

## VALUE CREATION

### BUSINESS *Model*

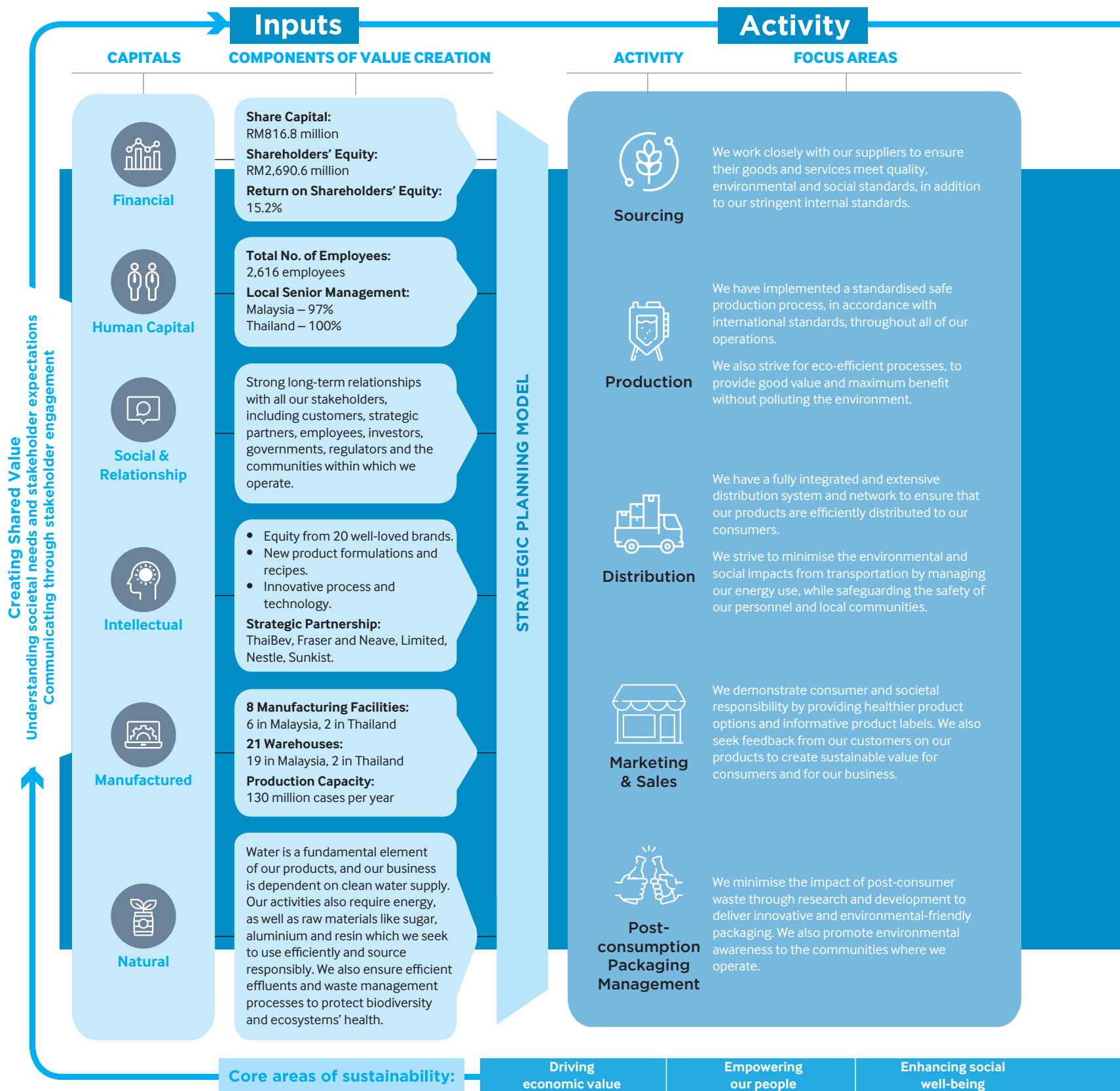
Our business is built in a profitable, responsible and sustainable manner. This means ensuring that our overall strategy reflects awareness of the interdependencies and trade-offs between different types of capital, and how they support our ability to create value for the short, medium and long-term.

