

Summary of Our Group Targets and Progress


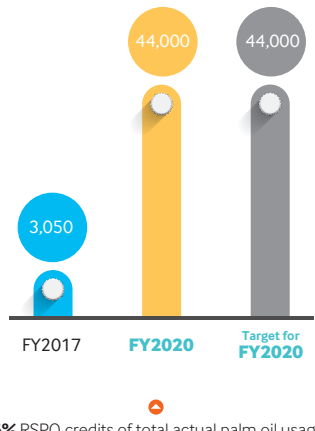

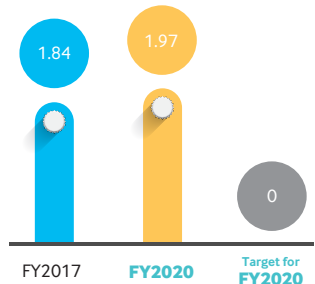
GRI 102-47



As part of F&N's commitment to sustainability, F&N Group had set some ambitious sustainability performance targets in 2017 to be achieved by 2020, based on the high priority material issues identified.

This year, we have evaluated our performance against the 2020 Sustainability Targets and we have achieved our targets relating to the following material issues: Innovation, Talent Management, Creating Value for Society, Effluents & Waste, and Sustainable Sourcing.

Some areas require further effort and adaptation due to the COVID-19 circumstances, strategic decisions and operational changes and these include: Water Stewardship, Energy & Climate Change, Consumer Health & Safety, and Occupational Health & Safety. Key contributing factors supporting our performance milestones and gaps are elaborated in the respective chapters of the Sustainability Report.




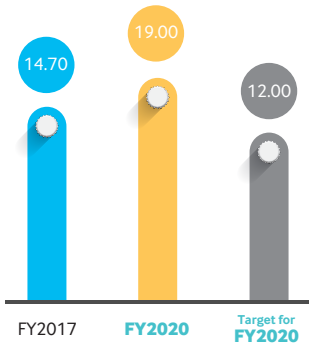


A robust materiality assessment and stakeholder engagement were conducted this year. From there, we have set medium and long-term sustainability targets, especially for 'high' materiality issues. The latest materiality assessment and the 2025 sustainability targets will be reflected in next year's Sustainability Report. These 2025 goals will drive F&N Group's sustainability performance throughout our business and strengthen our commitment to creating long-term value for our stakeholders.

| KEY MATERIAL ISSUES | NO | 2020 GROUP SUSTAINABILITY TARGET | PROGRESS |
|--|----|--|--|
|  <p>Sustainable Sourcing</p> | 1 | To purchase 100% RSPO credits for palm oil usage by 2020 | <p>Target Achieved</p> <p>RSPO Credits purchased for 106% of annual palm oil usage, thus achieving our 2020 Sustainability Target.</p> <p>TOTAL RSPO CREDITS PURCHASED</p>  <p>106% RSPO credits of total actual palm oil usage</p> |
|  <p>Occupational Health and Safety</p> | 2 | To have zero lost time injury frequency rate by 2020 | <p>Target not met</p> <p>2020 target not met as our Group lost time injury frequency rate is 1.97. We commit to implement more initiatives to create awareness among employees.</p> <p>GROUP LOST TIME INJURY FREQUENCY RATE</p>  |

