



**FRASER & NEAVE
HOLDINGS BHD**

196101000155 (4205-V)



Capturing Value

Sustainability Report 2024

Capturing Value



COVER RATIONALE

“Capturing Value” is at the heart of F&N’s commitment to driving sustainable growth across all aspects of business, society, and the planet. It embodies how we continuously nurture meaningful connections, foster collaboration, and invest in initiatives that uplift communities and safeguard our environment. By working hand in hand with stakeholders, we create enduring value that transcends immediate gains, paving the way for a more resilient and sustainable future for all.



SCAN HERE TO

Read our Annual & Sustainability Report 2024





This interactive PDF allows you to access information easily, search for a specific item or navigate between pages, sections and links.

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We value and appreciate all feedback to help make our future reports more relevant to our stakeholders.

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JOINT MESSAGE FROM OUR CHAIRMAN & CHIEF EXECUTIVE OFFICER



**Y.A.M. Tengku Syed
Badarudin Jamalullail**
Chairman



Lim Yew Hoe
*Chief Executive
Officer*



JOINT MESSAGE FROM OUR CHAIRMAN & CHIEF EXECUTIVE OFFICER

Dear Shareholders & Stakeholders,

Looking back over 2024, we are delighted to share that Fraser & Neave Holdings Bhd (F&NHB or the Group) has remained focused on “CAPTURING VALUE” through our steadfast commitment to delivering “Pure Enjoyment, Pure Goodness”.

Staying true to our promise of building a “better business”, contributing to a “better planet”, and nurture a “better society”, these guiding principles continue to drive every aspect of our operations, reinforcing our purpose and inspiring us to create positive impact across our business and within the communities we serve.



As such, we are excited to share the Group's Sustainability Report (SR) for the financial year covering the period from 1 October 2023 to 30 September 2024 (FY2024). This report highlights our progress in building a more sustainable and resilient business beyond financial metrics. It encapsulates the Group's performance across key Environmental, Social & Governance (ESG) areas to generate long-term value for our stakeholders.

OVERVIEW OF F&NHB'S SUSTAINABILITY REPORT 2024

This report was prepared in accordance with the internationally recognised Global Reporting Initiative (GRI) Universal Standards 2021. Selected Safety, Health, and Environmental (SHE) practices and indicators have also been externally validated by Lloyd's Register Quality Assurance (LRQA).

We are making steady strides toward our 2025 sustainability targets, set in 2020, with notable progress in six of the 12 goals ahead of schedule. Key milestones include a reduction in waste to landfill exceeding our target of 30%, reaching 25% recycled content in packaging, securing the healthier choice logo for two-thirds of our products, and implementing a 20% increase in community development programmes.

Meanwhile, we are intensifying efforts in the remaining six areas, especially in water and energy management. Performance in these areas has been influenced by operational expansions, including a new plant in Thailand and additional production and packaging lines across our Malaysian facilities, all of which increased water and energy demands. However, excluding the impact of these expansions, we are progressing well compared to our 2020 baseline under business-as-usual conditions. Our commitment remains firm as we work to achieve each of our sustainability goals.

CAPTURING VALUE IN TRANSITION TOWARDS GREENER FUTURE

F&NHB has taken a proactive stance in strengthening our climate-related disclosures in anticipation of Bursa Malaysia's reporting deadline for the Task Force on Climate-related Financial Disclosures (TCFD) by the end of 2025. Our alignment with the TCFD framework provides a strong foundation to prepare for the recently announced Malaysia National Sustainability Reporting Framework (NSRF) aligning to International Financial Reporting Standards (IFRS). This preparation not only ensures compliance with future regulations but also strengthens our ability to manage climate risks and opportunities, as part of long-term value creation for our stakeholders.

Continuing into our third year of assessment of climate-related risks and phased implementation of TCFD-based reporting, F&NHB is actively identifying opportunities to capture value in our transition towards greener practices, specifically in low-carbon technology-renewable energy. Detailed information regarding the TCFD and Climate Risk Assessment disclosures can be found on pages 29 to 40 of this report.