#### Vision

- To become the **Leading Total Beverage Company** in Malaysia and the **Region**

#### Mission

- To **provide superior returns** to our shareholders, **excellent value** for our customers and a **rewarding career** for our employees



## Core Values

- Collaboration
- Creating Values
- Caring for Stakeholders

## Operating Environment / Market Drivers / Trends

- Consumer Behaviour
- Digital Revolution
- Health Consciousness
- Environmental Sustainability

## Competitive Advantage

- Better products
- Greater efficiencies
- Strengthened relationships with key stakeholders

## Our Businesses

Food & Beverages Malaysia

Food & Beverages Thailand

Property & Others

## Outputs

### SUSTAINABILITY GOALS



### F&N GROUP 2020 SUSTAINABILITY TARGETS

1. Reduce solid waste intensity by 5% from 2017 by 2020
2. Reduce energy intensity by 5% from 2017 by 2020
3. Reduce GHG emission intensity by 5% from 2017 by 2020
4. Purchase 100% Roundtable on Sustainable Palm Oil (RSPO) credits for palm oil usage by 2020
5. Reduce water intensity at our plants by 5% from 2017 by 2020
6. Offer at least one healthier choice option in all our product categories by 2020
7. Provide outreach and engagement programmes across Malaysia and Thailand by exploring and implementing appropriate outreach programmes to address community needs
8. Invest in product and process innovation to increase our product range, and improve efficiency and productivity
9. Provide an average of at least 12 training hours per employee per year by 2020
10. Have zero Lost Time Injury Frequency Rate by 2020

### DELIVERING FINANCIAL OUTCOMES FOR F&N



Revenue:  
**RM3,988.5**  
MILLION



Operating Profit:  
**RM515.2**  
MILLION



Profit before Tax:  
**RM522.9**  
MILLION



Profit for the Year:  
**RM410.1**  
MILLION

### OUR STAKEHOLDERS

#### Shareholders & Financial Investors

- Managing our resources effectively enables us to maximise profits which benefit shareholders through sustainable shareholder returns and dividend payouts
- Maintaining a strong balance sheet to take advantage of opportunities as they arise and protect against unforeseen risks
- Dividend Payout Ratio: 53.6%
- Dividend per Share: 60.0 sen\*
- Total Dividend Payout: RM220.1 million
- Basic Earnings per Share: 111.9 sen

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

#### Employees

- Employed 204 new employees in FY2020
- Career advancement and ability to reach individual potential
- Paid RM297.40 million in total employee remuneration and benefits in FY2020
- Female representation in our workforce:
  - 31% of total employees
  - 45% of total managerial positions
- Boosted earning potential of employees with training and development
- Awarded RM228,225 to 99 children of employees in 2020 under F&N Chairman's Award. Since 2003, F&NHB has disbursed close to RM4 million to >2,000 children

#### Distributors & Trade Customers

- Partnership with >220,000 retailers and outlets in Malaysia, Thailand, Cambodia and Laos
- Source of income and job creation at our distributors
- Supported the livelihood of 40,000 hawkers in Thailand, Laos and Cambodia

#### Consumers

- Launched various innovative solutions to address the needs of our consumers in 82 countries worldwide
- Fulfilled consumers' demand for safe and quality products
- Provide accessibility to our products through an extensive distribution network coverage
- 10 new products launched in FY2020
- 47 products with 'Healthier Choice Logo' in FY2020

#### Communities

- Social investment in FY2020: >RM400,000
- Nurtured local sports champions
- Advocated active lifestyles via sports events and activities
- Partnered with local councils to develop collaterals to increase awareness on COVID-19 prevention for 430 schools across Malaysia
- Supported over 200 beneficiaries from vulnerable communities

#### Regulators

- Complied with regulation to mitigate against systemic risk
- Adhered to sustainable practices to protect our stakeholders
- Contributed RM112.8 million in tax for FY2020
- Active industry collaboration and knowledge exchange with government agencies and statutory bodies

#### Suppliers

- Worked with local suppliers (94% of our suppliers are local)
- Total Supplier Spend: RM3.21 billion
- 75% local purchase value

Creating Shared Value  
Understanding societal needs and stakeholder expectations  
Communicating through stakeholder engagement

Eco-efficiency

Responsible  
supply chain

Safety and  
well-being