synonymous with our brand essence that advocates an active lifestyle among Malaysians through physical activities which can be enjoyed anytime, anywhere, individually or with family and friends.

Community Development & Inclusive Growth

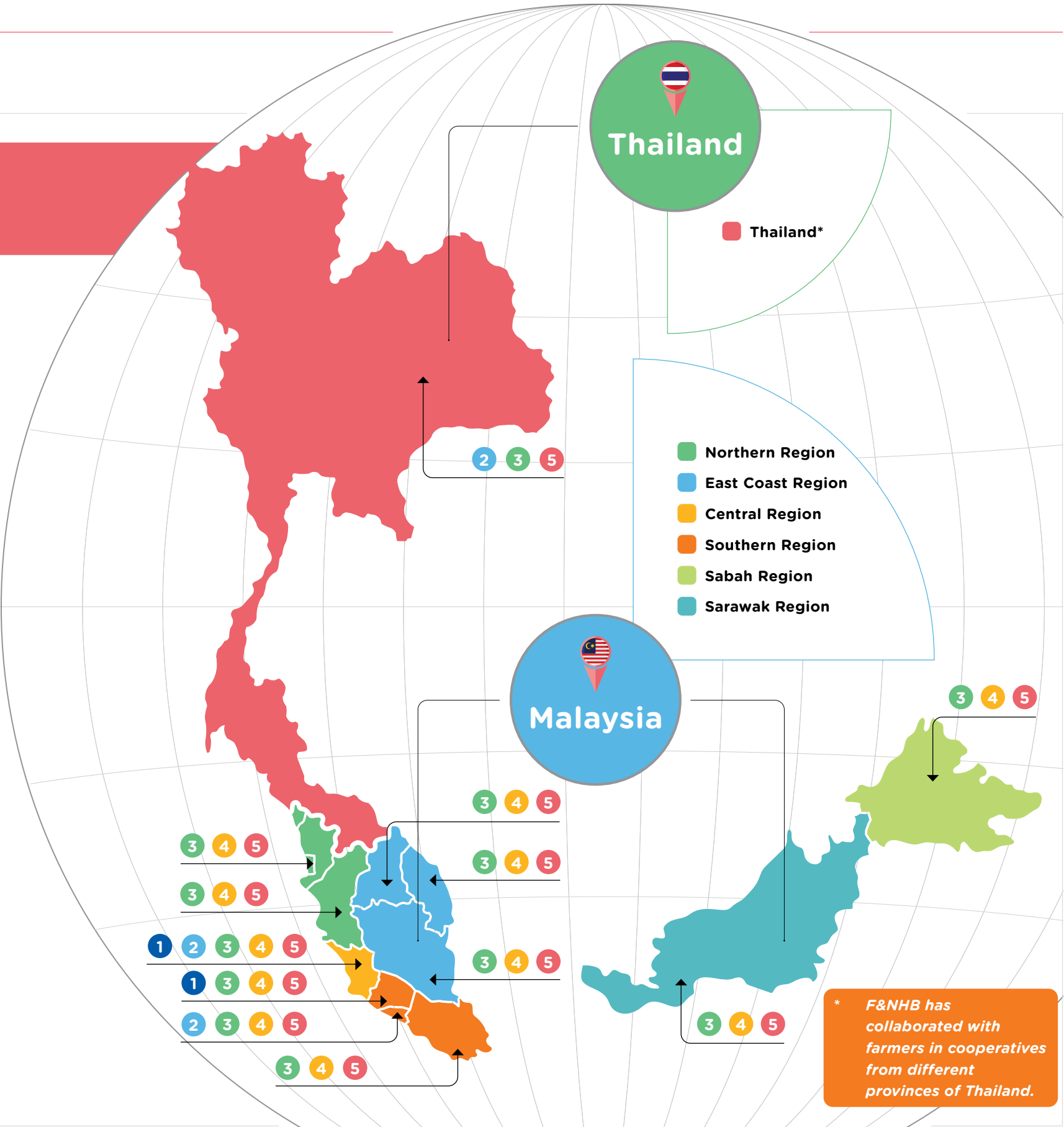
Performance

GRI 413-1:
Operations with local community engagement, impact assessments and development programmes

100% of our operations[^] have implemented local community engagement, impact assessments and development programmes

Programme	Location	Timeline
1 Supporting Flood Relief		
• Flood Relief Programme	Selangor, Negeri Sembilan	2021
2 Strengthening Vulnerable Groups		
• F&N-ICDL Programme	Montfort Boys Town Shah Alam, Selangor and Montfort Youth Centre, Melaka	2010
• Computer Donation to Local Schools	Ayutthaya Province	2022
3 Promoting Environmental Consciousness		
• F&N School Recycling Programme	Various cities nationwide	2006
• Waste Bank & Recycling Project	Ayutthaya Province	2021
• Community Recycling Programme	Seberang Jaya, Pulau Pinang	2021
• F&N Save Our Seas Programme	Redang Island, Terengganu	2012
• Improving the Reliability of Water Supply for Farmers in Thailand	Chaiyaphum Province	2019
4 Spreading Festive Cheer		
• Christmas	Petaling Jaya, Selangor	2021
• Chinese New Year	Various cities nationwide	Annual
• Hari Raya	Various cities nationwide	Annual
5 Promoting Sports & Active Lifestyle		
• Grassroot Badminton Programmes	Various cities nationwide	2003
• Supporting Football Development	Various cities nationwide	2008
• Recognising Local Sports Personalities	Various cities nationwide	2006
• Advocating for Healthy & Active Lifestyle	Various cities nationwide	1983
<i>on-going</i>		

[^] refer to all our major operating sites in Malaysia and Thailand, which include the below major offices and plants





Human Rights

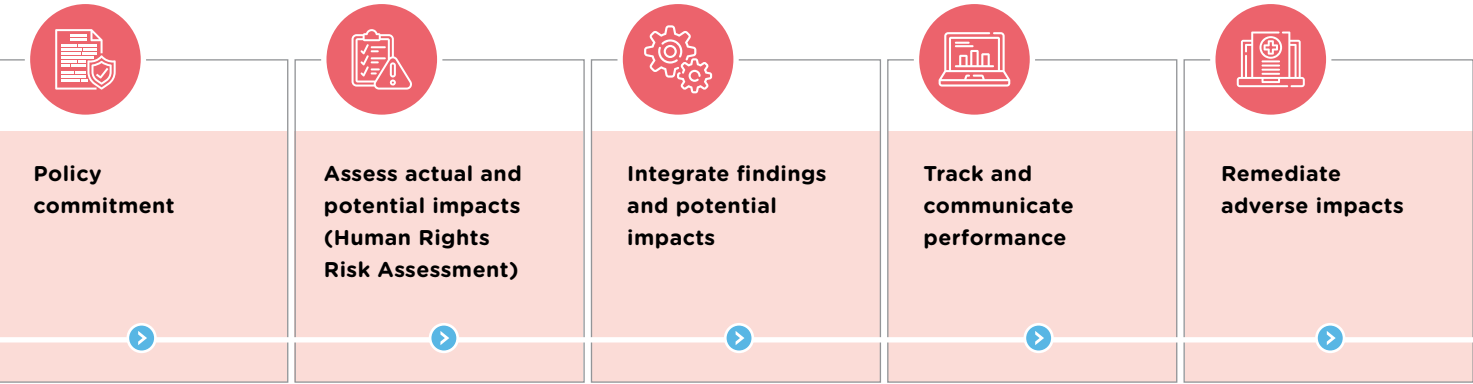
GRI 412-1

F&N is one of the region's oldest and most established F&B companies. Our success and longevity have relied upon our stakeholders including employees, business partners, suppliers and communities throughout our value chain.

It is fundamental for us to respect and promote the human rights of our stakeholders. We work to continuously improve stakeholders' health and well-being and treat all our stakeholders with dignity, respect, and equality.

Approach

We are committed to upholding and promoting the human rights of all our stakeholder groups. In 2021, F&N Group conducted a formal Human Rights Due Diligence for the first time, to understand the actual and potential human rights issues faced by our stakeholder groups.



Policy Commitment

The results of our Human Rights Assessment in 2020 led to the formulation of our current Human Rights Policy. 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&NHB Human Rights commitment applies to all directors and employees, including our suppliers and business partners. We extend these commitments across our value chain and all relevant stakeholders. The 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 ILO'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 F&NHB. We ensure our commitment on our human rights practices is communicated properly to our employees.

This year, we have rolled out a Human Rights awareness programme to all employees, through sharing of our Human Rights Policy, educational video about Human Rights Principles and quiz. Employees would also need to make a digital pledge, acknowledging that they have read and understood the Human Rights Policy.



Read the F&N Human Rights Policy [here](#).



Human Rights Risk Assessment

Scope of Human Rights Risk Assessment

- The scope of our Human Rights Risk Assessment covers the material business activities across F&N's operational sites in Malaysia and Thailand for all segments of the value chain, including Sourcing, Production, Distribution and Logistics, and Marketing and Sales, and the supporting function, Human Capital.

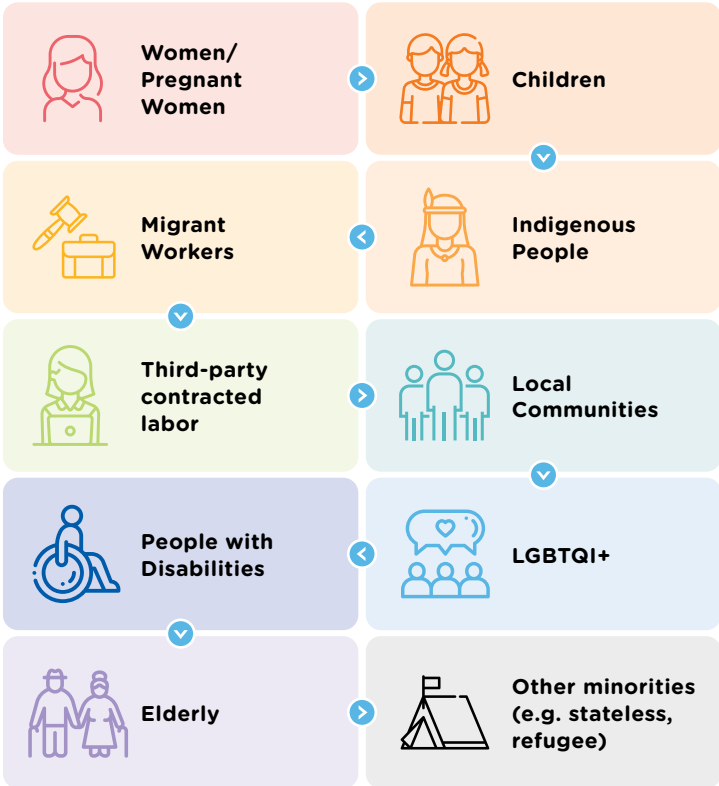


The risk assessment considered actual and potential human rights issues across F&N's value chain and identified the considerations of vulnerable groups (e.g. migrant workers, LGBTQI+, and elderly) that F&N works with. The engagements with our stakeholders – including vulnerable groups e.g. migrant workers and elderly, have determined our Human Rights Policy and commitments. Their input has influenced the frequency of reviewing our identified actual and potential human rights issues.

Consideration of actual and potential human rights issues:



Consideration of employees and at risk/vulnerable groups:



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CREATE VALUE FOR SOCIETY

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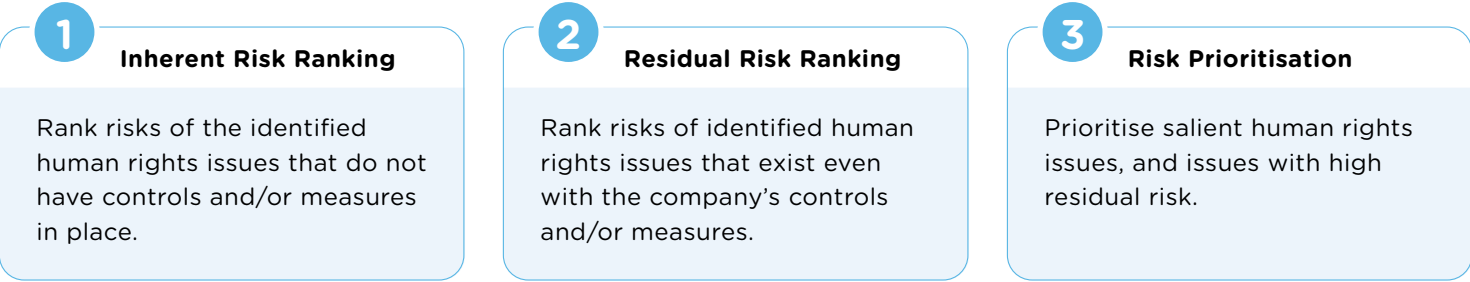
Human Rights

Methodology of Human Rights Risk Assessment

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 dairy and beverage sectors and referred to global human rights trends to improve our understanding on the impact of human rights issues.

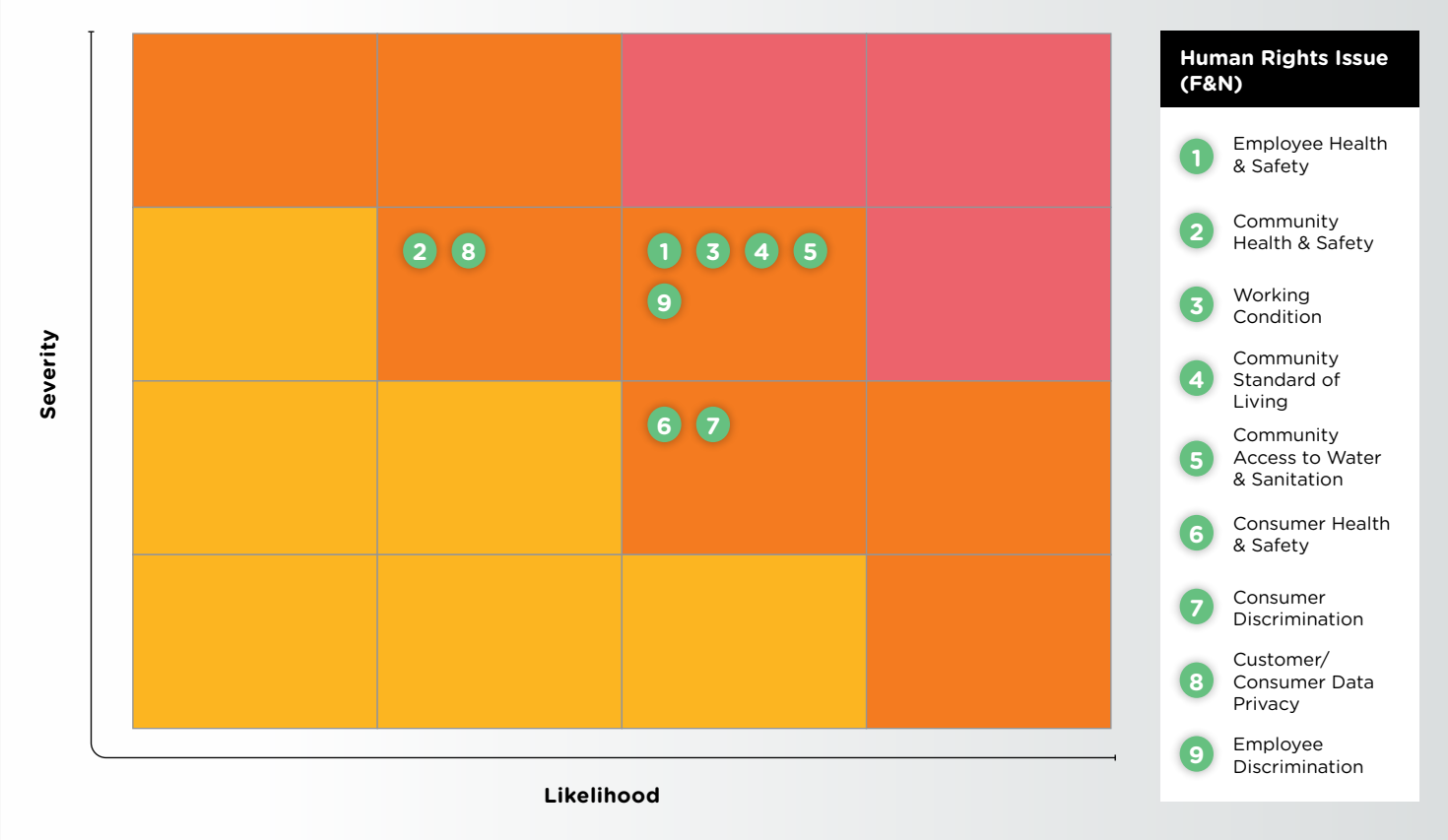
The issues were then ranked and prioritised according to the criticality of the human rights issue and/or its residual risk level.



Results of Human Rights Risk Assessment

There is a total of 9 salient human rights issues identified across the F&N Value Chain. There were no Human Rights salient issues with a ‘High’ residual risk rating.

This year, we have conducted our annual systemic review of human rights assessment. There is no change to the residual risk rating as compared to 2021.



Integrate Findings & Potential Impacts

Human Rights Issues Identification

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

Salient Human Rights Issues Monitored & Mitigated

Actual Issue	Mitigation Measures
Employee Safety, Health & Well-being	
1. Client-focused departments have an increased risk of being infected with the COVID-19 virus (e.g. employees exposed to virus during working hours since it is expected for them to meet new people in high frequencies)	1. Compliance with Public Health Regulations on COVID-19 measures e.g. face masks, hand sanitisers, temperature checks
2. Production + Human Capital: Minor work injuries and accidents	2. Approved paid leaves for vaccinations & launched vaccination programme for employees
3. Logistics: Road accidents during transportation, minor vehicle malfunction (e.g. flat tires)	3. Tracking employees' vaccination progress
	4. Offer doctor consultations and in-house panel clinics in large-scale production plants
	5. Increased safety training and safety briefing to identify potential risks at the start of the work day
Community Health and Safety & Community Standard of Living	
1. Marketing & Sales: Spread of COVID-19 virus from employees infected to members of the community e.g. during large scale events	1. Compliance with Public Health Regulations
2. Marketing & Sales: Road accidents will increase health and safety risks for community members	2. Provide PPEs such as face masks, face shield, hand sanitisers to employees
3. Marketing & Sales: Reckless driving complaints of the distributor in the local area	3. Increased safety training and safety briefing to identify potential risks at the start of the work day
	4. F&N Voice channel available for employees to report on safety risks and concerns

Salient Human Rights Issues Monitored & Mitigated (Cont'd)

Actual Issue	Mitigation Measures
Employee Discrimination	
1. Human Capital: An employee felt uncomfortable to report a case of verbal harassment until after resigning from the company	1. Inform employees on various channels and measures available- to raise discrimination and harassment issues e.g. welfare committee, reporting channel, mental health hotline 2. Implement additional trainings for supervisors on preventing discrimination and harassment to employees
Customer/Consumer Discrimination	
1. Discrimination by prioritising against certain groups of customers/consumers	1. Ensure F&N's products are targeted to all consumers 2. Marketing strategies are suitable for a multi-racial society and ensure no content are inappropriate or discriminatory against one's gender, race, culture, etc

Track & 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.
- F&N communicates and educates all employees on our human rights practices. 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 evaluates the implementation of human rights policies and mitigation measures by tracking and monitoring processes.
- We are determined to conduct the human rights due diligence process regularly to identify, review and evaluate any risks and impacts relating to a violation of human rights caused by the Group's business operations and associated activities.
- Our human rights performance will be reported annually in our SR.

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 on-going 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 2022. Thus, no remediation measures were taken. F&N will perform a systematic review of the human rights assessment annually and follow with a major assessment every three years.