In parallel, we have continued our investment into adopting renewable energy by expanding the solar photovoltaic (PV) capacity across our operations. This year, we extended the solar PV roof panels at five of our plants in Malaysia, adding 6.38 Megawatt peak (MWp) capacity. This new installation is projected to generate over 6 million kilowatt per hour (kWh) of electricity annually, which equates to offsetting around 29,000 trees in CO₂ emissions. This expansion will significantly contribute to our efforts in reducing our Greenhouse gas (GHG) emissions, in alignment with our long-term sustainability goals.

Moreover, we have rolled out an internal carbon pricing initiative, a critical tool that drives accountability and advances carbon reduction efforts across our business units. By assigning a cost to carbon emissions, this initiative incentivises more efficient and sustainable practices, reinforcing our commitment to building a low-carbon future.



JOINT MESSAGE FROM OUR CHAIRMAN & CHIEF EXECUTIVE OFFICER

CAPTURING VALUE WITH OUR FIRST INTEGRATED DAIRY FARM

Our integrated dairy farm in Gemas, Negeri Sembilan, which is set to become the largest of its kind in Malaysia, underscores our dedication to supporting Malaysia's journey toward greater self-sufficiency in food production.

Aligned with the Malaysia Madani framework, this strategic initiative supports the growth of the local agricultural ecosystem while improving Malaysians' nutritional intake by making fresh milk more accessible and affordable. Designed with sustainability principles at its core, the farm will incorporate green technology and circularity principles across all operations - from feed crop production to waste-to-energy facilities - ensuring maximum resource efficiency and reduced environmental impact.

As part of our commitment to responsible development, we are conducting a materiality assessment to identify and address material ESG issues around dairy farm. A carbon projection study is also underway to forecast the farm's carbon footprint, and once complete, we will develop a tailored decarbonisation strategy to further minimise our carbon impact.



Since 2020, all the palm oil used by F&NHB is RSPO-certified.



Since 2013, we have been actively building the capabilities of over 2,000 farmers from ten milk cooperatives in Thailand through our Farming Excellence System.

CAPTURING VALUE THROUGH ENHANCED INTERNAL CAPABILITY

From boots on the ground to the boardroom, awareness and education are critical in embedding ESG practices into the fabric of our business operations. This year, our Board and Management team have undergone training focusing on IFRS Standards. This programme equips our Board and leadership team with essential knowledge, enhancing their oversight of sustainability strategy and preparing to manage the complexities of sustainability-related financial reporting for the NSRF. This programme complements a range of other related training initiatives we have implemented, all aimed at building the capacity necessary to drive long-term value capturing.

CAPTURING VALUE THROUGH STRATEGIC SUPPLY CHAIN PARTNERSHIPS

▶ *Strengthening Malaysia's Halal Ecosystem*

Our commitment to supporting the Halal ecosystem is multi-faceted, involving industry engagement, mentorship and thought leadership. One of our key partnerships in this regard is our collaboration with Halal Development Corporation Berhad (HDC) to assist small and medium-sized enterprises (SMEs) in becoming qualified Halal vendors via our Halal Sourcing Partnership Programme. To-date, four SMEs have on-boarded as our vendors, and we continue to mentor six additional SMEs through this programme.

F&NHB also participated in knowledge-sharing forums such as World Halal Business Conference (2023 Circuit London & 2024), reinforcing our efforts to build the Halal industry, besides establishing our position as a Halal-leader.

▶ *Uplifting Our Business Partners*

While we expect our key partners to adhere to our Supplier Code of Practice (SCOP) and Code of Business Practices for Third Parties (COBP), we are also committed to collaborate closely with our respective partners to develop their capabilities in these areas. Since 2022, the annual F&N Business Partner Award has strengthened our relationships with suppliers, helping elevate service quality and incentivising alignment with our values. This year, this programme has empowered 19 suppliers in Malaysia to grow alongside us.