| KEY MATERIAL ISSUES | NO | 2020 GROUP SUSTAINABILITY TARGET | PROGRESS | | | | | | | | |
|--|----------------------------------|---|--|------|----------------------------------|--------|------|--------|------|-------------------|------|
| <div> Consumer Health and Safety</div> | 3 | To introduce at least one healthier choice option in all our product categories by 2020 | <p>Target not met</p> <p>We have at least one healthier option for 11 out of 12 (92%) product categories.</p> <p>F&N takes the position that reducing the sugar level of our energy drinks drastically would result in a loss of its functionality and purpose to our consumers. Hence, we did not proceed to launch a healthier option for 'Energy' category.</p> <div><p>11 / 12 </p><p>product categories have at least one healthier option</p></div> | | | | | | | | |
| <div> Water Stewardship</div> | 4 | To reduce the water intensity at our plants by 5% from 2017 by 2020 | <p>Target not met</p> <p>The Group water ratio is 2.29 m³/MT, thus not achieving our 2020 Sustainability target. Higher water ratio is mainly due to significant operational changes in Shah Alam plant and COVID-19 circumstances that affected our water efficiency.</p> <p>GROUP WATER RATIO (m³/MT)</p>  <table><thead><tr><th>Year</th><th>Water Ratio (m³/MT)</th></tr></thead><tbody><tr><td>FY2017</td><td>2.06</td></tr><tr><td>FY2020</td><td>2.29</td></tr><tr><td>Target for FY2020</td><td>1.96</td></tr></tbody></table> | Year | Water Ratio (m ³ /MT) | FY2017 | 2.06 | FY2020 | 2.29 | Target for FY2020 | 1.96 |
| Year | Water Ratio (m ³ /MT) | | | | | | | | | | |
| FY2017 | 2.06 | | | | | | | | | | |
| FY2020 | 2.29 | | | | | | | | | | |
| Target for FY2020 | 1.96 | | | | | | | | | | |
| <div> Effluents and Waste</div> | 5 | To reduce solid waste intensity by 5% from 2017 by 2020 | <p>Target Achieved</p> <p>The Group solid waste ratio has significantly reduced by 62% to 0.97, due to the various initiatives implemented by respective plants to recycle solid waste from production.</p> <p>GROUP SOLID WASTE RATIO (KG/MT)</p>  <table><thead><tr><th>Year</th><th>Solid Waste Ratio (KG/MT)</th></tr></thead><tbody><tr><td>FY2017</td><td>2.52</td></tr><tr><td>FY2020</td><td>0.97</td></tr><tr><td>Target for FY2020</td><td>2.39</td></tr></tbody></table> | Year | Solid Waste Ratio (KG/MT) | FY2017 | 2.52 | FY2020 | 0.97 | Target for FY2020 | 2.39 |
| Year | Solid Waste Ratio (KG/MT) | | | | | | | | | | |
| FY2017 | 2.52 | | | | | | | | | | |
| FY2020 | 0.97 | | | | | | | | | | |
| Target for FY2020 | 2.39 | | | | | | | | | | |

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| KEY MATERIAL ISSUES | NO | 2020 GROUP SUSTAINABILITY TARGET | PROGRESS | | | | | | | | |
|---|---|---|--|--|--------------------------------|--------|--------|--------|-------------------|-------------------|--------|
|  Energy and Climate Change | 6 | To reduce energy intensity by 5% from 2017 by 2020 | <p>Target not met</p> <p>The Group energy intensity ratio reduced slightly to 868.56 MJ/MT, thus not achieving our 2020 Sustainability target. Higher energy consumption is mainly due to significant operational changes in Shah Alam plant and COVID-19 circumstances that affected our energy efficiency.</p> <p>GROUP ENERGY INTENSITY RATIO (MJ/MT)</p>  <table><thead><tr><th>Period</th><th>Energy Intensity Ratio (MJ/MT)</th></tr></thead><tbody><tr><td>FY2017</td><td>876.41</td></tr><tr><td>FY2020</td><td>868.56</td></tr><tr><td>Target for FY2020</td><td>832.59</td></tr></tbody></table> | Period | Energy Intensity Ratio (MJ/MT) | FY2017 | 876.41 | FY2020 | 868.56 | Target for FY2020 | 832.59 |
| | Period | Energy Intensity Ratio (MJ/MT) | | | | | | | | | |
| FY2017 | 876.41 | | | | | | | | | | |
| FY2020 | 868.56 | | | | | | | | | | |
| Target for FY2020 | 832.59 | | | | | | | | | | |
| 7 | To reduce GHG emissions intensity by 5% from 2017 by 2020 | <p>Target not met</p> <p>2020 Sustainability target not met as Group GHG intensity ratio only reduced to 0.0673, mainly due to significant operational changes in Shah Alam plant and COVID-19 circumstances that affected our eco-efficiency.</p> <p>GROUP GHG EMISSIONS INTENSITY RATIO (MTCO_{2e}/MT)</p>  <table><thead><tr><th>Period</th><th>GHG Emissions Intensity Ratio (MTCO_{2e}/MT)</th></tr></thead><tbody><tr><td>FY2017</td><td>0.0674</td></tr><tr><td>FY2020</td><td>0.0661</td></tr><tr><td>Target for FY2020</td><td>0.0640</td></tr></tbody></table> | Period | GHG Emissions Intensity Ratio (MTCO _{2e} /MT) | FY2017 | 0.0674 | FY2020 | 0.0661 | Target for FY2020 | 0.0640 | |
| Period | GHG Emissions Intensity Ratio (MTCO _{2e} /MT) | | | | | | | | | | |
| FY2017 | 0.0674 | | | | | | | | | | |
| FY2020 | 0.0661 | | | | | | | | | | |
| Target for FY2020 | 0.0640 | | | | | | | | | | |
|  Innovation | 8 | To invest in product and process innovation to increase our product range, and improve efficiency and productivity | <p>Target Achieved</p> <p>We have implemented many innovation projects to improve our product range and improve efficiency and productivity.</p> <p>Key Highlights</p> <ul style="list-style-type: none">A total of 41 new products introduced since 2017, offering more options in different product categories, healthier options and convenience through differentiation in packagingEmployee-driven innovation projects through Winning as One Convention (Thailand) and Excel as One Convention (Malaysia), delivering cost savings or cost avoidance of approximately RM10 million per annum | | | | | | | | |