PERFORMANCE

GRI 412-1:
Operations that have been subject to human rights reviews or impact assessments

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

Empower Our People



At F&N, we value our people and believe they are key to our long-term success. Their dedication, knowledge and performance bring life to F&N’s strategy and drive our business. Our holistic Human Capital Development roadmap and strategy aim to systematically support our people on their growth and well-being. F&N also strives to create a diverse, inclusive, and safe and healthy work environment, as we care for our employees.

Our efforts are further elaborated in the following sections:

- Human Capital Development**
- Employee Safety, Health & Well-being**





Human Capital Development

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



People power our business. Hence, it is crucial to put them at the centre of what we do. We have observed that training and diversity is growing in importance for workers across generations. With F&N's scale of operations regionally, we are in a good position to lead and create a stimulating work environment that encourages fresh perspectives and nurture talents.

Building a company that consumers choose, and trust requires a good understanding of the richness and cultural diversity of the societies we serve in. Hence, we celebrate and promote diversity and inclusion at all levels. We strive to offer equal opportunities for all regardless of an individual's race, gender, religion, nationality and other attributes unrelated to employment expectations.

It also remains important that F&N help our employees to remain employable, relevant and competitive for the ever-evolving future work environment. We are preparing our people through training and resources and equipping them with important skills to safeguard their future employability.

F&N contributes to the UN SDG 8's target to achieve full and productive employment and decent work for all through our approach detailed below.

Promoting Diversity & Inclusion

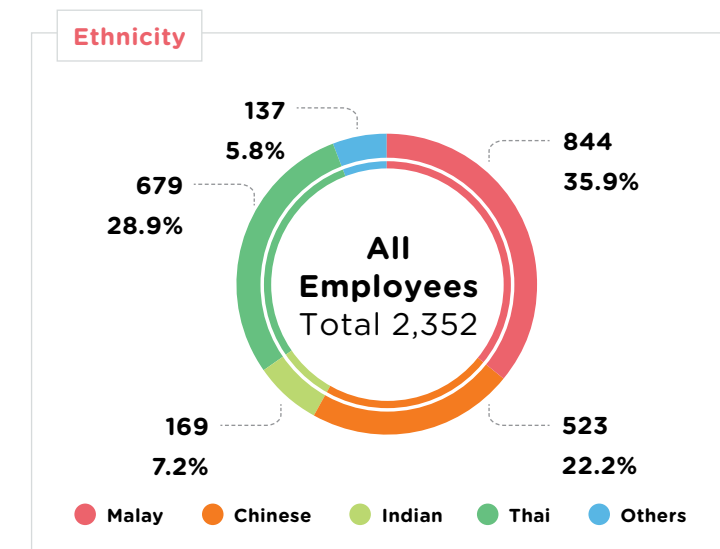
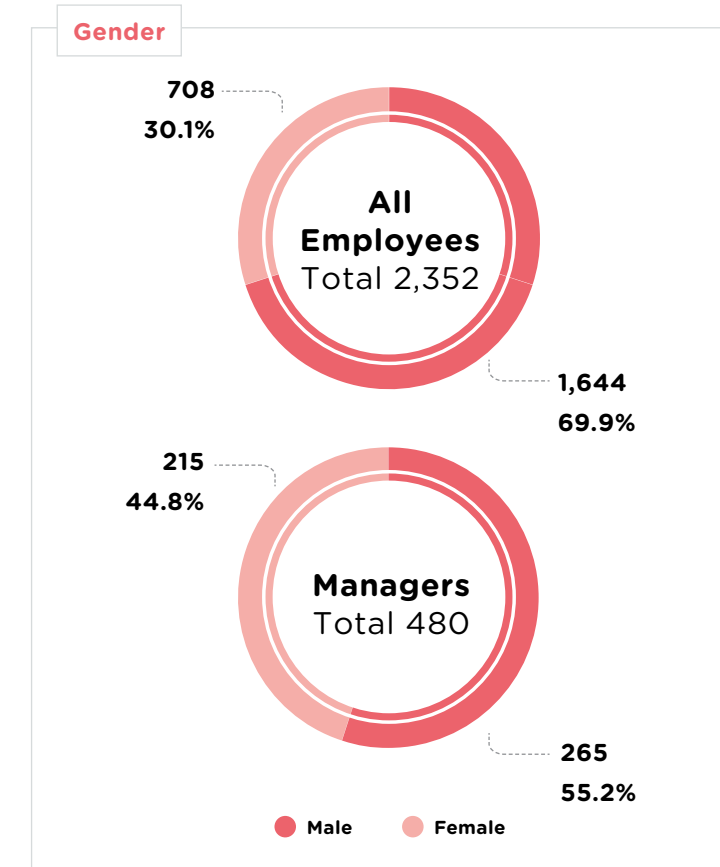
Diversity and inclusion within our workforce are important to us because we serve different consumer groups and take

actions that affect our stakeholders. This belief is ingrained in our F&N culture through the entire organisation. Our employment policies have included a Non-discrimination principle to create an equal opportunity without regard to race, religion, age, nationality, gender, political beliefs, marital status, disability, and any other unrelated criteria to employment requirement.

We promote diversity and inclusion by strictly complying with prevailing legislation on employment rights in the countries of operations - including no hiring of minors. We have actively sought to hire a good mix of people with varied experiences and backgrounds to enrich the organisation. The racial composition of employees in F&NHB closely mirrors the racial diversity of Malaysia and Thailand.

In recent years, we have made good progress towards gender equality in our workforce. 30.1% of all employees in F&N are female. Within the ranks of management, 44.8% of managerial positions are held by female employees, exceeding the Malaysian government's target of 30.0% female representation in decision-making positions. We recognise

the importance of diversity in terms of race, religion, gender, age, sexual orientation, disabilities and nationality in order to enrich the workplace with fresh perspectives that will enable us to meet our business objectives.



Human Capital Roadmap & Strategy

Apart from focusing on diversity and inclusion, F&N has developed a Human Capital Roadmap to lead the way forward. Our strategic plan to be a preferred employer is guided by our seven "Modules for Strategic Human Capital Transformation":



1 Clear Structure & Roles

We use 'Beverest' total performance management system (TPMS) to integrate our human capital processes and systems across the Group for a range of human capital-related processes - from recruitment and on-boarding to setting goals, performance reviews and career development. This ensures that each employee is aware of the expectations and responsibilities of their role, their team and for the Group as a whole.

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Human Capital Development

2 Market-Oriented Compensation & Benefits

We regularly review our remuneration packages in line with those of our peers. Our human resources policies go beyond standard labour regulations and statutory requirements in Malaysia and Thailand. Some of our benefits provided to all full-time employees include:

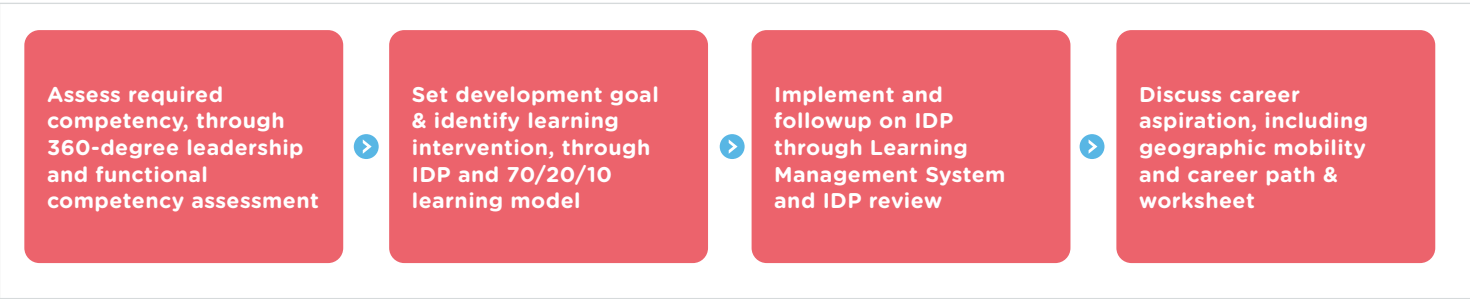
Standard Benefits Offered to Full-Time Employees		
Life Insurance	>	By job grade
Health Care	>	By job age, staff category and/or job grade
Disability and Invalidity Coverage	>	By job grade
Parental Leave	>	All eligible employees under the law
Retirement Provision	>	For certain categories of employees
Stock Ownership	>	By job grade - F&NHB Shares
Others	>	1. Enhanced Provident Fund
	>	2. Long Service Award
	>	3. Flexi-benefits reimbursement
In addition, employees are entitled to paid vaccination leave this year.		

F&N does not restrict freedom of association. The management actively engages with our seven formal employee-unions to have balanced collective agreements. 44.1% of our employees are covered by collective bargaining agreements. While for employees not covered by collective bargaining agreements, F&N adheres to existing local workforce regulations and international safety standards. Additionally, compensation and benefits are reviewed according to prevailing local market rates and practices.

3 Recognition-Based Performance Management

Employees collaborate with their supervisors to set SMART goals and Key Performance Indicators (KPIs) to the year. A Performance Assessment Review takes place twice a year for our employees to appraise their outcomes and identify development opportunities together with their supervisors.

This is part of the Individual Development Plans (IDPs) for employees. There are four stages to our IDP approach:



4 Holistic High Performer Retention & Development

All our employees are given the opportunity to grow with the company and contribute to a high-performing, sustainable organisation. It is part of the culture at F&NHB that each employee is supported to implement their IDP, using the 70/20/10 Learning Model.

Some key development programmes include:

PROGRAMME	FOCUS	EMPLOYEES TARGETED
Finance & Strategy	Business acumen and competitive strategic thinking	Managers & senior managers
Design Thinking	Innovative thinking	Managers & senior managers
Supply Chain Management	Value creation and supply chain innovation via technology	Managers & senior managers
Coaching, Mentoring & Leadership Skills	Leadership and management skills to increase team's productivity	Managers & senior managers
Business Presentation & Storytelling	Business presentation skills	Managers & senior managers
Educational Assistance Programme	For various technical and professional certification	Executives & supervisors
Functional & Technical Training	Functional and technical skills	Executives & supervisors
Digital Training	Awareness and adoption of digital technology	All employees
ESG Training	Awareness of Environmental, Social and Governance issues	All employees

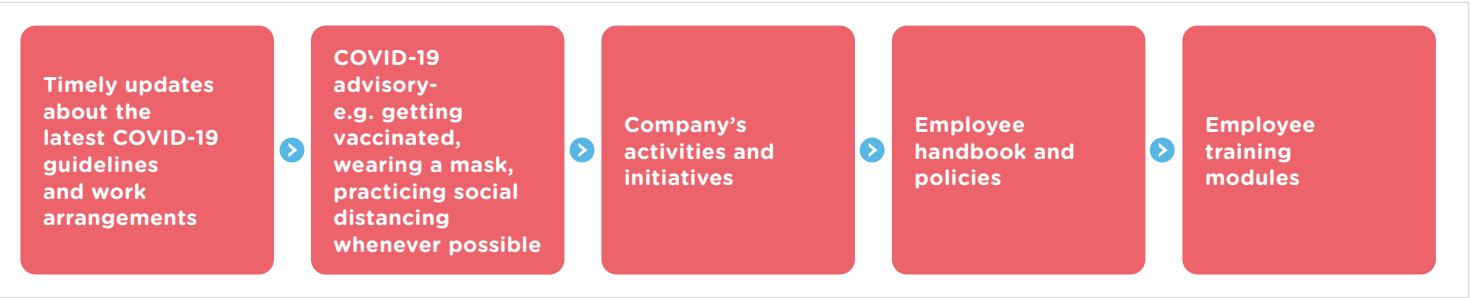
5 Proactive Succession & Workforce Planning

Employees with the potential to become future leaders at F&N are identified and groomed with the support of our Talent Management Team. These employees gain access to opportunities - job rotations, transfers and project assignments, to enhance their understanding of the various operations within the company.

6 Engaging Corporate Culture

Guided by our Global Values, F&NHB promotes a culture of engagement and inclusion by providing various channels like CEO Townhall, intranet, monthly employee email newsletters, and internal mobile apps (the Fraserians Connect mobile app in Malaysia and Line app in Thailand).

Through the internal mobile apps, our employees can access a range of resources at their fingertips:





Human Capital Development

An engaging culture also means an active feedback platform. Employees are encouraged to share realtime feedback, ideas and suggestions directly with senior management via F&N Voice, an internal channel.

To better understand the needs and thoughts of our employees, we encourage them to participate in our Employee Engagement Survey.

Employee Engagement Survey

Conducted from
17 May to 10 June 2022
via online and kiosk.

Obtained a almost full
participation rate of
99.8%

**Focused on
16 engagement dimensions:**

- Brand
- Career Opportunities
- Collaboration
- Communication
- Diversity & Inclusion
- Empowerment
- Enabling Infrastructure
- Learning & Development
- Performance Management
- Rewards & Recognition
- Safety (Well-Being)
- Senior Leadership
- Supervision
- Work Environment
- Work Tasks
- Work/Life Balance

Through the engagement
outcome, we have identified
the key improvement areas
and take the necessary
actions to close the gaps.

**Top 4
engagement dimensions:**

- Work Environment
- Work Tasks
- Communication
- Diversity & Inclusion

7 Strategic Talent Acquisition & On-boarding

F&N maximises the opportunities available for our own talent and seeks to promote our employees through the ranks. Where this is not possible, our human capital team ensures we use a variety of assessment tools as part of a rigorous process to recruit the most suitable candidates that match the company's needs.

Across the Group, we use 'Beverest' TPMS to ensure all new hire benefit from a comprehensive and consistent on-boarding programme. This includes a mix of self-serve e-learning and one-to-one support.

2025 Target

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

Progress

- 22.2 training hours per employee in the executive category and 13.1 training hours per employee in the non-executive category

Reinforcing our commitment to Human Capital Development, at F&NHB, we are targeting to have 100% of our employees trained on ESG and Digitalisation by 2025.

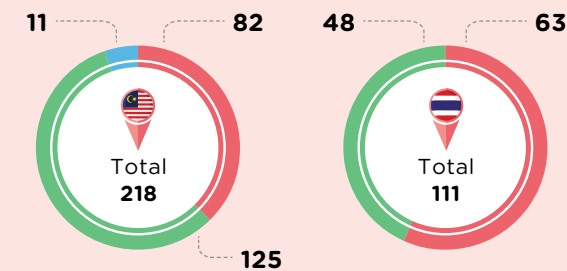
Progress

- In 2022, 85% of our employees were trained on ESG and 47% of our employees were trained on Digitalisation.

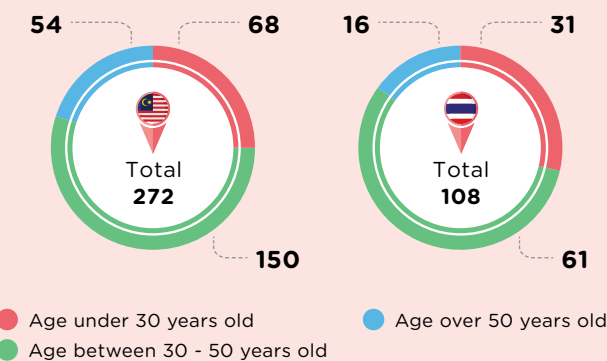
Performance

GRI 401-1: New employee hires and employee turnover

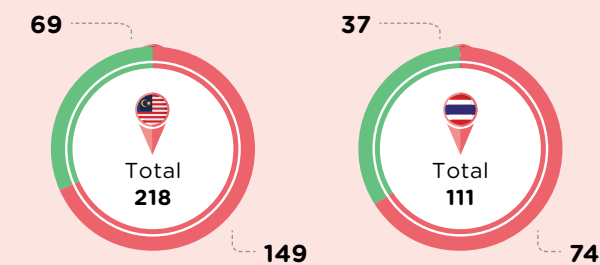
New Employee Hires by Age Group



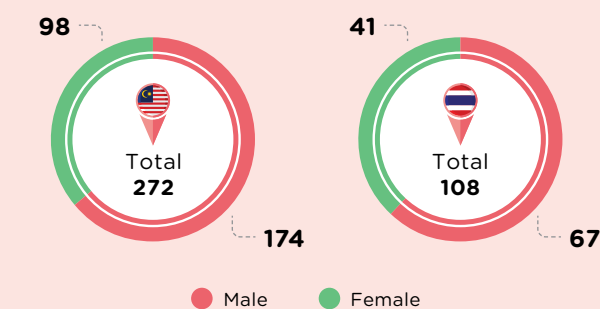
Employee Turnover by Age Group (including involuntary resign)



New Employee Hires by Gender

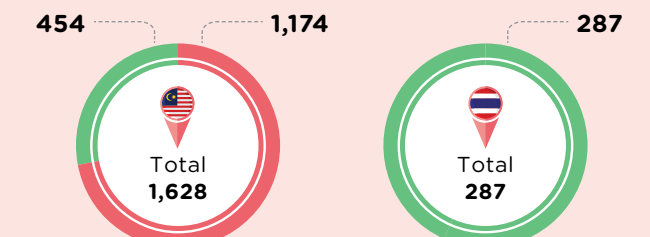


Employee Turnover by Gender (including involuntary resign)

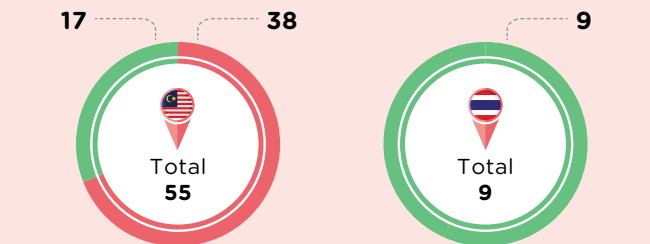


GRI 401-3: Parental Leave

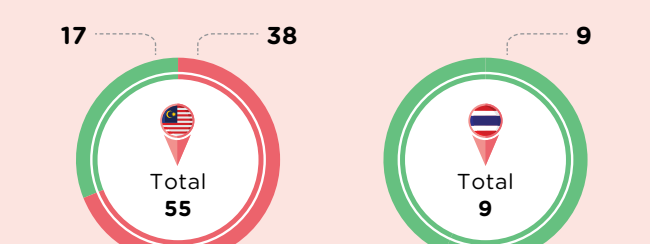
Total Number of Employees Entitled to Parental Leave



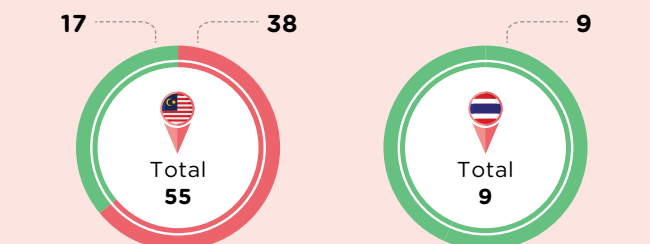
Total Number of Employees who Took Parental Leave



Total Number of Employees who Returned to Work after Parental Leave Ended



Total Number of Employees after Returning to Work Were Still Employed after 12 Months