▶ *Capacity Building for Dairy Farmers*

Since 2013, we have been actively building the capabilities of over 2,000 farmers from ten milk cooperatives in Thailand through our Farming Excellence System. This programme consists of capacity-building initiatives, supply of equipment and technology, as well as regular audits to improve the farmers productivity, quality, and sustainability practices as part of a circular economy approach.

This year, we supported the Lam-Phaya Klang Dairy Cooperative at Saraburi Province by providing a Somatic Cell Counter to help enhance fresh milk quality. This initiative contributes to the cooperative's efforts in improving milk production standards, ensuring higher quality and safety for our consumers.

▶ *Sustainable Sourcing*

Across our supply chain, we are committed to responsible and ethical sourcing, partnering with global organisations and thought leaders in sustainability. We take pride in being a member of the Roundtable on Sustainable Palm Oil (RSPO), the Support Asia for Sustainable Palm Oil (SASPO), and Supplier Ethical Data Exchange (SEDEX).

Since 2020, all the palm oil used by F&NHB is RSPO-certified, achieved through RSPO credits and Certified Sustainable Palm Oil (CSPO). For 2024, the Group used 80% CSPO and the remaining 20% with RSPO credits. By 2025, our aim is to achieve 100% of our physical palm oil usage to be RSPO-certified palm oil.



JOINT MESSAGE FROM OUR CHAIRMAN & CHIEF EXECUTIVE OFFICER

CAPTURING VALUE THROUGH COMMUNITY ENGAGEMENT & EMPOWERMENT

▶ *Engaging the Local Community*

F&NHB has long been an integral part of festive celebrations for Malaysians, embodying our brand promise of “Pure Enjoyment, Pure Goodness” by fostering community connections during these special occasions. We celebrated Deepavali by supporting the MySkills Foundation, raising funds to support them with an industrial oven and cake mixers for their culinary school. For Christmas, we fulfilled the wish lists of over 170 children from three homes, providing a day of fun and gifts for those from Yayasan Sunbeams Home, Jireh Home, and The Salvation Army Home. During Chinese New Year, our volunteers spread joy to over 500 individuals in ten homes, contributing RM85,000 in food and essentials. We also hosted several ‘buka puasa’ events for the communities and participated in Bursa Malaysia’s ‘Rewang Ramadan’ event, preparing and distributing ‘Bubur Lambuk’ and food packs for 1,600 families.



In Gemas, where our new integrated farm will be located, we actively engage with the local community to foster meaningful connections. To this end, we have engaged with over 20 institutions, including local schools, mosques, orphanages, Tampin District Office, Pejabat Daerah Kecil dan Tanah Gemas, Royal Malaysia Police and Army Camp, through various activities ranging from friendly sports matches and roundtable discussions to educational talks for children.



In FY2024, we positively impacted the lives of over 100,000 beneficiaries within the less fortunate community through our initiatives.



▶ *Engaging Our Consumers with Healthier Lifestyle*

We take consumer well-being seriously and continued to grow our portfolio of healthier choices that do not compromise on taste. As of this year, we have reduced the sugar content across all our products by 53%. We have also achieved our 2025 target of having at least two-thirds of our beverage and dairy products comply with the national nutritional guidelines in Malaysia and Thailand, while we continue to expand the range of healthier options.

F&N is dedicated to promoting not only healthier product options but also healthier lifestyles for the communities we serve. This year, we launched the ‘Jom Sihat, Kekal Cergas’ campaign in collaboration with local retailer Mydin, encouraging healthier lifestyles among consumers through educational activities on exercise and nutrition. Building on our long-standing tradition of supporting sports and active lifestyles, we were also proud to serve as an official partner for SUKMA and PARASUKMA XXI Sarawak.



JOINT MESSAGE FROM OUR CHAIRMAN & CHIEF EXECUTIVE OFFICER

Building a Better Future

At F&N, our commitment to sustainability comes from our desire to make the world a better place in all aspects, expressed in our three pillars of Better Business (Economy), Better Planet (Environment) and Better Society (Social) that provides a framework for a holistic approach.