| KEY MATERIAL ISSUES | NO | 2020 GROUP SUSTAINABILITY TARGET | PROGRESS | | | | | | | | |
|--|-----------------------------|--|--|------|-----------------------------|--------|-------|--------|-------|-------------------|-------|
| <div><p>Innovation (Cont'd)</p></div> | | | <p>Key Highlights (Cont'd)</p> <ul style="list-style-type: none">Investment of over RM900 million in capital expenditure since 2017 to elevate our product innovations and drive cost competitivenessOver 90% of the RTD beverages we sold today in Malaysia are healthier optionsOur portfolio of Healthier Choice Logo certified range expanded from 4 in 2017 to 47 in 2020 <p> > <i>Read more about 'Innovation', on pages 44 to 47 of this SR</i></p> | | | | | | | | |
| <div><p>Talent Management</p></div> | 9 | To provide an average of at least 12 training hours per employee per year by 2020 | <p>Target Achieved</p> <p>We exceeded our target of training hours this year, amidst the COVID-19 pandemic, supported by the e-learning opportunities introduced to employees.</p> <p>GROUP AVERAGE TRAINING HOURS PER EMPLOYEE</p>  <table><thead><tr><th>Year</th><th>Training Hours per Employee</th></tr></thead><tbody><tr><td>FY2017</td><td>14.70</td></tr><tr><td>FY2020</td><td>19.00</td></tr><tr><td>Target for FY2020</td><td>12.00</td></tr></tbody></table> | Year | Training Hours per Employee | FY2017 | 14.70 | FY2020 | 19.00 | Target for FY2020 | 12.00 |
| Year | Training Hours per Employee | | | | | | | | | | |
| FY2017 | 14.70 | | | | | | | | | | |
| FY2020 | 19.00 | | | | | | | | | | |
| Target for FY2020 | 12.00 | | | | | | | | | | |
| <div><p>Creating Value for Society</p></div> | 10 | To provide outreach and engagement programmes across Singapore, Malaysia and Thailand by exploring and implementing appropriate outreach programmes to address community needs | <p>Target Achieved</p> <p>We have continued to provide outreach and engagement programmes across Malaysia and Thailand via several programmes.</p> <p>Key Highlights</p> <ul style="list-style-type: none">100% of our operations in Malaysia and Thailand implemented local community engagement, impact assessment and development programmesSocial investment of over RM2.4 million in supporting over 1,300 beneficiaries from vulnerable communities since 2017Expanding school recycling programme to 756 schools in 2019, avoiding 4.7 million kg of recyclable items from going into landfillOver 200,000 children and youths participated in grassroots sports programmes since 2017Over 34,000 Malaysians participated in the series of 100PLUS Day to stay active since 2018In the fight against COVID-19, we contributed more than 650,000 products to support frontliners and distributed over 500,000 products to about 10,000 underprivileged families in Malaysia <p> > <i>Read more about 'Creating Value for Society', on pages 58 to 69 of this SR</i></p> | | | | | | | | |