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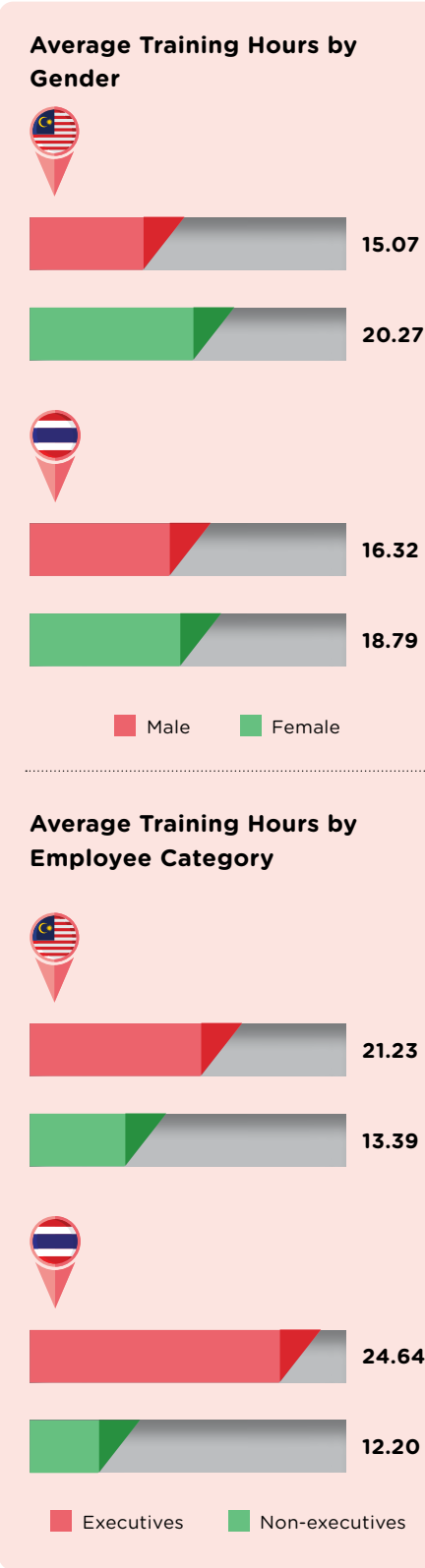
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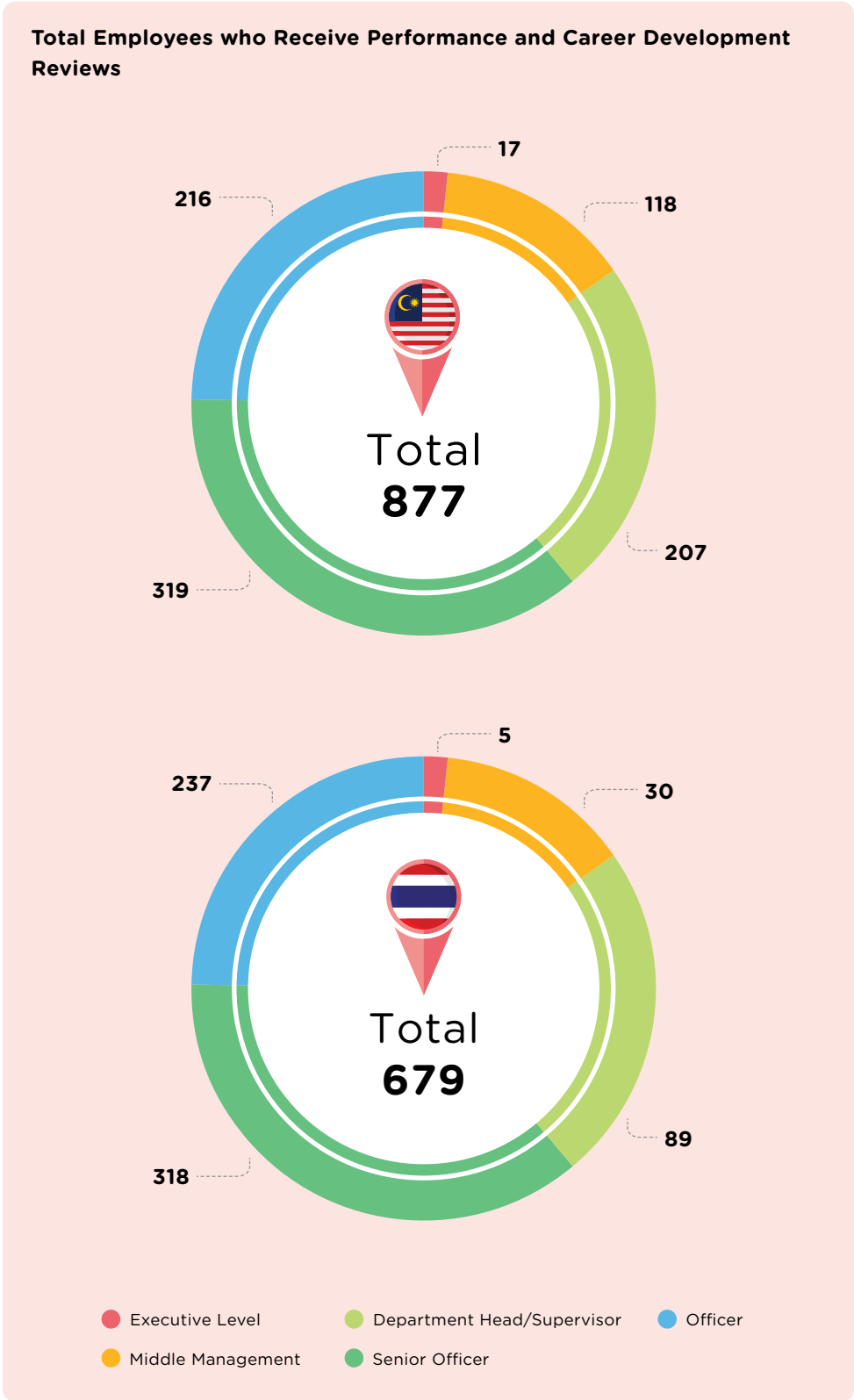
Human Capital Development

Performance

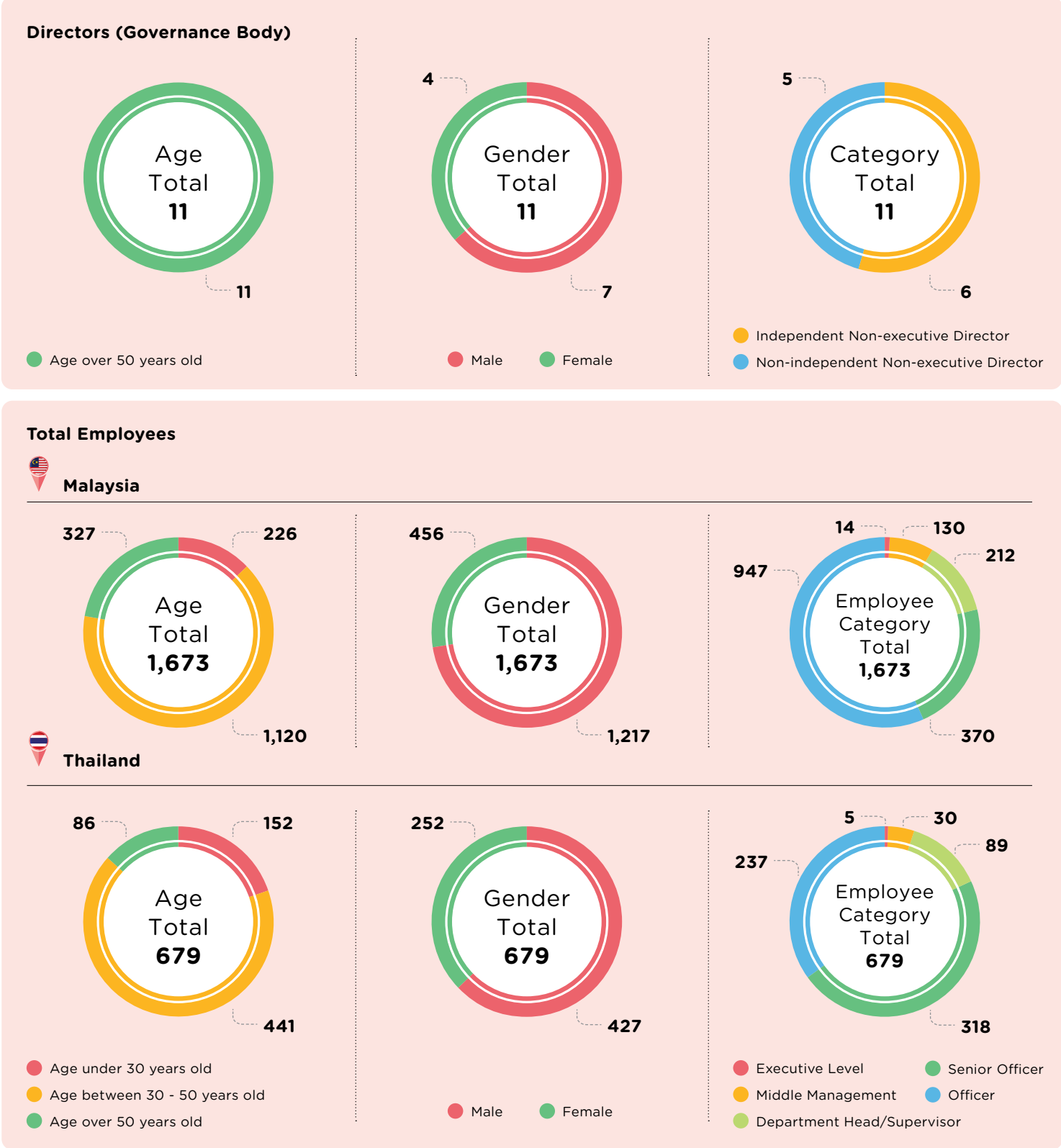
GRI 404-1:
Average hours of training per year
per employee



GRI 404-3:
Percentage of employees receiving regular performance and career
development reviews



GRI 405-1:
Diversity of governance bodies and employees



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EMPOWER OUR PEOPLE



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Employee Safety, Health & Well-being

GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-9, GRI 403-10



F&N believes that working as a team is the only way to ensure safety of our people, and those who work with us. We foster a proactive ‘safety first’ culture for employees to be aware of their responsibilities to both them and their colleagues. To ensure our employees and contractors’ employees are able to carry out their functions safely, we conduct various safety training programmes to remind people in our premises.

To further strengthen our commitment to safety culture, zero lost time injury was incorporated in FY2022 as part of shared sustainability KPIs for all F&NHB executives.

Approach

Creating a Safety Culture

F&NHB strictly adheres to the ILO guidelines, Thailand’s Labour Protection Act and Malaysia Employment Act 1955. The guidelines and legal requirements of these policies have been extended in our internal ESH policy as a signal to our employees about F&N’s commitment in creating a safety culture for all.

As part of the ultimate oversight of sustainability issues related to health and safety, the board reviews the implementation of the Company’s health and safety strategy, with respect to establishing of health and safety policies and practices, setting and assessing of health and safety targets, and measuring of our performance against the targets. The Board SRMC discusses on health and safety issues and update the Board on quarterly basis.

At F&N, safety is integrated across our operations through the implementation of ESH systems and monitoring processes. Our adhesion to international standards, such as ISO 45001 at our major site demonstrates that our safety practices extend beyond compliance with national regulations. All employees, workers and activities are covered by our ESH systems, and all workers receive adequate training and safety equipment wherever appropriate.

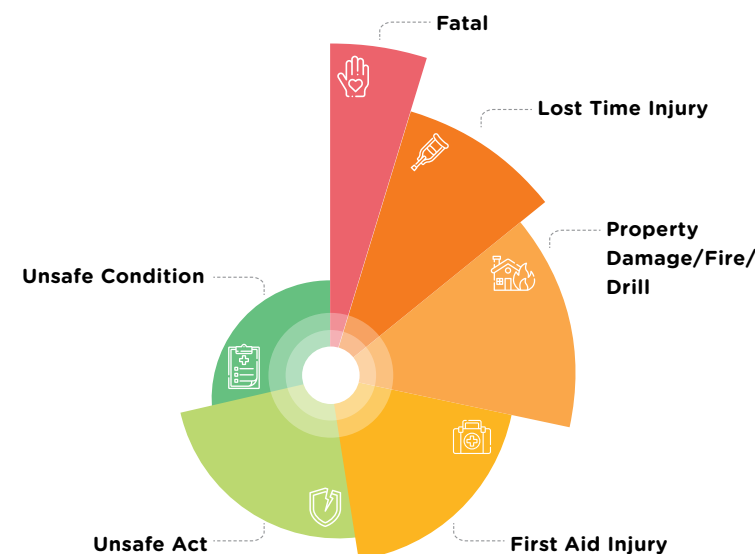
At operational level, every plant has its own Safety Committee, which includes management and workers’ representatives. F&NHB has also set up a Safety and Health Committee for its corporate office and its regional sales offices. These committees oversee F&N’s safety systems and programmes to ensure their effectiveness. This is supported by:

- Monthly meeting to discuss about accidents or near-misses and determine appropriate corrective actions required
- Audits of our ESH systems
- Development of annual safety plans
- Initiating programmes to increase awareness of health and safety issues among employees.

On ground, we have Company Emergency Response Teams who are trained to mobilise quickly should any incidents occur.

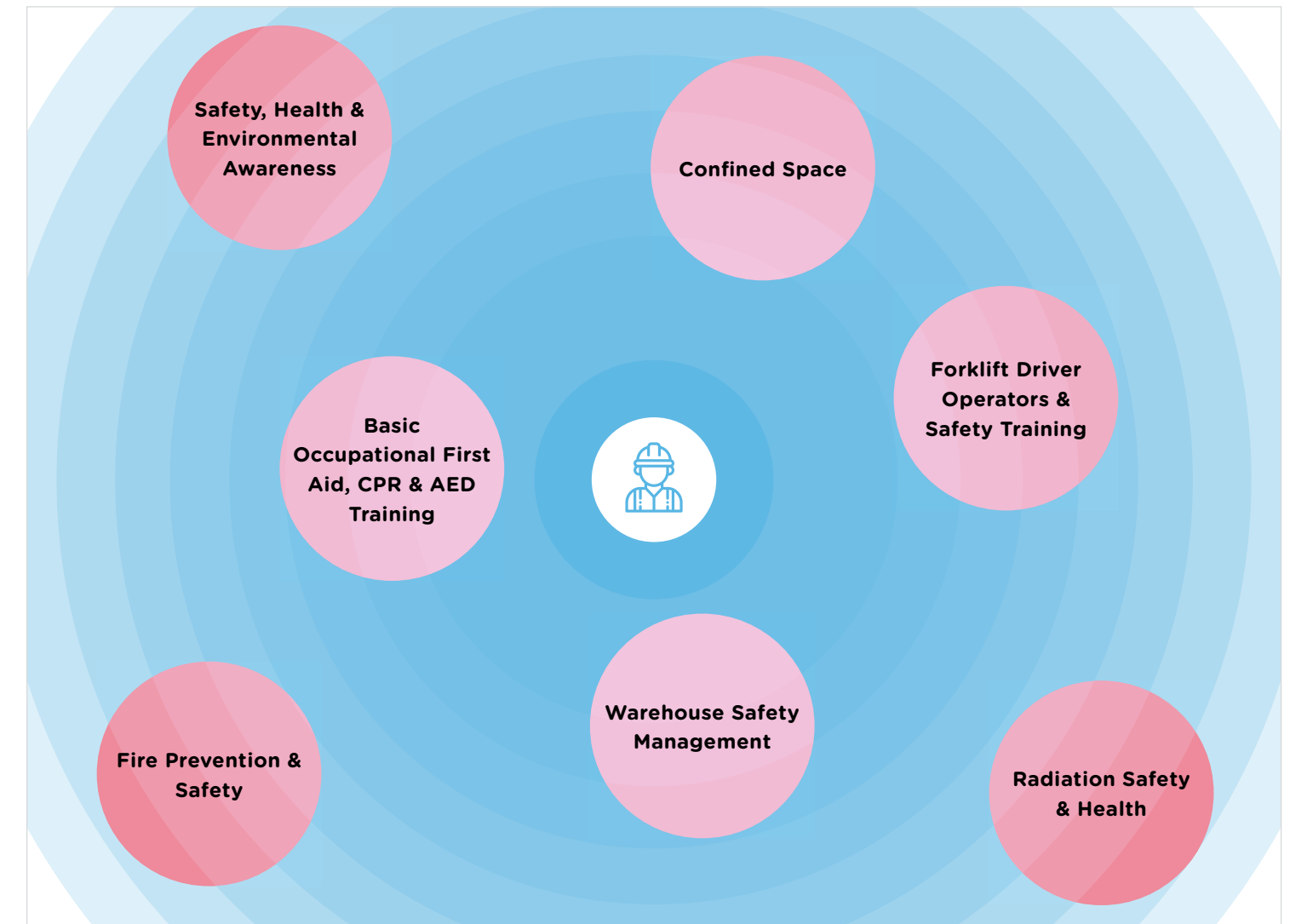
Employees are encouraged to report any potential risks or hazards. They can do this by informing their safety representative or supervisor, or report through a formal channel to our safety committees with the option to remain anonymous.

Job Safety



Approach

Our safety trainings and awareness remained effective with over 1,200 employees participating in over 16,000 hours of safety trainings in Malaysia and Thailand. Topics covered in FY2022 included:



In Malaysia and Thailand, we continued to engage our employees on safety topics through regular activities such as monthly health and safety trainings and newsletters, as well as an unsafe working conditions programme to educate workers in identifying risky behaviours and safety hazards.

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EMPOWER OUR PEOPLE

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Conducive Working Environment

While keeping our workforce safe, we increased our focus on ensuring an environment that is conducive for our employees' health and well-being – encouraging habits that promote safety and advocating for a healthy lifestyle.

Our Health Risk Assessment Committee comprises skilled personnel trained to comprehensively evaluate areas where employees may be exposed to health risks. Air quality, brightness, temperature and noise levels are monitored in all our facilities. We conduct regular noise monitoring at our facilities to ensure that the level is within the recommended range. For all workers in an environment with high noise levels, we provide hearing protection to reduce their exposure. We also conduct audiometric tests regularly for all at-risk workers, with follow-up doctor consultations where hearing impairments were identified.

All workers (employees and contractors) have access to occupational health services in relation to their relevant activities. This includes hygiene services, ergonomic tools, protective equipment, and first aid kits. F&N is also supported by accredited Occupational Health and Safety consultants whenever required.

We offer healthcare insurance to all employees in Malaysia and Thailand. F&N also facilitates good health coverage for all workers by organising annual health screening. Any work-related illness will receive follow-up consultations with doctors, if identified.

Nonetheless, all employees' personal health-related information is kept confidential. For example, the annual check-up medical records are kept by clinic or specialist with no copies given to the Company.

To promote a better work-life balance, we have implemented flexible working hours for office employees in Malaysia.

2025 Target

Reduce the LTIFR to 0

Progress

- Our LTIFR was 1.28 in FY2022, due to 6 recordable lost time injury cases at our plants in Malaysia and Thailand. We remain focused on achieving a zero-accident workplace.

At F&NHB, we have also set an additional target to demonstrate our commitment in Employee Safety, Health & Well-being:

- 100% of employees participate in annual safety, health and well-being programmes.

Progress

- In 2022, 71% of employees participated in annual safety, health and well-being programmes.

Performance

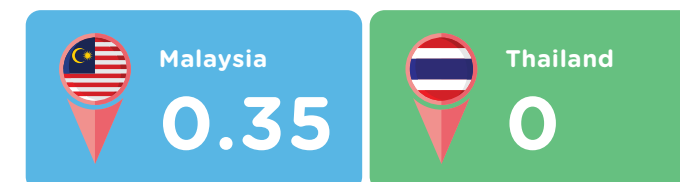
GRI 403-9:

Work-related injuries

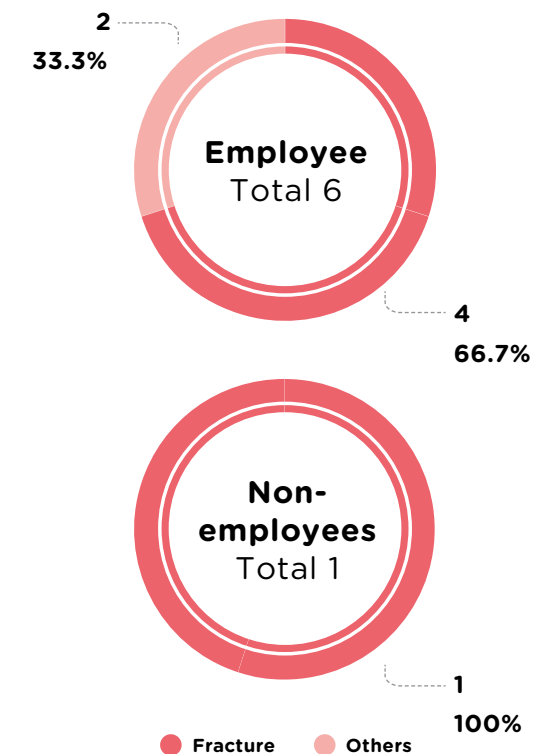
- Employee Work-related Injuries



- Non-employee Work-related Injuries



Type of Injuries



- We maintained **0** high-consequence work-related injury.
- We maintained **0** work-related fatality.