On the social front, we proudly continued our long-standing support for the youths of Montfort Boys Town through the F&N Information Technology (IT) Corner programme, an initiative we launched in 2010. This programme empowers youths with essential digital literacy skills through a comprehensive six-month International Computer Driving License (ICDL) certification course. This year, we expanded our support to 54 students, equipping them with critical digital competencies to enhance their future career prospects.

We continued environmental education efforts through our annual School Recycling Programme targeting primary and secondary school children across Malaysia, in partnership with Solid Waste and Public Cleansing Management Corporation (SWCorp) Malaysia, under the Malaysian Ministry of Local Housing & Government Development. This year, we strengthened the collaboration through a three+two-year Memorandum of Understanding (MOU) which focuses on promoting recycling within school communities and organising community education programmes.

Complementing our school outreach initiatives, we placed several Reverse Vending Machines (RVM) throughout the Klang Valley, as part of our multi-faceted approach in encouraging Malaysians to recycle their food and beverage (F&B) packaging. These efforts were supported by roadshows and events including the “Karnival Alam Kitar 2024” organised by the Ministry of Natural Resources and Environmental Sustainability (NRECC) and the Sustainable Development Goal Day by Sunway University to raise awareness about recycling and sustainable practices.

Over in East Malaysia, we are partnering with the Jagoi Area Development Committee (JADC) in Kuching to install a water pump system as well as repair water storage tanks at Bung Jagoi Heritage Village in Sarawak, enabling villagers to have reliable access to clean water. This initiative will also support eco-tourism in the area, offering the local Jagoi Bidayuh community a new avenue for economic growth.

This year, our employees actively contributed to nature conservation through tree planting initiatives in Malaysia and Thailand. In Sabah, our team joined the Environmental Awareness Programme organised by the Kota Kinabalu Industrial Park (KKIP) Investors Council (KIC), planting 210 mangrove trees to support the preservation of Sungai Telipok, a vital river near our premise. Meanwhile, in Kuching, almost 100 employees, together with the JADC, planted 200 trees over Malaysia Day’s weekend celebration, which also celebrated the launch of our water conservation programme at Bung Jagoi Heritage Centre.



Additionally, over 360 colleagues in Thailand further reinforced our environmental commitment by planting 450 trees and 1,200 seed balls in clay soil at Salakpra Wildlife Sanctuary, Kanjanaburi province. These collective efforts reflect our ongoing dedication to environmental stewardship and community engagement, fostering a greener, more sustainable future for all.



We also established an official partnership with Yayasan Bursa Malaysia and The Lost Food Project to address the issue of food loss and waste. This collaboration focuses on rescuing near-expiry products and distributing them to those in need, thereby ensuring the needs of underprivileged people are met while reducing the environmental impact of food waste.



JOINT MESSAGE FROM OUR CHAIRMAN & CHIEF EXECUTIVE OFFICER

AN ENCOURAGEMENT TO OUR SUSTAINABILITY EFFORTS

We continued to be recognised for excellence in sustainability reporting and strong ESG practices. These serve to validate our sustainability efforts, which further motivates us to continue advancing in our sustainability journey.

► *S&P Corporate Sustainability Assessment*

In 2024, we have been selected as a member of the Sustainability Yearbook 2024 by S&P Global, ranking among the top five companies globally within the beverages industry. Our performance saw further improvement, with our percentile rising to 96th percentile from 95th percentile in 2022 (Score date: February 2024).

► *FTSE4Good Bursa Malaysia Indices*

We are one of the 120 constituents of the FTSE4Good Bursa Malaysia Index (F4GBM) for the sixth year running, as the Top 1% within our global FTSE Industry Classification Benchmark Supersector. We remain as one of the 95 constituents of the FTSE4Good Bursa Malaysia Shariah (F4GBMS) Index for the fourth year.

Our holistic efforts in ESG continue to receive external validation in various areas.



Note:
For the complete list of our awards, refer to our Annual Report 2024 on pages 10 to 12.