GRI 403-10:

Work-related ill health

- We maintained 0 work-related illness.



BETTER PLANET: Circularity & Environmental Protection

At F&N, we recognise the role of our business in protecting the environment. The transition to a circular economy offers opportunities to create business value as well as minimise environmental impacts. We promote circularity and environmental efficiency in our operations through our management of energy, water and waste. We promote circular economy across our value chain through the critical topic of packaging. We recognise the interaction of the F&B sector with biodiversity, and we are committed to sourcing ingredients with respect of impacts on ecosystem.

Environment, Safety and Health Policy

Our ESH Policy ensures all major plants in the group are ISO 14001:2015 (environmental management system) certified. Our Policy serves as a framework for all F&NHB's decisions concerning the environment across our value chain, from production operations, business facilities, products, distribution and logistics, management of waste. F&N undertakes Environmental Impact Assessments prior to the commencement of any project. We work with local communities to protect and preserve the environment, and we strive for zero waste and zero pollution through continuous improvement of our environmental management system.

Our Policy serves as a framework for all our decisions concerning the environment across our value chain, from production operations, business facilities, products, distribution and logistics and management of waste.

Our employees, suppliers, service providers, contractors, key business partners, and relevant stakeholder groups are made aware of the Policy via email, intranet, notice boards and internal briefings to employees.

Read the
policy here:



We have identified five main impact areas to focus our environmental efforts:

Operational Eco-efficiency

Energy & Climate Change

Water Stewardship

Waste Management

Value Chain Impacts

Packaging

Biodiversity

Our contribution to the SDGs:



OPERATIONAL ECO-EFFICIENCY



F&N recognises that our company creates environmental impacts through energy, water and resource consumption. Our employees at the plants find ways to improve our manufacturing processes and optimise operations to limit our impacts on the environment.

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

-  **Energy & Climate Change**
-  **Water Stewardship**
-  **Waste Management**

Energy & Climate Change

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

SDG

>






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 result in a strain on production 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 “TCFD & Climate Risk Management Summary”, on pages 40 to 47 of this SR.

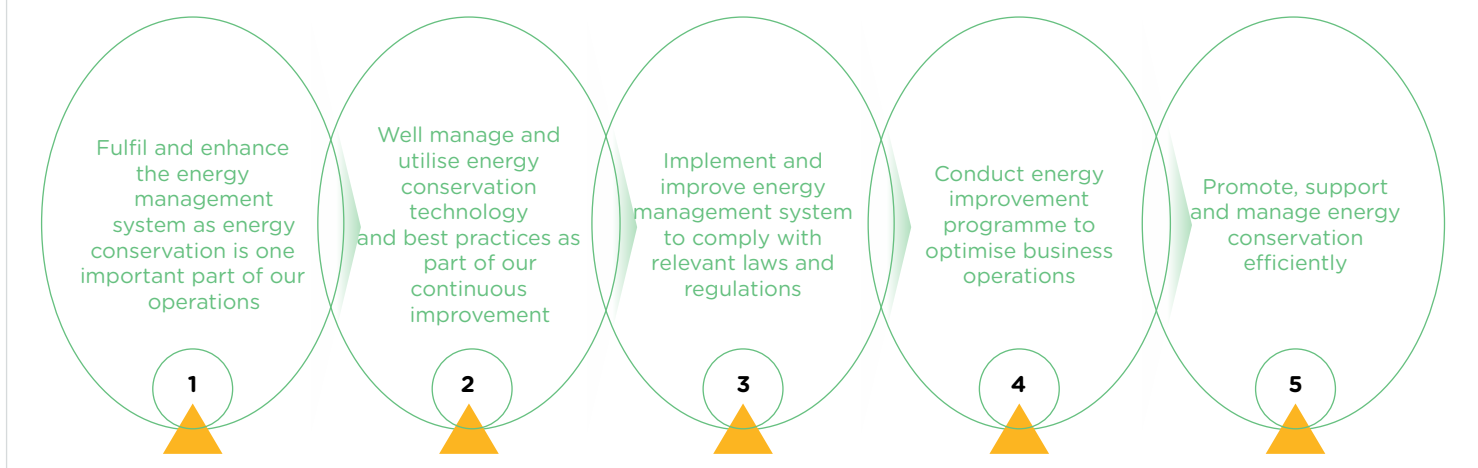
We are committed to reducing the energy intensity and GHG emissions intensity at our plants, as per our 2025 sustainability targets. F&N assumes the responsibility to minimise carbon footprints across our value chain, ranging from manufacturing, packaging, storage and logistics, to end use and disposal.

Approach

Our operations – from manufacturing to storage and transportation, require energy. F&N manages our energy effectively in our operations and the entire value chain with reference to the Energy & Climate Change Management Policy. Our employees, business partners and stakeholder groups are aware of our Energy & Climate Change Management Policy and are supportive of our goals. We engage suppliers and service providers to get their commitment to environmental-friendly practices.

Our Energy Management Policy

All our operations in Malaysia and Thailand are guided by the following principles:



Our Energy & Climate Change Strategy, which aligns with our parent company, ThaiBev's climate change and energy strategy, is broken into five priority areas:

- Energy efficiency in our operations
- Renewable energy and sourcing and generation
- Route planning
- Operations' exposure to climate change risks
- Reducing carbon in our value chain



Energy & Climate Change

2025 Target

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

Progress

- Our group energy intensity ratio has slightly improved by 1% to 860.29 (as compared to FY2020 baseline at 868.56), contributed by the various energy improvement initiatives at our plants.

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

Progress

- Our group GHG emissions intensity ratio has improved slightly by 4% to 0.0633 (as compared to FY2020 baseline at 0.0661), contributed by the various energy improvement initiatives at our plants and the implementation of solar roofs at our plants in Malaysia and Thailand.

Initiatives

Energy Efficiency in Our Operations

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

Energy Reduction Initiatives



Thailand

Rojana plant

- Innovative Heat Recovery System

Our Rojana Plant has installed the innovative heat recovery system to recover heat loss from batch sterilizers and divert to hot water recovery tank for heating milk from 25°C to 75°C. With this installation, Rojana Plant's natural gas consumption would be reduced by up to 10%, creating cost savings of about THB9.6 million per year.



Malaysia

Pulau Indah Plant

- Energy Efficient Variable Speed Drive (VSD)

A new energy efficient VSD was installed at our Pulau Indah plant to supply oil free compressed air for general air supply. Energy cost has reduced by about 228,000kWh per year, with about RM68,000 in cost savings.



Malaysia

Shah Alam Plant

- Intelligent Flow Controllers

Intelligent flow controllers are installed for the air compressor at the UHT and drinking water line, to reduce the fluctuation pressure during operations. Apart from this, Paxton smart air blower is installed to replace multiple blowers at one of the manufacturing lines and bottle drying section. With this, this has helped to reduce over 850,000 kWh and annual savings of almost RM300,000.

Renewable Energy Sourcing & Generation

To make further progress toward our 2025 goals of energy and GHG reduction, we have identified renewable energy sourcing and generation as a primary focus. Across our operations in Malaysia and Thailand, solar photovoltaic (PV) systems have been progressively installed at our plants, as part of our strategic direction to reduce fossil consumption and carbon footprint. Operational progressively since August 2022, the solar PV system at 3 Malaysia plants can reduce the amount of electricity usage from the grid by about 13.4 million kWh per year, with an estimation reduction of around 9,000 MT CO_{2e} in GHG emissions per annum.

Solar Energy

	Begin Energising	Capacity
Thailand		
Rojana Plant	2020	1 MWp
Wang Muang Plant (Commenced operations since October 2022)	2022	1 MWp
Malaysia		
Shah Alam Plant	2022	10 MWp in total
Pulau Indah Plant		
Bentong Plant		

Route Planning & Reducing Carbon in our Value Chain

Over the past few years, we continued to streamline our distribution network, as optimal route planning can help to reduce GHG emissions. Our decentralisation strategy to locate our manufacturing and warehouse operations closer together, further lowers our carbon emission from logistics. We have made more than RM800 million of capital investments since 2014 on new distribution lines and the construction of warehouses across our production facilities in various locations.

To further optimise route planning, we have invested a total of RM232 million in an integrated warehouse in Shah Alam, Malaysia, and a regional distribution centre in Rojana, Thailand. Both are equipped with the Automated Storage Retrieval System (ASRS) and have commenced operations in this year. The ASRS automates the process of getting finished goods ready for delivery to markets or distributors' warehouses. The system drives improvement through the following steps:



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



The reduction of carbon in the value chain contributes positively to the carbon footprint of our products. In 2020, we have conducted a carbon footprint study for one of our key products in Thailand.

Carnation Extra Non-dairy Half Creamer for Cooking and Baking (net weight of 385g) is F&N's first low carbon product certified by Thailand Greenhouse Gas Management Organisation (TGO) for successfully meeting the requirements of the Carbon Footprint Label Scheme. The product's carbon footprint is 295 kg CO₂.

F&N is working towards having more products certified by TGO that meets the requirements of the Carbon Footprint Label Scheme.

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OPERATIONAL ECO-EFFICIENCY

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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, these risks will halt our operations and supply chain.

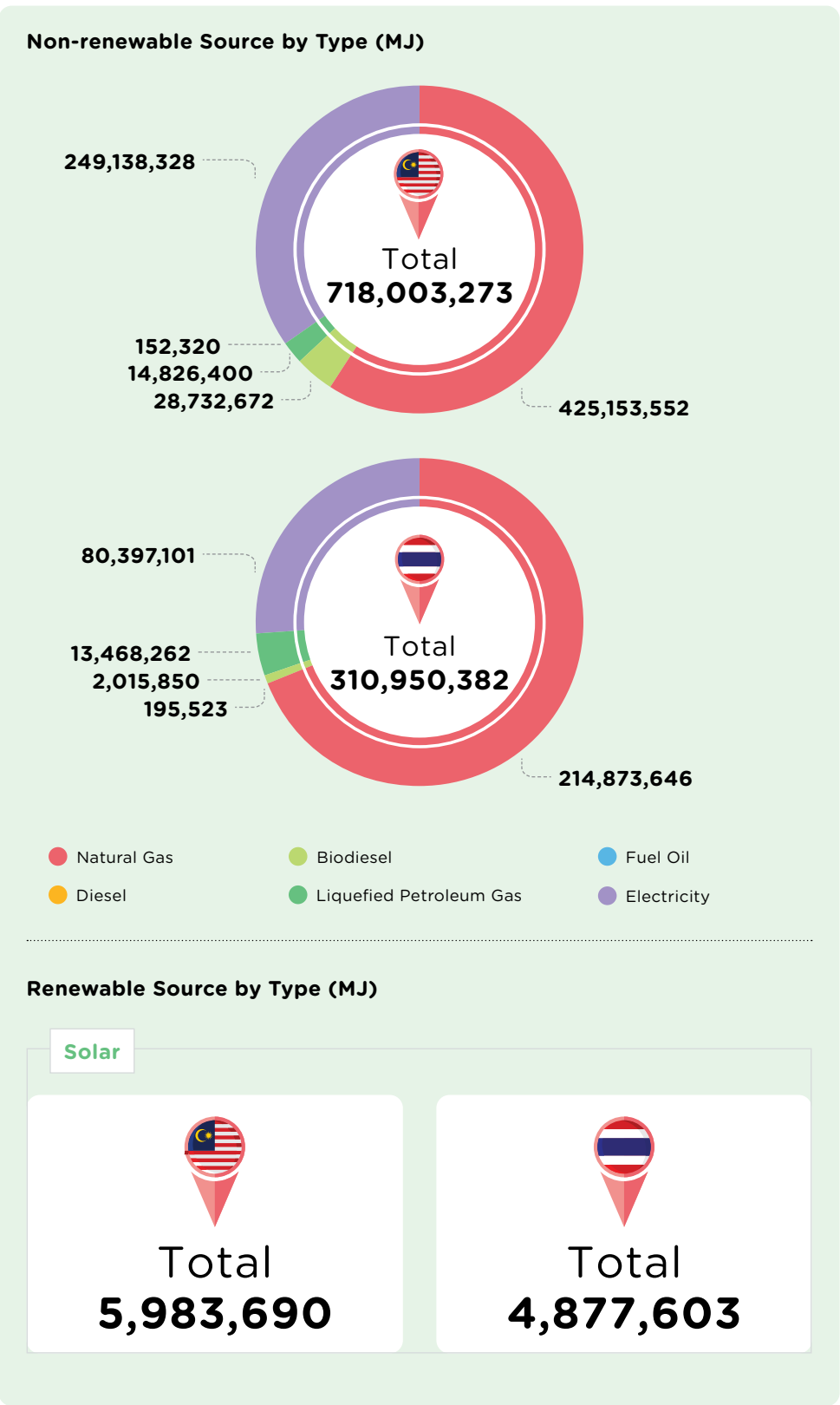
To better understand our position, F&N conducted our inaugural climate change risk assessment to identify and assess the potential climate change risks – physical and transition risks. These risks will be integrated into the organisation's overall F&N-ERM framework to monitor identified risks and opportunities and drive strategic decisions in managing these risks.

Identified climate change related risks such as flooding will affect our mineral water sources and contaminate these water sources. We work closely with state authorities and local councils to keep risk as such in check. F&N has a robust incident escalation procedure and response plans in place as part of our Business Continuity Management.

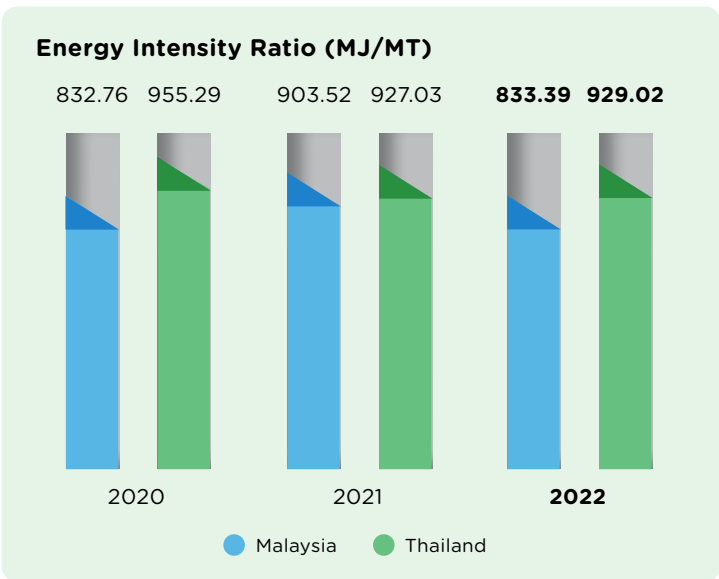
For details on the climate change risk assessment. Refer to "TCFD & Climate Risk Management Summary", on pages 40 to 47 of this SR.

Performance

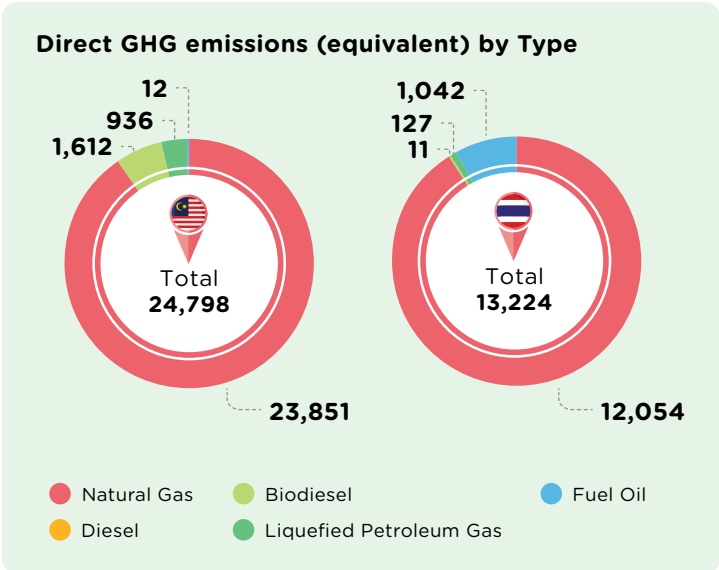
GRI 302-1: Energy Consumption within the Organisation



GRI 302-3: Energy Intensity



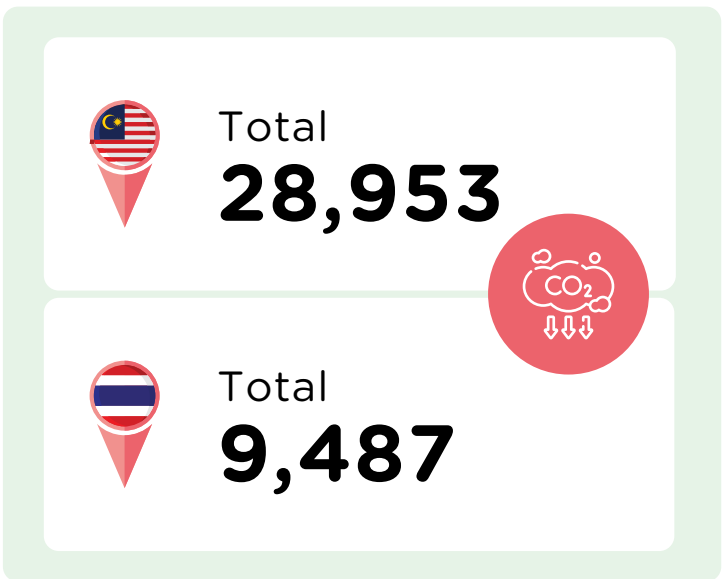
GRI 305-1: Direct (Scope 1) GHG Emissions (CO_{2e})



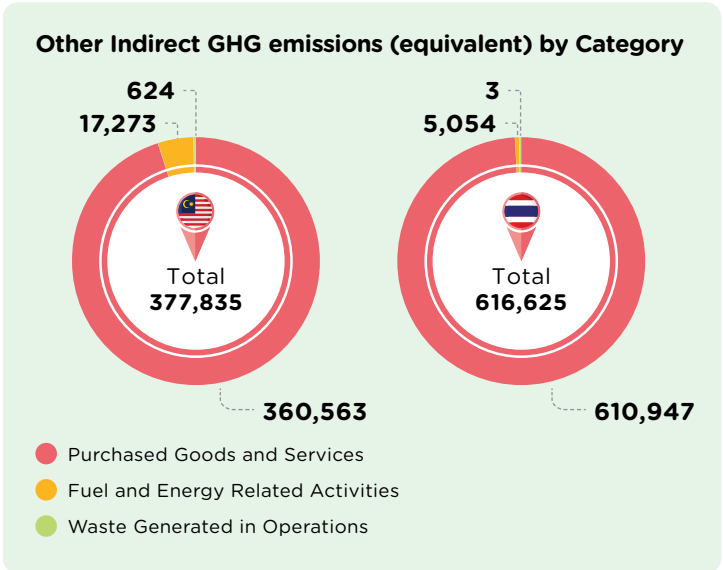
GRI 305-4: GHG emissions intensity (CO_{2e}/MT)*



GRI 305-2: Energy Indirect (Scope 2) GHG Emissions (CO_{2e})



GRI 305-3: Other Indirect (Scope 3) GHG Emissions (CO_{2e})





Water Stewardship

GRI 303-1, GRI 303-2, GRI 303-3, GRI 303-4, GRI 303-5



Water is an important resource that is relied upon by all life forms. It invigorates communities and businesses. In F&N, the success to our business depends on a reliable supply of clean water and effective water management.

Through our climate change risk assessment, F&N has identified key sites in Thailand and Malaysia with medium exposure to water-stress - where demand of clean 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

Assessing Water-related Risks

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

F&N uses various methods to identify and assess water in our operations and supply chain:

F&N conducted our first climate change risk assessment with a third-party consultant to identify potential sites that are faced with medium to high exposure to water stress, and flooding.

Internally, we utilise publicly available tools such as the World Resources Institute (WRI) Aqueduct and World Wildlife Fund (WWF) Water Risk Filter to evaluate water-stress areas.

We have an established system for systematic daily and monthly tracking and monitoring of water consumption and effluents quality across all our production facilities.

These non-exhaustive methods of tracking water associate risks are part of F&N ERM processes. To manage the identified risks, action policies are deployed across our facilities.

2025 Target

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

Progress

- Our group water intensity ratio has increased by 1% to 2.32 (as compared to FY2020 baseline at 2.29), impacted by lower production volume at our dairy plant in Malaysia.

SDG



Initiatives

We collaborate with relevant stakeholders to create shared value projects to address and manage identified water-related risks. We tap into the circular economy principles when considering water stewardship initiatives around our operations, supply chains, local communities surrounding F&N operations, and other stakeholders like the local government.

Government Agencies

We adhere to local regulations of water stewardship by reporting to governmental agencies on our water consumption. Our direct operations are regularly inspected by the governmental agencies.

Local communities

Supporting continued access to good quality water for the communities surrounding our direct operations and our supply chains strengthens our relations with communities. As F&N shares the water sources with local communities around our direct operations, we believe it is crucial to maintain zero conflicts. Water withdrawals from groundwater and the water reservoirs have not left any negative impacts on nearby communities.

Dairy Farmers

We continuously collaborate with our suppliers on water stewardship initiatives as part of the Farmers Excellence Programme. We continue to educate dairy farmers on water conservation and the reusability of water for cleaning and feed. F&N had installed a large water storage tank at the investment of THB460,000 that have the potential to supply 1,680,000 litres of water to 180 households across communities in Chaiyaphum Province.

This will provide sufficient water supply and increase water security to 24 farms, consisting of 955 cattle, and can also minimise disruption from drought and ensure farmers can continue their farming operations sustainably.

Water Stewardship in Our Operations

Water is a key resource for our business, and we treat it as such. F&N has built on our past efforts to improve water efficiency, reduction, and recovery initiatives at our production facilities.



USAGE OF LIQUID SUGAR IN SWEETENED BEVERAGE CREAMER (SBC) PRODUCTS

- Rojana plant**
Since January 2022, we have started to use liquid sugar in the production of SBC products in Rojana plant. By removing the process of dissolving cube sugar, we save around 130m³ of water per day.



WATER RECYCLING INITIATIVES

- Rojana plant, Thailand**
Our Rojana plant has in place a water management plan to recycle wastewater. Wastewater is reused in evaporative condensed and cooling tower, to avoid the discharge in public drains of almost 300m³ per day. The wastewater is also used for watering of plants.
- Kuching plant, Malaysia**
As part of the water recycling initiative, our Kuching plant collects and reuses the rinsed water from bottles for general cleaning. This has resulted in water savings of 120m³ per year.



WATER REDUCTION INITIATIVES

- Shah Alam plant, Malaysia**
Following the success of previous initiative in extending the backwash time for Aseptic line, the team at Shah Alam plant has implemented a similar initiative to extending the backwash time of UHT line. This contributes to a savings of 50,000 m³ and cost savings of RM114,000.
- Bentong plant, Malaysia**
At our mineral water plant in Bentong, the team has planned various initiatives to reduce and optimise the water from underground source, through eliminating of filling wastage, using of municipal water for filter backwash, optimising backwash interval and frequency, and re-designing pumping system. Through these initiatives, the team can reduce wastage of underground water by 7,500 m³.
- Pulau Indah plant, Malaysia**
Our team in Pulau Indah plant implemented a project to reduce water wastage at the buffer tank in processing area. To control the make-up water in the buffer tank, a solenoid valve was activated, together with a newly added pressure transmitter. This has helped to save 2,000 m³ of water per annum.

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OPERATIONAL ECO-EFFICIENCY

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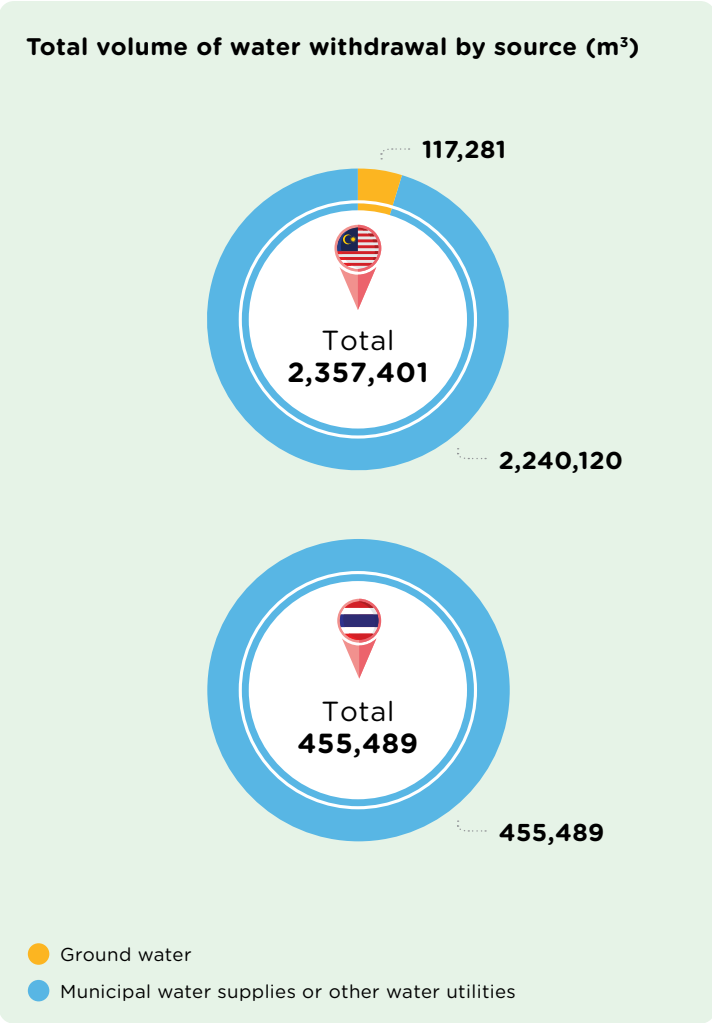




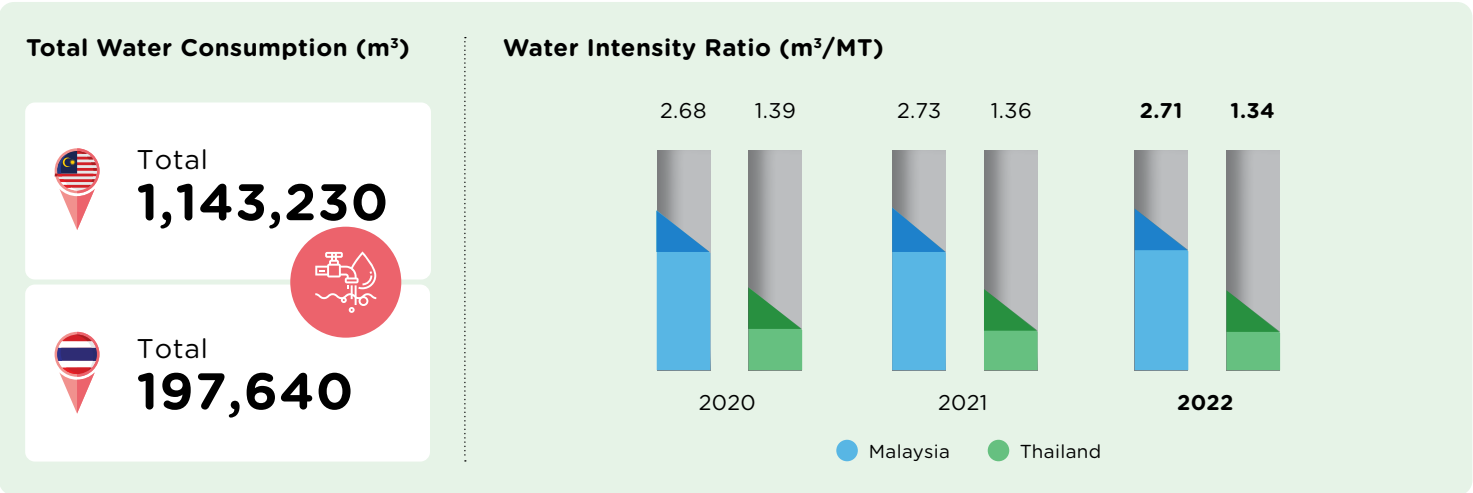
Water Stewardship

Performance

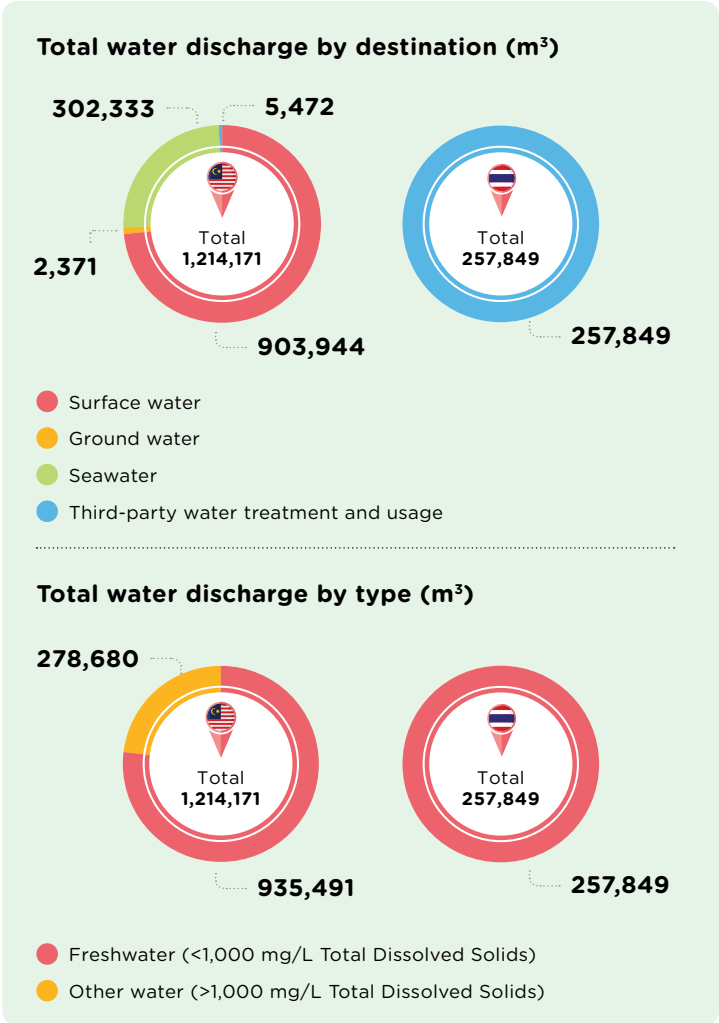
GRI 303-3 (2020): Water Withdrawal



GRI 303-5: Water Consumption



GRI 303-4: Water Discharge



Waste Management

GRI 306-1 (2020), GRI 306-2 (2020), GRI 306-3 (2020), GRI 306-4 (2020), GRI 306-5 (2020)

‘Waste’ is commonly perceived to be a resource that has little to no value for the user. In a world of dwindling finite resources, we can no longer treat waste as such. The circular economy views waste as a resource that could regenerate value as an input for another process. Effectively managing our waste not only enhances our ability to achieve resource efficiency, by doing so, it translates to cost savings for the business.

Approach

Regardless of organisation, waste is generated in all stages of production – along the supply chain and in direct operations. To effectively manage waste in F&N, we focus on reducing and diverting our operational waste; We extend our commitments beyond our operations to engage our stakeholders along the supply chain to identify circular and cost saving opportunities through the efficient use of resources.

F&N aspires to achieve ‘zero discharge, zero waste and zero landfill’. We actively seek opportunities to minimise impacts from our operations, complying with and going beyond expectations of relevant regulations.

Adhering to F&N ESH Policy and the principles of a circular economy, F&N applies strict standards to the quality of our effluent discharges from our manufacturing process. We employ the principles of a circular economy as much as possible by continuously exploring alternate uses for the by-products from our operations.

We believe progressing towards our 2025 waste goal will require support from everyone throughout our operations. As such, we organise activities using communication platforms - the Intranet, emails, and internal recycling programmes, to enhance the environmental awareness among our employees

SDG

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6

CLEAN WATER AND SANITATION

8

DECENT WORK AND ECONOMIC GROWTH

9

INDUSTRIAL INNOVATION AND INFRASTRUCTURE

12

RESPONSIBLE CONSUMPTION AND PRODUCTION

17

PARTNERSHIPS FOR THE GOALS

2025 Target

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

Progress

- Our total solid waste sent to landfill increased by 31% to 1,471 MT (as compared to FY2020 baseline at 1,122 MT), due to the additional sludge from the maintenance of our wastewater treatment plant at our Shah Alam plant. The team will continue to work on initiatives to reduce solid waste sent to landfill, including recycling of sludge at Shah Alam plant.

Zero Waste to Landfill

We are committed in achieving zero waste to landfill. Out of our eight plants, 2 have achieved zero waste to landfill - Kota Kinabalu and Rojana plant. At Rojana plant, all waste products are sent to a waste-to-energy plant to be converted into a fuel source. Through this initiative, our Rojana plant has converted over 60,000 kg of waste into over 300,000 kWh electricity

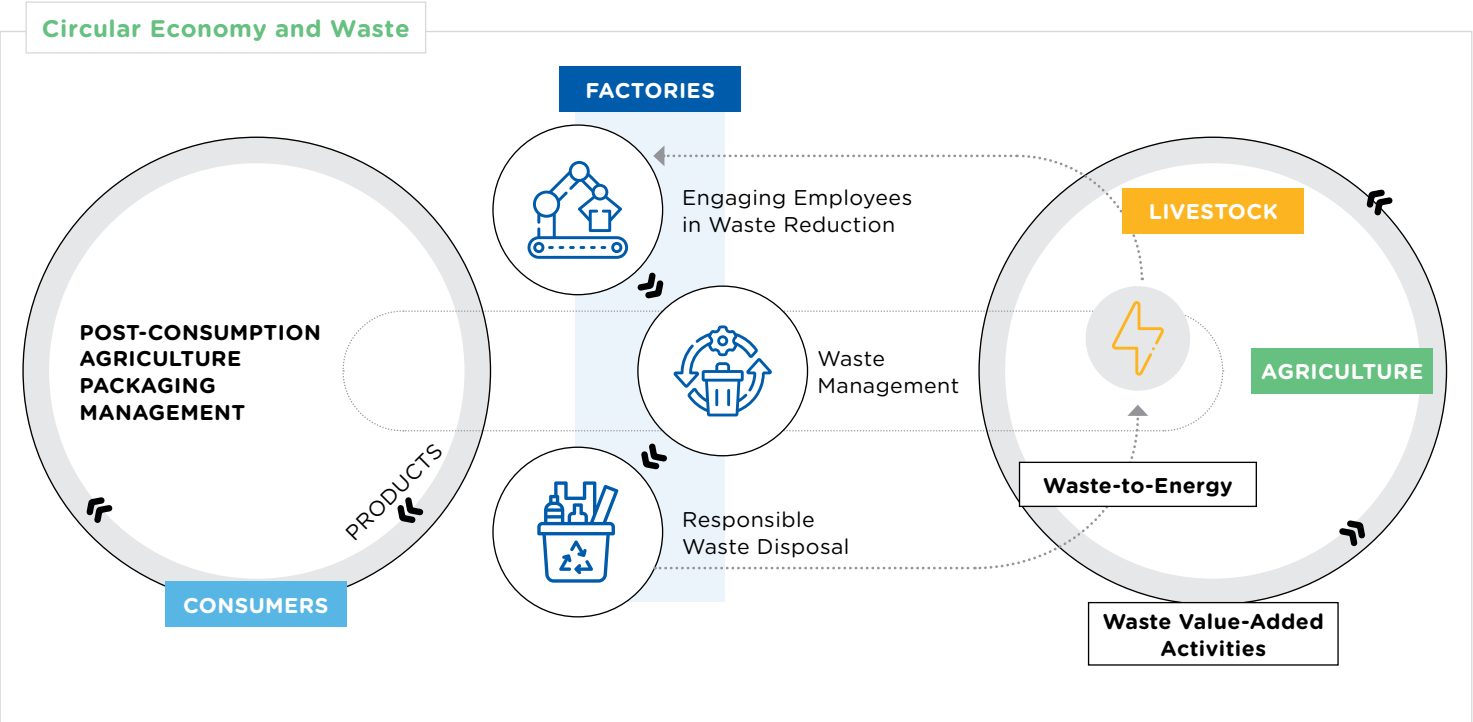
100% of waste recycled Zero waste to landfill	Kota Kinabalu Plant Rojana Plant
Over 90% of waste recycled	Bentong Plant Pulau Indah Plant
Over 80% of waste recycled	Pak Chong Plant Kuching Plant Shah Alam Plant
Over 70% of waste recycled	Matang Plant

Employee Awareness

We put the Circular Economy at the core of our environmental awareness programmes for our employees. The on-going programmes promote the proper handling of waste through waste separation activities, to encourage the continuous reuse of ‘waste’ as a resource until it is no longer valuable.

Our team in Thailand plants avoided the usage of plastic bags in waste collection by reusing bags that were used to contain packaging materials. This change has led to a reduction of plastic bag usage up to 10,000 kg and cost savings of over THB500,000.

Approach



Food Loss & Waste in the Value Chain

Food loss and food waste have become a global concern and an issue for sustainable development goals. An estimated one-third of all food produced globally is lost or discarded. Food loss and waste contributes to food shortage, water stress, biodiversity loss and increases GHG emissions.

As a F&B manufacturer, we aspire to minimise food wastage throughout our entire value chain, from sourcing, to manufacturing and logistics. We are guided by the Food and Drink Material Hierarchy from the Food and Agriculture Organisation of the UN when managing food loss and waste.

Besides trimming production waste to landfills by 30%, we are committed to reducing food loss/waste by collaborating with our business partners to reduce food waste. Together with upstream and downstream partners in our value chain, we will focus on Prevention, Optimisation, Recycling and Recovery initiatives to minimise food wastage along our value chain.

Raw Materials

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

Production Processes

- To manage the food loss, we regularly track, measure and monitor any losses during our manufacturing processes.
- From there, we improve our food loss management by identifying key categories and waste streams.
- We strive to reduce the impacts from our operations, and this means complying with, and going beyond relevant regulations.

Collaboration with Partners

- We team up with our both partners to constantly look for innovative initiatives/programmes to reduce food loss, or reuse food loss for alternative usage, for example transforming sludge into fertilisers for farmers.

Managing Food Surplus

- To manage the food surplus, we regularly track, measure and monitor any losses during retail processes.
- We channel our surplus food to the organisations and community in need.

Approach

Various initiatives have been implemented towards this end, including:

Collaborating with partners to re-use food loss, for example transforming sludge into by-products

In 2022, 100% of industrial sludge from dairy production are converted into organic fertiliser and distributed to local farmers. Over 545 metric tonnes of industrial sludge from our wastewater treatment plants were converted into fertiliser.