F&NHB

- PwC Malaysia's Building Trust Awards 2023 in the FBM Mid 70 Index category, with special mentions for PwC Malaysia's Public Trust Perception Analysis and ESG Reporting Benchmarking Analysis
- Gold Award for Consumer Products & Services Sector at The Edge ESG Awards 2023
- Top 50 Excellence Award at the National Corporate Governance & Sustainability Awards (NACGSA) 2024
- Best employers to work for at the Best Companies to Work for in Asia Award 2023
- Top 3 Employers of Choice for Graduates to Work or in 2023 within the Fast-Moving Consumer Goods (FMCG) category at the Graduates' Choice Award 2024

FNDT

- CSR-DIW Continuous Award 2024
- Thailand's National Safety Award 2024
- Thailand Labour Management Excellence Award 2024



CLOSING REMARKS

As we reflect on the progress we have made over the past year, we would like to express our appreciation to our team across the organisation and our stakeholders on behalf of the Board and management, for their dedication to ensuring excellence in meeting our sustainability goals. Their commitment to innovation, inclusivity, and environmental stewardship has been instrumental in our efforts.

We recognise that the journey ahead will continue to be filled with challenges as sustainability is a long game amidst evolving business pressures. Yet, we are confident of delivering exceptional value to our stakeholders, while creating positive impact to the communities we serve. This is the strong belief that keeps us firmly committed to investing in initiatives and strategies that promote economic, environmental, and social well-being. Looking forward, we remain optimistic in our ability to uncover opportunities to capture value along our sustainability journey.

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

LIM YEW HOE
Chief Executive Officer

FY2024 ESG SCORECARD

BETTER BUSINESS



FTSE4GOOD 2024

Top 1 percent in the Global Food & Beverage Supersector



S&P Global ESG Score 2023

Global Top 5 companies among Beverages sector



Top 50 Excellence Award

National Corporate Governance Sustainability Awards 2024

Responsible Product Stewardship



100%

of our plants and production processes certified with Halal Standards

63% Certified with FSSC22000 Scheme



14

new products & packaging formats introduced



THB35 million

annual cost avoidance through 54 employee-driven innovation projects

Responsible Supply Chain

93% of suppliers are local

78% of annual procurement expenditure allocated to local suppliers

99.7%

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

100%

Sustainable Palm Oil since 2020

RSPO credits 20%



Physical RSPO Palm oil 80%

Empowering suppliers through strategic collaborations



Actively building the capacity of

>2,000

farmers from 10 milk cooperatives through the Farming Excellence System since 2013

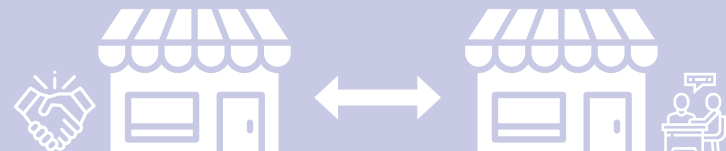


F&N Business Partner Programme

Collaborating with 19 suppliers on ESG-aligned Projects



Building the Halal eco-system through Halal Sourcing Partnership Programme



4 SMEs on-boarded as our vendor

6 SMEs currently being mentored by F&N





BETTER SOCIETY

Create Value for Society

53%

reduction in sugar per ml of our total beverages (2015 - 2024)

>90%

of the RTD beverages sold are healthier options with less sugar

2/3

of our portfolio are 'healthier choice' in Malaysia or Thailand

Positively impacted the lives of

>100,000

beneficiaries within the less fortunate community through community investment of **>RM1.5 million**

>500,000

cups of milk served to students at 500 schools in Thailand, fostering healthier dietary habits



>5,000

cans of 100PLUS distributed nationwide to keep Malaysians hydrated during the heatwave

54 students

in Monfort Boys Town empowered with essential literacy skills through ICDL certification course

Strengthened the collaboration with SWCorp through a

3+2-year

MOU to promote recycling within school communities

>460 employees

contributed to nature conservation through tree planting initiatives in Malaysia & Thailand

- 210 mangrove trees at Kota Kinabalu
- 200 trees at Kuching
- 450 trees & 1,200 seed balls in clay soil at Kanjanaburi