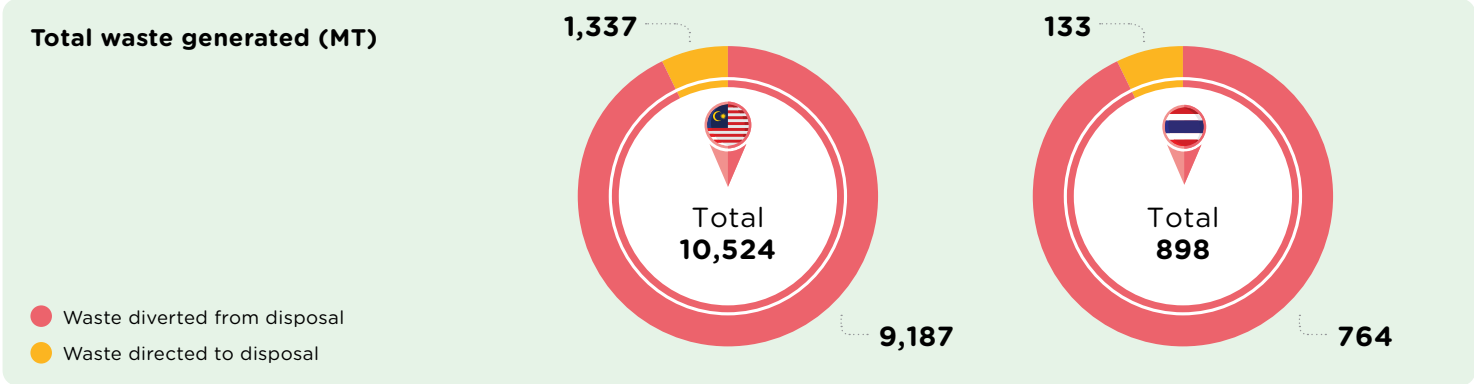
In our Kuching plant, over 675 metric tonnes of Okara waste are converted into organic feed by an organic chicken farm in Serian, Sarawak.

Channelling surplus food to charitable organisations and communities in need

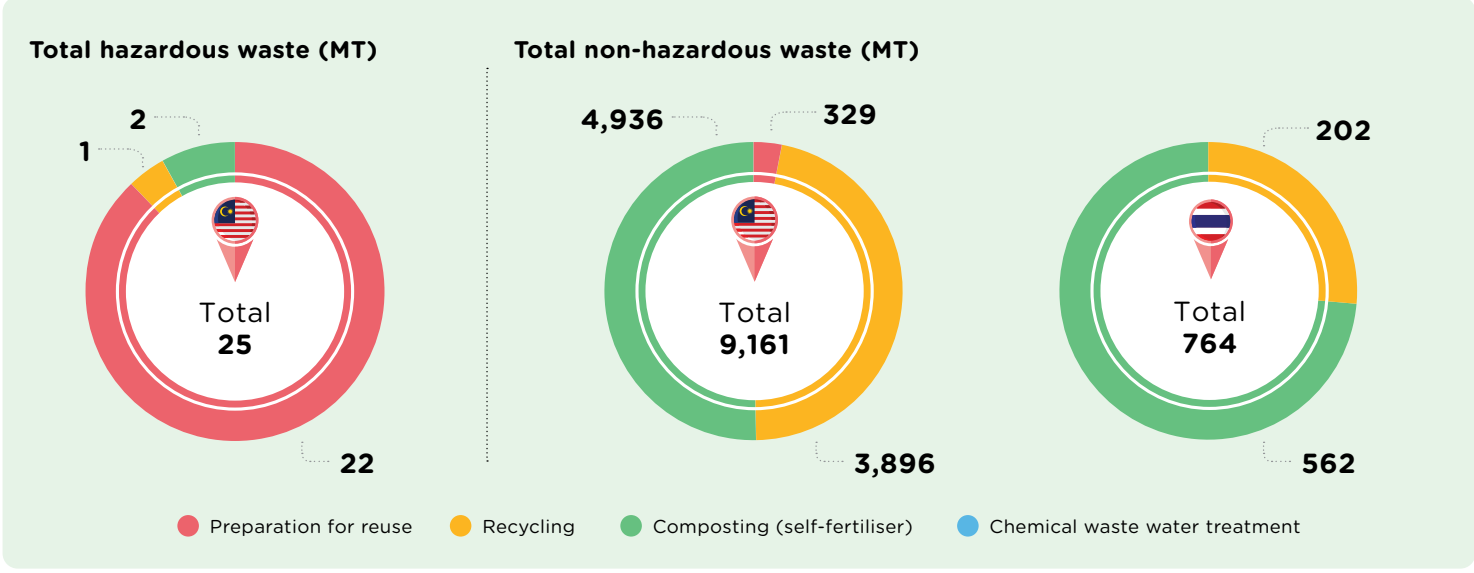
Since 2019, we have established a partnership with Yayasan Food Bank Malaysia to support the Food Bank Siswa programme. We have also supported various communities in need with surplus food.

Performance

GRI 306-3 (2020): Waste Generated



GRI 306-4 (2020): Waste Diverted from Disposal

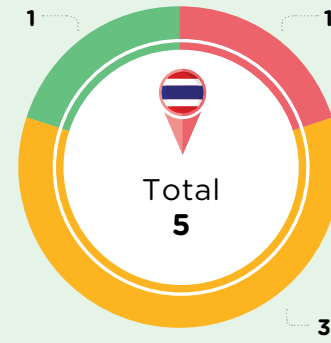
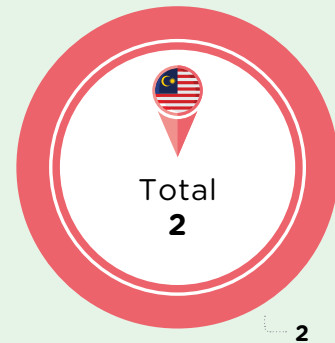


Waste Management

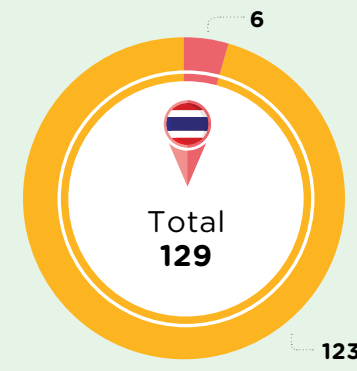
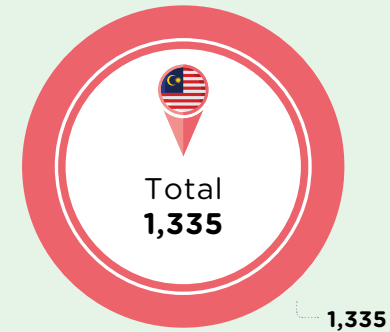
Performance

GRI 306-5 (2020):
Waste Directed to Disposal

Total hazardous waste (MT)

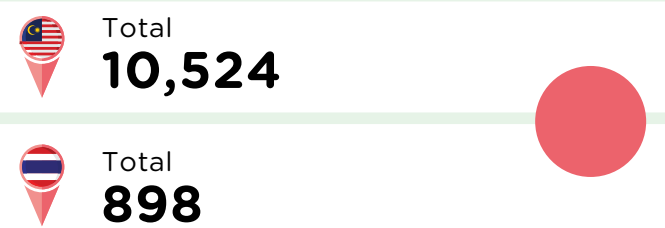


Total non-hazardous waste (MT)

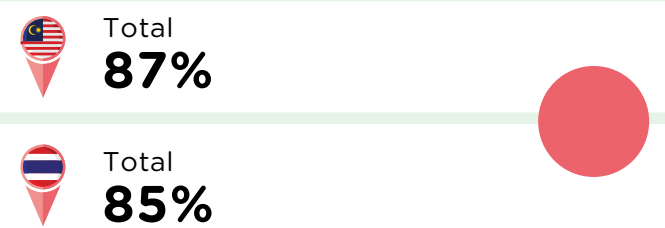


● Landfill ● Incineration (with energy recovery) ● Incineration (without energy recovery)

Total Solid Waste Produced (MT)



Percentage of Waste Reused, Recycled or Recovered



Solid Waste Reused, Recycled or Recovered (MT)



Over **87%** of solid waste was reused, recycled or recovered during the year.

VALUE CHAIN IMPACTS



The impacts of our products extend beyond our direct operations. The raw materials and ingredients we source for our products and the packaging used, are all associated impacts with our business. Packaging and biodiversity are therefore regarded as material issues to F&N. We look into ways to address these value chain impacts through improved packaging and sustainable raw material sourcing.

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

- Packaging
- Biodiversity



Packaging

GRI 301-1, GRI 301-2



The sourcing of packaging materials and the management of post-consumer packaging are major societal concerns. The increasing awareness on the environmental impacts of single-use plastics is leading to consumers and stakeholders actively demanding for F&B companies to act.

Companies are pressured from various stakeholders to innovate solutions that are holistic and sustainable. Governments around the world have introduced environmental policies that are designed to encourage companies to change how their products are produced. By rethinking our packaging, we are preparing ourselves against future stringent regulations and supporting present governmental efforts - Thailand government introduced a ‘Roadmap for Plastic Waste Management 2018-2030’, and the Malaysia government published a ‘Malaysia Plastic Sustainability Roadmap 2021-2030’.

As a F&B player, F&N views packaging as one of critical aspects we could influence and minimise negative impacts from, on the society and the environment. We seek sustainable packaging solutions through advanced packaging R&D – focusing on packaging design and materials that would encourage recyclability and circularity.

Approach

F&N applies the principles of the circular economy in our waste management strategy to our best abilities. Guaranteeing that our packaging will perform as it is designed to, as well as be aesthetically good and safe for our consumers is an industrial norm.

At F&N, our focus is on designing for the environment, in other words, designing packaging that will leave a minimum impact on the environment. We have set long-term goals to increase the percentage of our packaging to contain recycled materials and that all our packaging is recyclable by 2025. Our strategies include investing in new innovations together with the integration of circular economy concepts and working closely with our stakeholders to find packaging solutions.

F&N’s approach is focused on:

1 Reducing the amount of materials used in our packaging

We are reducing the volume of packaging materials used as a percentage of product. We are minimising materials that are not favourable to the environment in our labels and flexibles by switching to PET and laminate paper packaging

2 Increasing the usage of sustainable packaging materials

We are working to include more recycled content in the packaging materials. In Thailand, we use 100% recycled paper for coagulated carton for local products and increase the recycled content in tin plate and plastic bottles.

We are also sourcing more renewable and bio-based packaging materials such as sugarcane-based plastic. To meet our requirements for sustainable packaging materials, we are working to find new suppliers/ partners.

3 Designing packaging to be recyclable

We are increasing the recyclability of the primary and secondary packaging used in our products. This requires us to address challenging packaging materials such as labels and be flexible in order to find alternative solutions.

To close the loop, F&N has partnered with local councils, recycling partners and Non-governmental organisations (NGO) to generate awareness of recycling and the 5R concept amongst school-going children. At the same time, F&N seek to tackle post-consumer packaging waste through industry collaboration such as the MAREA.

In 2022, MAREA has embarked on a collaboration with the Malaysia Ministry of Housing and Local Government (KPKT) to conduct an EPR pilot study in Langkawi Island to be implemented in three phases over 15 months.

2025 Target

Increase the recycled content in our beverage and dairy packaging to 25%

Progress

- The average recycled content in our packaging has improved from 20% in FY2020 to 25% this year.

At F&NHB, we have also set an additional target to have 100% of our packaging recyclable by 2025.

Progress

- In 2022, 99% of our packaging is recyclable. We are working towards increasing the recyclability of packaging used in our products.

INITIATIVES

Secondary Packaging Reduction

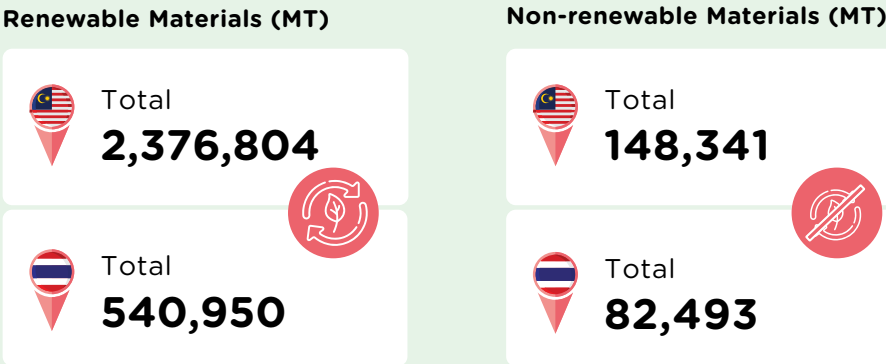
The stretch wrap is necessary to protect the products when they are being shipped from our factory. This process will consume large amounts of stretch film, with each wrap cycle requiring 200 grams of stretch film. Our team in Thailand came out with an innovative idea by modifying the roping device. As a result, the usage of plastic film wrap has been reduced by 60%, with cost savings of almost THB100,000 within 6 months.

Sustainable Packaging

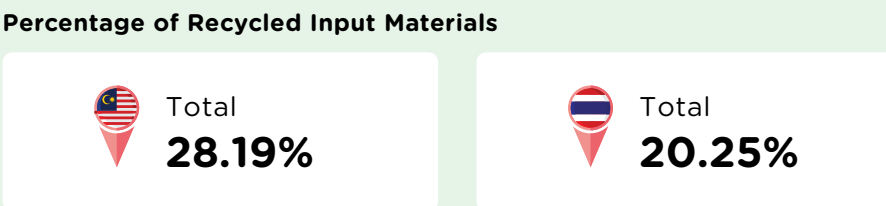
Our eco-friendly packaging F&N ICE MOUNTAIN drinking water is made from FSC™ certified paper that can be recycled and equipped with a bio-based bottle cap made from sugar cane.

PERFORMANCE

GRI 301-1: Materials Used by Weight or Volume



GRI 301-2: Recycled Input Materials





Biodiversity

GRI 304-1

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VALUE CHAIN IMPACTS

A rich biodiversity with healthy ecosystems provides nutrition, shelter, medicine, energy, to all humans. The livelihoods of billions² are directly dependent on thriving biodiverse ecosystems. While the urban population would benefit from a well-protected biodiverse ecosystem; for instance, providing a physical barrier against zoonotic diseases such as COVID-19.

But in recent decades, biodiversity loss and ecosystem degradation are occurring at an unprecedented pace with over exploitation of resources. Safeguarding biodiverse ecosystems will be challenged by intensifying climate change impacts, increasing demand, and technological advances in operations.

F&N is dependent on the natural environment for raw materials such as palm oil, sugar, and paper. A declining biodiverse ecosystem would impact our business too. We foresee scaling up our efforts beyond sustainable sourcing, to protect biodiversity and promote natural ecosystems in areas where we operate; working with our suppliers to do so.

² 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., Kieling, D., Balachander, G., Barron, E.S., Chaudhary, R.P., Gasalla, M., Halmy, M., Hicks, C., Park, M.S., Parlee, B., Rice, J., Ticktin, T., and Tittensor, D. (eds.). IPBES secretariat, Bonn, Germany.

<https://doi.org/10.5281/zenodo.6425599>

Approach

Biodiversity management in F&NHB is guided by our biodiversity statement launched in 2021. Upon discussions with internal and external stakeholders, we were able to develop a direction in our statement. The commitments made serves as a foundation for our biodiversity initiatives:

1

Avoid deforestation in our supply chain.

2

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.

3

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:

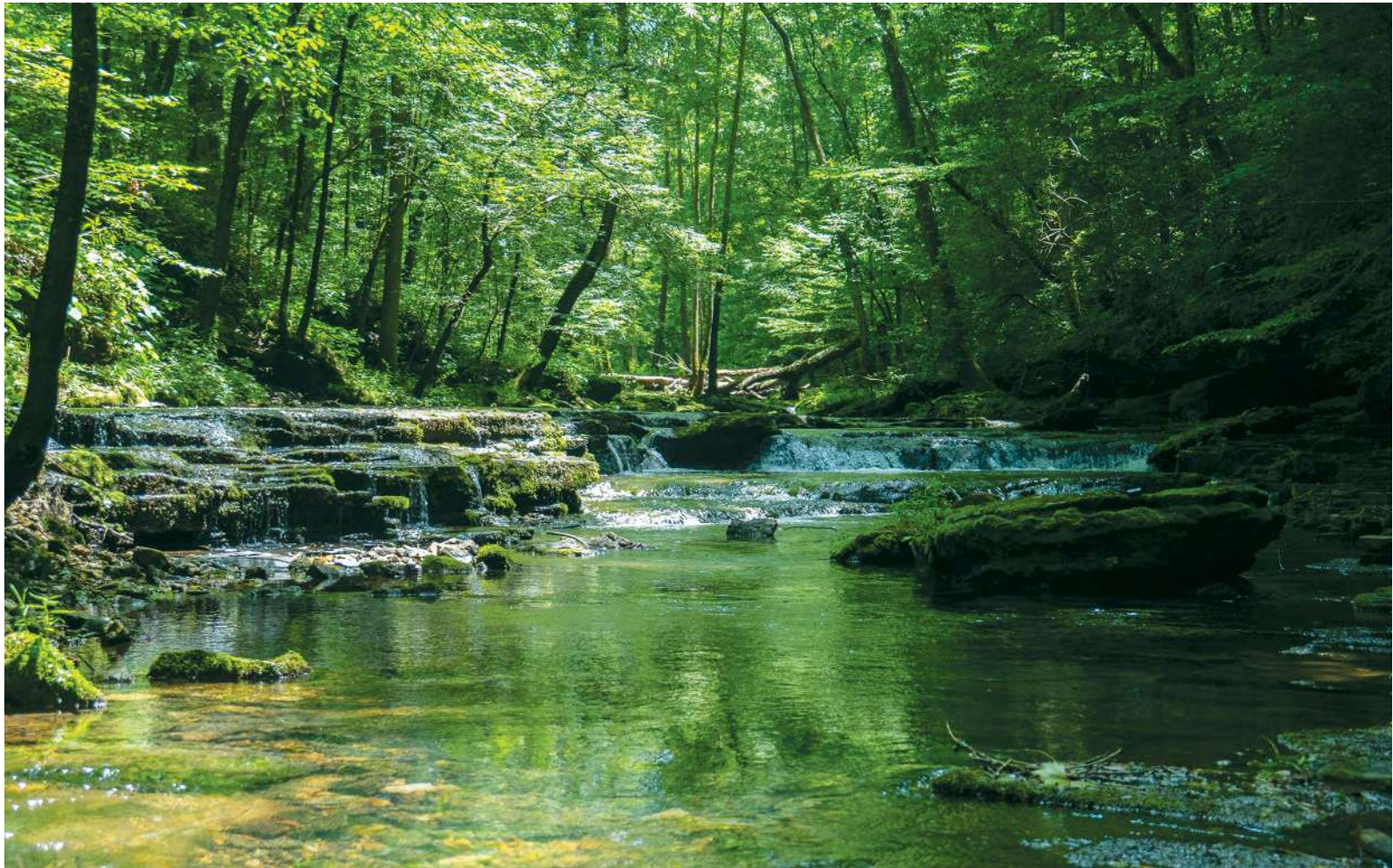
- Avoidance - Avoid operating and developing in areas of high biodiversity value.
- Minimisation - Implement measures/initiatives to monitor and minimise the impacts on biodiversity from our operations.
- Restoring - Seek to restore/rehabilitate areas where impacts cannot be prevented.
- Offset - Consider biodiversity compensation/offsets measures, where there is residual impact.

4

In managing potential biodiversity risk, we will engage with necessary stakeholders, including local authorities and the community in close proximity, to ensure the appropriate mitigation strategy is developed to minimise impacts to as low as reasonably possible. We are also committed to collaborating with external partners such as biodiversity experts to support our biodiversity assessment and management process.

The commitments are applicable to all current and future operational sites. At all our operational sites in Malaysia and Thailand, F&N shall ensure group-wide compliance with the biodiversity commitments through monitoring systems as part of the company's environmental policy.

We encourage our suppliers and business partners to commit to protecting the biodiversity and ecosystems in their operations through our Sustainable Agriculture Guideline, where we engage and work with our suppliers to build an environmentally and socially responsible supply chain.



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.



Other Information



- Performance Summary
- Independent Assurance Statement
- GRI Standards 2021 Content Index
- UN Global Compact Content Index
- TCFD Content Index
- List of Abbreviations

Performance Summary

		FY2018	FY2019	FY2020	FY2021	FY2022	
RESPONSIBLE BUSINESS PRACTICE							
Material Topic: Governance & Ethics							
GRI 205-3 Confirmed incidents of corruption and actions taken^	Total number of confirmed incidents of corruption	Case	-		0	0	
Material Topic: Policy & Regulations							
GRI 2-27 Non-compliance with laws and regulations***	Total number of incidents of non-compliance with laws and regulations resulting in a fine, penalty or warning	Case	-		0	0	
Material Topic: Economic Performance							
GRI 201-1 Direct economic value generated and distributed	Direct economic value generated	RM million	3,871.0**	4,077.1	3,988.5	4,130.9	4,470.2
	Revenue	RM million	3,871.0**	4,077.1	3,988.5	4,130.9	4,470.2
	Economic value distributed	RM million	3,264.1**	3,451.8	3,388.4	3,530.8	3,882.1
	Annual dividend	RM million	210.8	210.9	220.1	220.1	220.1
	Cost of sales	RM million	2,721.3**	2,810.4	2,758.1	2,936.7	3,296.1
	Employee benefit expenses ⁽ⁱ⁾	RM million	294.4	307.8	297.4	289.7	294.1
	Income tax expenses	RM million	37.6	122.7	112.8	84.3	71.8
	Economic value retained ⁽ⁱⁱ⁾	RM million	606.9**	625.3	600.1	600.1	588.1

^ New reporting scope since FY2021
*** New reporting scope since FY2022
** Restated for adjustments pursuant to the adoption of MFRS 15, Revenue from Contracts with Customers.
⁽ⁱ⁾ Employee benefit expenses comprise wages, salaries, contributions to state plans, expenses related to defined benefit plans, share-based payment expense, one-off restructuring costs and other staff costs.
⁽ⁱⁱ⁾ Economic value retained is calculated by direct economic value generated (revenue) - economic value distributed (annual dividends, cost of sales, employee benefit expenses and income tax expenses). Community investments are not included.



Performance Summary



RESPONSIBLE PRODUCT STEWARDSHIP

Material Topic: Product & Service Labeling

GRI 417-1 Requirements for product and service information and labelling	Percentage of significant product categories covered by and assessed for compliance with such procedures stated	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
GRI 417-2 Incidents of non-compliance concerning product and service information and labelling	Total number of incidents of non-compliance concerning product and service information and labeling	Case	0	0	0	0	0	0	0	0	0	0

RESPONSIBLE SUPPLY CHAIN

Material Topic: Supply Chain Stewardship

GRI 204-1 Proportion of spending on local suppliers	Percentage of local suppliers	%	99.9	95.9	93.7	96.0	92.4	96.2	91.8	95.0	91.8	95.5
	Percentage of purchase value spent on local suppliers		73.2	84.5	77.8	81.5	72.3	77.7	76.5	78.6	67.8	74.4
GRI 308-1 New suppliers that were screened using environmental criteria^	Number of new suppliers screened using environmental criteria	Company			-				211	84	186	159
GRI 414-1 New suppliers that were screened using social criteria^	Number of new suppliers screened using social criteria	Company							211	84	186	159

^ New reporting scope since FY2021



CREATE VALUE FOR SOCIETY

Material Topic: Nutrition

GRI 416-1 Assessment of the health and safety impacts of product and service categories	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Total number of incidents of non-compliance concerning the health and safety impacts of products and services	Case	0	0	0	0	0	0	0	0	0	0

Material Topic: Community Development & Inclusive Growth

GRI 413-1 Operations with local community engagement, impact assessments, and development programmes	Percentage of operations with implemented local community engagement, impact assessment, and development programmes	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
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Material Topic: Human Rights

GRI 412-1 Operations that have been subject to human rights reviews or impact assessments^	Percentage of operations that have been subject to human rights reviews or impact assessments	%			-				100.0	100.0	100.0	100.0
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^ New reporting scope since FY2021

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OTHER INFORMATION



Performance Summary

FY2018 FY2019 FY2020 FY2021 FY2022

EMPOWER OUR PEOPLE

Material Topic: Human Capital Development

GRI 401-1 New employee hires and employee turnover	Total new employee hires	Person	211	78	191	103	156	48	182	54	218	111
- Age under 30 years old			115	53	116	71	62	27	61	32	82	63
- Age between 30 - 50 years old			90	25	63	32	77	20	105	22	125	48
- Age over 50 years old			6	0	12	0	17	1	16	0	11	0
- Male			133	57	132	74	112	33	119	34	149	74
- Female			78	21	59	29	44	15	63	20	69	37
Total employee turnover			170	84	158	83	135	48	442	54	272	108
- Age under 30 years old			60	28	71	33	34	12	79	14	68	31
- Age between 30 - 50 years old			99	52	81	43	61	30	232	32	150	61
- Age over 50 years old			11	4	6	7	40	6	131	8	54	16
- Male			100	54	96	68	86	28	268	34	174	67
- Female			70	30	62	15	49	20	174	20	98	41
GRI 401-3 Parental Leave^	Total number of employees entitled to parental leave	Person	-				1,596	256	1,628	287		
- Male							1,151	0	1,174	0		
- Female							445	256	454	287		
Total number of employees who took parental leave							55	3	55	9		
- Male							31	0	38	0		
- Female							24	3	17	9		
Total number of employees who returned to work after parental leave ended							55	3	55	9		
- Male							31	0	38	0		
- Female							24	3	17	9		
Total number of employees after returning to work were still employed after 12 months							46	3	55	9		
- Male							30	0	38	0		
- Female							16	3	17	9		
Return to work rate		%					100	100	100	100		
- Male							0	0	0	0		
- Female							100	100	100	100		
Retention rate		%					84	100	100	100		
- Male							0	0	0	0		
- Female							67	100	100	100		

^ New reporting scope since FY2021

FY2018 FY2019 FY2020 FY2021 FY2022

EMPOWER OUR PEOPLE (Cont'd)

Material Topic: Nutrition

GRI 404-1 Average hours of training per year per employee	Total training hours	Hours	33,062	14,512	38,299	19,275	36,317	13,376	33,184	9,201	27,585	11,705
- Male			17.33	19.02	17.41	27.40	18.89	20.68	18.01	12.42	15.07	16.32
- Female			16.29	27.10	25.78	30.27	24.42	18.49	24.57	15.62	20.27	18.79
- Executives			25.58	41.51	29.42	39.29	28.10	25.21	30.88	23.93	21.23	24.64
- Non-executives			14.56	8.61	13.54	20.85	14.87	16.08	12.63	6.33	13.39	12.20
Average hours of training per employee per year			17.02	22.05	19.91	28.51	18.70	19.85	19.86	13.63	16.49	17.23
Group average hours of training per employee per year			16.77	22.14	19.00	18.07	16.70					

Material Topic: Community Development & Inclusive Growth

GRI 404-3 Percentage of employees receiving regular performance and career development reviews^	Total employees who receive performance and career development reviews	Person	-	834	646	877	679
- Executive Level				15	5	17	5
- Middle Management				116	27	118	30
- Department Head/ Supervisor				214	81	207	89
- Senior Officer				358	316	319	318
- Officer				131	217	216	237
- Male				505	398	560	427
- Female				329	248	317	252

^ New reporting scope since FY2021

134

135

1

2

3

4

5

6

7

8

9

10

11

OTHER INFORMATION



Performance Summary

FY2018 FY2019 FY2020 FY2021 FY2022

EMPOWER OUR PEOPLE (Cont'd)

Material Topic: Community Development & Inclusive Growth (Cont'd)

GRI 405-1 Diversity of governance bodies and employees	Total directors*	Person	-	11	11	11
- Age under 30 years old		-	0	0	0	0
- Age between 30 - 50 years old			1	1	0	
- Age over 50 years old			10	10	11	
- Male			8	8	7	
- Female			3	3	4	
- Independent Non-executive Director			6	6	6	
- Non-independent Non-executive Director			5	5	5	
Total employees		-	1,942	674	1,672	675
- Age under 30 years old		-	304	154	201	144
- Age between 30 - 50 years old			1,258	429	1,156	437
- Age over 50 years old			380	91	315	94
- Male			1,374	428	1,204	419
- Female			568	246	467	256
- Executive Level			12	5	12	5
- Middle Management			149	26	123	28
- Department Head/ Supervisor			250	92	222	85
- Senior Officer			427	304	386	323
- Officer			1,104	247	928	234

* Data based on group level

FY2018 FY2019 FY2020 FY2021 FY2022

EMPOWER OUR PEOPLE (Cont'd)

Material Topic: Employee Safety, Health & Well-being

GRI 403-9 (2018) Work-related injuries	Employee recordable work-related injuries	Case	-	10	0	6	6	0	0	5	1
- Fracture	Case	-	2	0	1	0	0	0	0	3	1
- Burns	Case		2	0	0	0	0	0	0	0	0
- Lacerations	Case		1	0	2	0	0	0	0	0	0
- Others	Case		5	0	3	6	0	0	0	2	0
High-consequence work-related injuries	Case		0	0	0	0	0	0	0	0	0
Work-related Fatalities	Case	0	0	0	0	0	1	0	0	0	0
Lost Time Injury Frequency Rate (LTIFR)	Case / million hours	1.66	0	1.84	0	1.27	4.30	0	0	1.53	0.72
Group Lost Time Injury Frequency Rate (LTIFR)	Case / million hours	1.38	2.19	1.97	0.00	1.28					
Non-employee recordable work-related injuries	Case	-	7	0	5	1	3	0	1	0	
- Fracture	Case	-	2	0	2	1	0	0	0	1	0
- Burns	Case		0	0	1	0	0	0	0	0	0
- Lacerations	Case		1	0	2	0	1	0	0	0	0
- Others	Case		4	0	0	0	2	0	0	0	0
High-consequence work-related injuries	Case		0	0	0	0	0	0	0	0	0
Work-related Fatalities	Case		0	0	0	0	0	0	0	0	0
Lost Time Injury Frequency Rate (LTIFR)	Case / million hours		2.36	0	1.58	1.00	1.68	0	0.35	0	
Group Lost Time Injury Frequency Rate (LTIFR)	Case / million hours	-	1.79	1.44	1.06	0.25					
GRI 403-10 (2018) Work-related ill-health	Employee recordable work-related ill health	Case	-	0	0	0	1	0	0	0	0
Work-related fatalities	Case	-	0	0	0	1	0	0	0	0	0
Work-related ill health rate	Case		0	0	0	0	0	0	0	0	0
Group Work-related Ill Health Rate	Case / million hours	-	0	0	0	0	0	0	0	0	
Non-employee recordable work-related ill health	Case	-	0	0	0	0	0	0	0	0	0
Work-related fatalities	Case	-	0	0	0	0	0	0	0	0	0
Work-related ill health rate	Case		0	0	0	0	0	0	0	0	0
Group Work-related Ill Health Rate	Case / million hours	-	0	0	0	0	0	0	0	0	

136

137

1

2

3

4

5

6

7

8

9

10

OTHER INFORMATION

11



Performance Summary



OPERATIONAL ECO-EFFICIENCY												
Material Topic: Energy & Climate Change**												
GRI 302-1 Energy consumption within the organisation^^	Total energy consumption within the organisation	MJ	578,950,496	338,336,407	719,921,494	337,912,592	633,775,631	313,845,400	694,025,080	332,199,960	723,986,962	315,827,985
	- Natural Gas	MJ	354,117,096	225,313,749	433,950,315	229,361,825	382,432,480	213,371,208	412,726,281	230,914,430	425,153,552	214,873,646
	- Diesel		24,908,754	0	26,862,654	0	2,777,147	85,859	251,855	0	0	0
	- Biodiesel		0	0	0	0	15,235,027	8,186	19,962,496	162,069	28,732,672	195,523
	- Liquefied Petroleum Gas		3,941,700	0	3,316,611	0	1,812,430	1,777,924	13,840,500	1,858,650	14,826,400	2,015,850
	- Solar		0	0	0	0	0	2,598,494	0	5,076,947	5,983,690	4,877,603
	- Fuel Oil		0	20,371,319	0	17,271,792	0	13,965,900	0	12,553,699	152,320	13,468,262
	- Electricity		195,982,946	92,651,339	255,791,914	91,278,975	231,518,547	83,909,797	247,243,948	81,634,165	249,138,328	80,397,101
GRI 302-3 Energy intensity^^	Total energy intensity ratio	MJ/MT	761.26	1,106.03	818.85	1,001.19	832.76	955.29	903.52	927.03	833.39	929.02
	Group total energy intensity ratio	MJ/MT	860.16		895.51		865.38		911.00		860.29	
	Energy intensity ratio											
	- Natural Gas	MJ/MT	465.63	736.56	514.71	679.25	498.54	643.76	537.31	644.38	489.40	632.06
	- Diesel		32.75	0	31.86	0	3.69	0.56	0.33	0	0	0
	- Biodiesel		0	0	0	0	20.26	0.02	25.99	0.45	33.07	0.58
	- Liquefied Petroleum Gas		5.18	0	3.93	0	2.41	5.36	18.02	5.19	17.07	5.93
	- Solar		0	0	0	0	0	7.84	0	14.17	6.89	14.35
GRI 305-1 Direct (Scope 1) GHG emissions (CO _{2e})^^	Total Direct GHG emissions (equivalent)	MTCO _{2e}	22,017	13,926	26,435	14,204	21,213	13,177	24,046	14,043	24,798	13,224
	Direct GHG emissions											
	- Natural Gas	MTCO _{2e}	19,866	12,640	24,235	12,867	20,893	11,970	23,154	12,954	23,851	12,054
	- Diesel		1,846	0	1,991	0	206	14	19	0	0	0
	- Biodiesel		0	0	0	0	106	1	1,479	12	1,612	11
	- Liquefied Petroleum Gas		305	0	209	0	114	112	873	117	936	127
	- Fuel Oil		0	1,285	0	1,337	0	1,081	0	972	12	1,042
	- Electricity		25770	302.88	303.40	269.92	30786	253.16	32188	227.81	286.79	236.49
GRI 305-2 Energy indirect (Scope 2) GHG emissions (CO _{2e})^^	Total Indirect GHG emissions (equivalent)	MTCO _{2e}	23,126	10,933	30,183	10,771	27,319	9,901	29,175	9,633	28,953	9,487
	Indirect GHG emissions											
	- Electricity	MTCO _{2e}	23,126	10,933	30,183	10,771	27,319	9,901	29,175	9,633	28,953	9,487
GRI 305-3 Other indirect (Scope 3) GHG emissions (CO _{2e})^^***	Total Other Indirect GHG emissions (equivalent)	MTCO _{2e}				-					377,835	616,625
	Category 1 – Purchased goods and services	MTCO _{2e}				-					360,563	610,947
	Category 3 – Fuel- and Energy-Related Activities										17,273	5,054
	Category 5 – Waste Generated in Operations										624	3
GRI 305-4 Greenhouse gas (GHG) emissions intensity^^	Total GHG emissions (equivalent)	MTCO _{2e}	45,143	24,858	56,618	23,638	48,532	23,078	53,221	23,676	53,751	22,711
	Total GHG emissions intensity ratio	MTCO _{2e} /MT	0.059	0.081	0.063	0.070	0.065	0.070	0.069	0.066	0.062	0.067
	Group total GHG emissions intensity ratio	MTCO _{2e} /MT	0.066		0.069		0.066		0.068		0.063	

*** New reporting scope since FY2022
^^ Environmental data for Shah Alam exclude the trials and commissioning
** Pak Chong plant ceased operations since September 2022



OPERATIONAL ECO-EFFICIENCY (Cont'd)												
Material Topic: Water Stewardship**												
GRI 303-3 Water withdrawal by source^^	Total volume of water withdrawal	m ³	1,650,383	521,193	2,180,527	520,236	2,019,020	461,213	2,096,595	487,472	2,357,401	455,489
	- Surface water	m ³	171,286	0	0	0	335	0	0	0	0	0
	- Ground water		91,217	0	102,160	0	102,058	0	113,040	0	117,281	0
	- Rainwater collected directly and stored by F&N		290	0	0	0	0	0	0	0	0	0
	- Municipal water supplies or other water utilities		1,387,590	521,193	2,078,367	520,236	1,916,627	461,213	1,983,555	487,472	2,240,120	455,489
GRI 303-4 Water discharge	Total water discharge by destination	m ³	1,120,007	263,407	1,061,609	220,056	1,218,381	180,114	1,220,706	230,983	1,214,171	257,849
	- Surface water	m ³	1,106,055	0	659,501	0	86,513	0	883,720	0	903,994	0
	- Ground water		0	0	3,949	0	10,152	0	15,040	0	2,371	0
	- Seawater		0	0	270,785	0	302,570	0	317,571	0	302,333	0
	- Third-party water treatment and usage		13,952	263,407	127,374	220,056	119,147	180,114	4,375	230,983	5,472	257,849
GRI 303-5 Water consumption^^	Total volume of water consumption	m ³	530,376	257,786	1,138,596	300,180	800,639	281,099	875,889	256,489	1,143,230	197,640
	Total volume of water withdrawal											
	Water intensity ratio	m ³ /MT	2.17	1.70	2.59	1.54	2.68	1.39	2.73	1.36	2.71	1.34
	Group water intensity ratio	m ³ /MT	2.04		2.29		2.29		2.29		2.33	

^^ Environmental data for Shah Alam exclude the trials and commissioning
** Pak Chong plant ceased operations since September 2022

Performance Summary



OPERATIONAL ECO-EFFICIENCY (Cont'd)											
Material Topic: Waste Management**											
GRI 306-3 (2020) Waste Generated	Total waste generated	MT	-	12,730	1,523	10,882	1,605	10,704	1,293	10,524	898
	Waste diverted from disposal			10,967	1,426	9,842	1,498	9,631	1,180	9,187	764
	- Hazardous waste			8	0	27	0	22	0	25	0
	- Non-hazardous waste			10,959	1,426	9,816	1,498	9,609	1,180	9,161	764
	Waste directed to disposal			1,763	97	1,040	107	1,073	113	1,337	133
	- Hazardous waste			14	16	20	17	3	9	2	5
GRI 306-4 (2020) Waste diverted from disposal	- Non-hazardous waste			1,749	81	1,020	89	1,070	103	1,335	129
	Total hazardous waste	MT	-	8	0	27	0	22	0	25	0
	Offsite										
	- Preparation for reuse	MT	-	8	0	27	0	15	0	22	0
	- Recycling			0	0	0	0	4	0	1	0
	- Composting (self-fertiliser)			0	0	0	0	3	0	2	0
GRI 306-5 (2020) Waste directed to disposal	- Chemical waste water treatment			0	0	0	0	0	0	0	0
	Total non-hazardous waste	MT	-	10,959	1,426	9,816	1,498	9,609	1,179	9,161	764
	Offsite										
	- Preparation for reuse	MT	-	257	0	175	0	217	0	329	0
	- Recycling			4,507	1,426	4,507	1,446	4,346	635	3,896	202
	- Composting (self-fertiliser)			6,195	0	5,133	52	5,046	545	4,936	562
GRI 306-5 (2020) Waste directed to disposal	- Chemical waste water treatment			0	0	0	0	0	0	0	0
	Total hazardous waste	MT	-	14	16	20	17	3	9	2	5
	Offsite										
	- Landfill	MT	-	3	3	3	7	2	1	2	1
	- Incineration (with energy recovery)			12	13	17	10	1	8	0	3
	- Incineration (without energy recovery)			0	0	0	0	0	0	0	1
GRI 306-5 (2020) Waste directed to disposal	Total non-hazardous waste	MT	-	1,749	81	1,020	89	1,070	104	1,335	129
	Offsite										
	- Landfill	MT	-	1,749	56	1,020	20	1,070	18	1,335	6
	- Incineration (with energy recovery)			0	25	0	69	0	86	0	123
	- Incineration (without energy recovery)			0	0	0	0	0	0	0	0

** Pak Chong plant ceased operations since September 2022



VALUE CHAIN IMPACTS											
Material Topic: Packaging											
GRI 301-1 Materials used by weight or volume^	Total materials	MT	-	2,254,308	651,955	2,525,145	623,443				
	- Renewable materials	MT		2,123,069	560,374	2,376,804	540,950				
	- Non-renewable materials			131,240	91,582	148,341	82,493				
GRI 301-2 Recycled Input Materials^	- Percentage of recycled input materials^^^	%	-	24.76	19.84	28.19	20.25				
Material Topic: Biodiversity											
GRI 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas^	Percentage of operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	%	-	0	0	0	0				

^ New reporting scope since FY2021

^^ Data for packaging materials only





LRQA Independent Assurance Statement

Relating to Fraser & Neave Holdings Bhd's data for selected GRI indicators for the fiscal year 2022 (1st October 2021 – 30th September 2022)

This Assurance Statement has been prepared for Fraser & Neave Holdings Bhd in accordance with our contract but is intended for the readers of this Report.

Terms of engagement

LRQA (Thailand) Limited was commissioned by Fraser & Neave Holdings Bhd (F&NHB), 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&NHB's operations and activities in Malaysia and Thailand, specifically 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 economic, 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 to 5 (2018 edition) Water withdrawal, Water discharge and 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 to 5 (2020 edition) Waste generated, Waste diverted from disposal and 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&NHB's suppliers, contractors and any third-parties mentioned in the report.

LRQA's responsibility is only to F&NHB. LRQA disclaims any liability or responsibility to others as explained in the end footnote. F&NHB'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&NHB.

LRQA's Opinion

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

¹ GHG quantification is subject to inherent uncertainty.



- 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&NHB'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 F&NHB's performance data for the selected GRI indicators at F&NHB plants (Bentong and Kuching) in Malaysia and the consolidated final data at F&NHB's corporate level.

Observations

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

- Reliability: Data management systems are established and centralized for the data and information collection and calculation associated with the selected GRI indicators. However, we believe that the periodic internal verification will help improving the quality and reliability of data reported in the 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&NHB and as such does not compromise our independence or impartiality.

Dated: 24th November 2022

Opart Charuratana
LRQA Lead Verifier

On behalf of LRQA (Thailand) Limited
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Rama 9 Rd., HuayKwang, Bangkok, 10310, THAILAND
LRQA reference: BGK00000809/B

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The English version of this Assurance statement is the only valid version. LRQA Group limited assumes no responsibility for versions translated into other languages.

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GRI Standards 2021 Content Index

UNIVERSAL STANDARDS			
TOPIC	GRI STANDARD	DESCRIPTION OF DISCLOSURE	REFERENCE PAGE / EXPLANATION
GRI 2: GENERAL DISCLOSURES 2021			
The organization and its reporting practices	2-1	Organisational details	Company Profile (Pages 20 to 21)
	2-2	Entities included in the organization's sustainability reporting	About This Report (Pages 16 to 19)
	2-3	Reporting period, frequency and contact point	About This Report (Pages 16 to 19)
	2-4	Restatements of information	No restatement of information from previous reporting.
	2-5	External Assurance	Independent Assurance Statement (Pages 142 to 143)
Activities and workers	2-6	Activities, value chain and other business relationships	Our Supply Chain (Pages 24 to 25)
	2-7	Employees	Geographical Footprint, Total Workforce & Financial Highlights (Page 22)
	2-8	Workers who are not employees	As this is a new scope, the data is currently 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	Governance & Ethics (Pages 55 to 58)
	2-13	Delegation of responsibility for managing impacts	Governance & Ethics (Pages 55 to 58)
	2-14	Role of the highest governance body in sustainability reporting	Governance & Ethics (Pages 55 to 58)
	2-15	Conflicts of interest	Governance & Ethics (Pages 55 to 58)
	2-16	Communication of critical concerns	Governance & Ethics (Pages 55 to 58)
	2-17	Collective knowledge of the highest governance body	This information is available in our Annual Report.
	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	We are unable to disclose this info for confidentiality reasons.
	2-22	Statement on sustainable development strategy	Joint Message From Our Chairman & CEO (Pages 10 to 15)
	2-23	Policy commitments	Policy & Regulations (Pages 59 to 60), Governance & Ethics - Key Policies (Page 58)
Strategy, policies and practices	2-24	Embedding policy commitments	Policy & Regulations (Pages 59 to 60), Governance & Ethics - Key Policies (Page 58)
	2-25	Processes to remediate negative impacts	This information is available in our Annual Report.
	2-26	Mechanisms for seeking advice and raising concerns	Governance & Ethics (Pages 55 to 58)
	2-27	Compliance with laws and regulations	Governance & Ethics - Key Policies (Page 58)
	2-28	Membership associations	Our Key Partnership & Collaborations (Pages 50 to 51)

UNIVERSAL STANDARDS (Cont'd)			
TOPIC	GRI STANDARD	DESCRIPTION OF DISCLOSURE	REFERENCE PAGE / EXPLANATION
GRI 2: GENERAL DISCLOSURES 2021 (Cont'd)			
Stakeholder engagement	2-29	Approach to stakeholder engagement	Stakeholder Engagement (Pages 48 to 49)
	2-30	Collective bargaining agreements	Empower Our People (Page 100)
TOPIC STANDARDS			
TOPIC	GRI STANDARD	DESCRIPTION OF DISCLOSURE	REFERENCE PAGE / EXPLANATION
GRI 3: MATERIAL TOPICS 2021			
Disclosures on material topics	3-1	Process to determine material topics	F&N Sustainability Priorities (Pages 28 to 32)
	3-2	List of material topics	F&N Sustainability Priorities (Pages 28 to 32)
BETTER BUSINESS: RESPONSIBLE BUSINESS FUNDAMENTALS RESPONSIBLE BUSINESS PRACTICE			
Responsible Business Practice			
Governance and Ethics	3-3	Management of material topics	Governance & Ethics (Pages 55 to 58)
	205-2	Communication and training about anti-corruption policies and procedures	Governance & Ethics (Pages 55 to 58)
	205-3	Confirmed incidents of corruption and actions taken	Governance & Ethics - Performance (Page 58)
Policy and Regulations	3-3	Management of material topics	Policy & Regulations (Pages 59 to 60)
Economic Performance	3-3	Management of material topics	Economic Performance (Page 61)
	201-1	Direct economic value generated and distributed	Economic Performance - Performance (Page 61)
Responsible Product Stewardship			
Product Quality and Safety	3-3	Management of material topics	Product Quality & Safety (Page 63)
Product and Service Labelling	3-3	Management of material topics	Product & Service Labelling (Pages 64 to 65)
	417-1	Requirements for products and service information and labelling	Product & Service Labelling - Performance (Page 65)
	417-2	Incidents of non-compliance concerning product and service information and labelling	Product & Service Labelling - Performance (Page 65)
Innovation	3-3	Management of material topics	Innovation (Pages 66 to 69)

1

2

3

4

5

6

7

8

9

10

OTHER INFORMATION

11



144

145



GRI Standards 2021 Content Index

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10

OTHER INFORMATION



TOPIC STANDARDS (Cont'd)			
TOPIC	GRI STANDARD	DESCRIPTION OF DISCLOSURE	REFERENCE PAGE / EXPLANATION
BETTER BUSINESS: RESPONSIBLE BUSINESS FUNDAMENTALS RESPONSIBLE BUSINESS PRACTICE (Cont'd)			
Responsible Supply Chain			
Supply Chain Stewardship	3-3	Management of material topics	Supply Chain Stewardship (Pages 71 to 77)
	204-1	Proportion of spending on local suppliers	Supply Chain Stewardship - Performance (Page 77)
	308-1	New suppliers that were screened using environmental criteria	Supply Chain Stewardship - Performance (Page 77)
	414-1	New suppliers that were screened using social criteria	Supply Chain Stewardship - Performance (Page 77)
BETTER SOCIETY: WELL-BEING OF OUR PEOPLE, COMMUNITIES AND SOCIETY			
Creating Value For Society			
Nutrition	3-3	Management of material topics	Nutrition (Pages 81 to 83)
	416-1	Assessment of health and safety impacts of product and service categories	Nutrition - Performance (Page 83)
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Nutrition - Performance (Page 83)
Community Development and Inclusive Growth	3-3	Management of material topics	Community Development & Inclusive Growth (Pages 84 to 91)
	413-1	Operations with local community engagement, impact assessments, and development programs	Community Development & Inclusive Growth - Performance (Pages 90 to 91)
Human Rights	3-3	Management of material topics	Human Rights (Pages 92 to 96)
	412-1	Operations that have been subject to human rights reviews or impact assessments	Human Rights - Performance (Page 96)
Empower Our People			
Human Capital Development	3-3	Management of material topics	Human Capital Development (Pages 98 to 105)
	401-1	New employee hires and employee turnover	Human Capital Development - Performance (Page 103)
	401-2	Benefits provided to full time employees that are not provided to temporary or part-time employees	Human Capital Development (Page 100)
	401-3	Parental Leave	Human Capital Development - Performance (Page 103)
	404-1	Average hours of training per year per employee	Human Capital Development - Performance (Page 104)
	404-2	Programs for upgrading employee skills and transition assistance programs	Human Capital Development (Page 101)
	404-3	Percentage of employees receiving regular performance and career development reviews	Human Capital Development - Performance (Page 104)
	405-1	Diversity and equal opportunity	Human Capital Development - Performance (Page 105)

TOPIC STANDARDS (Cont'd)			
TOPIC	GRI STANDARD	DESCRIPTION OF DISCLOSURE	REFERENCE PAGE / EXPLANATION
BETTER SOCIETY: WELL-BEING OF OUR PEOPLE, COMMUNITIES AND SOCIETY (Cont'd)			
Empower Our People (Cont'd)			
Employee Safety, Health and Well-being	3-3	Management of material topics	Employee Safety, Health & Well-being (Pages 106 to 109)
	403-1	Occupational health and safety management system	Employee Safety, Health & Well-being (Pages 106 to 109)
	403-2	Hazard identification, risk assessment, and incident investigation	Employee Safety, Health & Well-being (Pages 106 to 109)
	403-3	Occupational health services	Employee Safety, Health & Well-being (Pages 106 to 109)
	403-4	Worker participation, consultation, and communication on occupational health and safety	Employee Safety, Health & Well-being (Pages 106 to 109)
	403-5	Worker training on occupational health and safety	Employee Safety, Health & Well-being (Pages 106 to 109)
	403-6	Promotion of worker health	Employee Safety, Health & Well-being (Pages 106 to 109)
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee Safety, Health & Well-being (Pages 106 to 109)
	403-9	Work-related injuries	Employee Safety, Health & Well-being - Performance (Page 109)
	403-10	Work-related ill health	Employee Safety, Health & Well-being - Performance (Page 109)
BETTER PLANET: CIRCULARITY AND ENVIRONMENTAL PROTECTION			
Operational Eco-efficiency			
Energy and Climate Change	3-3	Management of material topics	Energy & Climate Change (Pages 113 to 117)
	302-1	Energy consumption within the organisation	Energy & Climate Change - Performance (Page 116)
	302-3	Energy intensity	Energy & Climate Change - Performance (Page 117)
	305-1	Direct (Scope 1) GHG emissions (CO _{2e})	Energy & Climate Change - Performance (Page 117)
	305-2	Energy indirect (Scope 2) GHG emissions (CO _{2e})	Energy & Climate Change - Performance (Page 117)
	305-3	Other indirect GHG emissions (CO _{2e})	Energy & Climate Change - Performance (Page 117)
	305-4	Greenhouse gas (GHG) emissions intensity	Energy & Climate Change - Performance (Page 117)
Water Stewardship	3-3	Management of material topics	Water Stewardship (Pages 118 to 120)
	303-1	Interactions with water as a shared resource	Water Stewardship (Pages 118 to 120)
	303-2	Management of water discharge related impacts	Water Stewardship (Pages 118 to 120)
	303-3	Water withdrawal	Water Stewardship - Performance (Page 120)
	303-4	Water discharged	Water Stewardship - Performance (Page 120)
	303-5	Water consumption	Water Stewardship - Performance (Page 120)



GRI Standards 2021 Content Index

TOPIC STANDARDS (Cont'd)			
TOPIC	GRI STANDARD	DESCRIPTION OF DISCLOSURE	REFERENCE PAGE / EXPLANATION
BETTER PLANET: CIRCULARITY AND ENVIRONMENTAL PROTECTION			
Operational Eco-efficiency			
Waste Management	3-3	Management of material topics	Waste Management (Pages 121 to 124)
	306-1	Waste generation and significant waste-related impacts	Waste Management (Pages 121 to 124)
	306-2	Management of significant waste-related impacts	Waste Management (Pages 121 to 124)
	306-3	Waste generated	Waste Management - Performance (Page 123)
	306-4	Waste diverted from disposal	Waste Management - Performance (Page 123)
	306-5	Waste directed to disposal	Waste Management - Performance (Page 124)
Value Chain Impacts			
Packaging	3-3	Management of material topics	Packaging (Pages 126 to 127)
	301-1	Materials used by weight or volume	Packaging - Performance (Page 127)
	301-2	Recycled input materials used	Packaging - Performance (Page 127)
Biodiversity	3-3	Management of material topics	Biodiversity (Pages 128 to 129)
	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity - Performance (Page 129)

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. Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	Human Rights Policy	Human Rights (Pages 92 to 96)
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. 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.	Human Rights Policy	Human Rights (Pages 92 to 96) Human Capital Development (Pages 98 to 105)
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges. Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility. Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	Environment, Health & Safety Policy	Operational Eco-efficiency (Pages 112 to 124) Value Chain Impacts (Pages 125 to 129)
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Anti-Bribery & Anti-Corruption Policy	Governance & Ethics (Pages 55 to 58)

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2

3

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5

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7

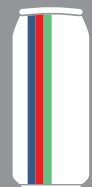
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9

10

OTHER INFORMATION

11

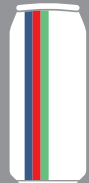




TCFD Content Index

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10

OTHER INFORMATION



TCFD RECOMMENDATION	REFERENCE
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 41 to 42)
b) Describe management's role in assessing and managing climate-related risks and opportunities	TCFD-Governance (Pages 41 to 42)
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	Partial disclosure, TCFD-Strategy (Pages 42 to 46)
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	To be disclosed next year
c) Describe the resilience of the organisation's strategy, taking into consideration different climate related scenarios, including a 2°C or Lower scenario.	Partial disclosure, TCFD-Strategy (Pages 42 to 46)
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 47)
b) Describe the organisation's processes for managing climate-related risks	TCFD-Risk Management (Page 47)
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 47)
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	Performance Summary (Page 138), Energy & Climate Change (Pages 113 to 117)
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, Summary and the related risks	
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	To be disclosed next year

List of Abbreviations

5R	Reduce, Reuse, Recycle, Rethink and Reinvent	LRQA	Lloyd's Register Quality Assurance
AR	Annual Report	LTIFR	Lost Time Injury Frequency Rate
ASRS	Automated Storage Retrieval System	MAREA	Malaysian Recycling Alliance
BAM	Badminton Association of Malaysia	Mesti	Industry Responsibility of Food Certification Scheme "Makanan Selamat Tanggungjawab Industri"
CAN	CEO Action Network	MIDA	Malaysian Investment Development Authority
CEO	Chief Executive Officer	MIHAS	Malaysian International Halal Showcase
CICOT	Central Islamic Council of Thailand	MITI	Ministry of International Trade and Industry
CNCA	China National Certification and Accreditation	MNC	Multi-national Company
COBP	Code of Business for Third Parties	MOH	Ministry of Health
CRS	Corporate Risk Scorecard	MPSP	Seberang Prai City Council "Majlis Perbandaran Seberang Jaya"
CSA	Corporate Sustainability Assessment	MUI	Majelis Ulama Indonesia
EMS	Environmental Management System	NACRA	National Annual Corporate Report Awards
EPR	Extended Producer Responsibility	NGO	Non-governmental Organisation
ERM	Enterprise Risk Management	NSC	National Sports Council
ESG	Environmental, Social and Governance	NTU	Nanyang Technological University
ESH	Environmental, Safety and Health	PET	Polyethylene Terephthalate
F&B	Food & Beverage	PV	Photovoltaic
F&NHB	Fraser & Neave Holdings Bhd	R&D	Research & Development
F4GBM	FTSE4Good Bursa Malaysia	RM	Ringgit Malaysia
F4GBMS	FTSE4Good Bursa Malaysia Shariah	RSPO	Roundtable on Sustainable Palm Oil
FAM	Football Association Malaysia	SAM	Sportswriters Association of Malaysia
FDA	Food and Drug Administration	SASB	Sustainability Accounting Standards Board
FMM	Federation of Malaysian Manufacturers	SASPO	Support Asia for Sustainable Palm Oil
FSC™	Forest Stewardship Council	SBC	Sweetened Beverage Creamer
FSSC	Food Safety System Certification	SCOP	Supplier Code of Practice
FY	Financial Year	SDC	Sustainability Development Committee
GDA	Guideline of Daily Amounts	SDG	Sustainable Development Goals
GHG	Greenhouse Gas	SDS	Sustainable Development Scenario
GMP	Good Manufacturing Practice	SDWT	Sustainability Development Working Team
GRI	Global Reporting Initiative	SEDEX	Supplier Ethical Data Exchange
HACCP	Hazard Analysis & Critical Control Point	SGX	Singapore Exchange
HAS	Halal Assurance System	SMART	Specific, Measurable, Achievable, Realistic, and Timely
HCL	Healthier Choice Logo	SMC	Sustainability Management Committee
HDC	Halal Development Corporation Berhad	SME	Small Medium Enterprise
HR	Human Resources	SR	Sustainability Report
ICDL	International Computer Driving License	SRMC	Sustainability & Risk Management Committee
IDP	Individual Development Plan	STEPS	Stated Policies
IEA	International Energy Agency	TCFD	Task Force on Climate-related Financial Disclosures
IIRC	International Integrated Reporting Council	TGO	Thailand Greenhouse Gas Management Organisation
ILO	International Labour Organisation	THB	Thai Baht
IPCC	Intergovernmental Panel on Climate Change	TPMS	Total Performance Management System
IR	Integrated Reporting	UHT	Ultra-high Temperature
ISAE	International Standard on Assurance Engagements	UN	United Nations
IUCN	International Union for Conservation of Nature	VHM	Veterinary Health Mark
JAIS	Jabatan Agama Islam Selangor	WHO	World Health Organisation
JAKIM	Department of Islamic Development Malaysia	WRI	World Resources Institute
KPI	Key Performance Indicators	WWF	World Wildlife Fund
KPKT	Ministry of Housing and Local Government "Kementerian Perumahan dan Kerajaan Tempatan"		
LGBTQI+	Lesbian, Gay, Bisexual, Transgender, Queer and Intersex		

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