Proud hydration partner of SUKMA & PARASUKMA XXI and major sports events nationwide

Empower Our People

>3,700 employees including 382 new hires

Female Representation

Total workforce 28%

Managerial positions 46%

Executive Category

34 average training hours per employee

Non-Executive Category

12 average training hours per employee

Maintained

0 **work-related fatality**
 work-related illness



Complimentary influenza vaccination provided to more than **1,200 employees** from 19 locations across Malaysia



FY2024 ESG SCORECARD

BETTER ENVIRONMENT

Operational Eco-efficiency

GHG intensity ratio improved by



against 2020 baseline



Extended the solar PV roof panels at 5 plants in Malaysia with 6.38MWp capacity
Generating over 6 million kWh of renewable energy annually

Equivalent to CO₂ emission offset by 29,000 trees



Third year assessment of climate-related risks and phased implementation of TCFD-based reporting



Introduced Internal Carbon Pricing initiative

Solid waste sent to landfill



against 2020 baseline

3 manufacturing plants have achieved **ZERO** waste to landfill

Kota Kinabalu Plant

Rojana Plant

Wang Muang Plant



of solid waste reused, recycled or recovered

Converted waste to valuable resources

310 MT of waste into over 860,000 kW of electricity

7,200 MT of wastewater treatment sludge & liquid milk waste into organic fertiliser

486 MT of okara waste to organic feed for chicken farm



6,700 kg

food surplus contributed to communities in need

Value Chain Impacts



Nurturing young eco-warriors through F&N School Recycling Programme 2024

1,700 schools collected

>3,500 MT of recyclables



recycled content in beverage & dairy packaging



of primary packaging is recyclable



COMPANY PROFILE

F&NHB is a subsidiary of Fraser and Neave, Limited (F&N Group), established in 1883 by John Fraser and David Chalmers to produce carbonated soft drinks. Today, F&N Group is an iconic household name, delivering "Pure Enjoyment, Pure Goodness" through its diverse portfolio of well-loved brands that resonate across generations.

F&NHB, a Shariah-compliant company listed on Bursa Malaysia's Main Board, generates an annual revenue of RM5 billion through its core businesses in manufacturing, sales, and marketing of F&B products.

F&NHB's extensive brand portfolio leads in various categories, including 100PLUS, F&N Fun Flavours, F&N SEASONS, OYOSHI, F&N Magnolia, FARMHOUSE, F&N ICE MOUNTAIN; Condensed and Evaporated Milk under F&N, TEAPOT, GOLD COIN, Cap Junjung, ideal and Carnation brands; as well as NONA brand of ketupat and sauces. The Group's subsidiary, Cocoland, is the largest gummy candy producer in Malaysia with its flagship LOT 100 brand. F&NHB offers over 200 products across Malaysia and Thailand.

Regionally, F&NHB holds the exclusive rights to manufacture, market, and distribute Carnation products in Thailand, Laos and Cambodia; and Carnation, Cap Junjung and ideal Canned Milk products in Malaysia, Singapore and Brunei. F&NHB also serves as the exclusive manufacturer and distributor for Nestlé's BEAR BRAND Sterilised Milk and BEAR BRAND Gold Milk in Thailand and Laos.

The Group's operating businesses are organised according to products and services, namely:



GEOGRAPHICAL FOOTPRINT, TOTAL WORKFORCE & FINANCIAL HIGHLIGHTS

F&NHB is headquartered in Shah Alam, Malaysia. We have 13 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 93 countries around the globe.

Total Workforce

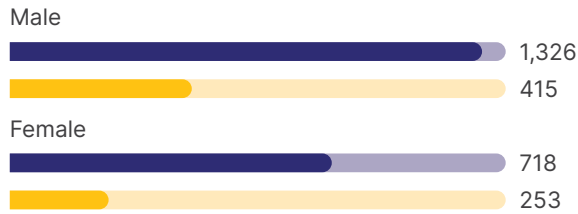
GENDER



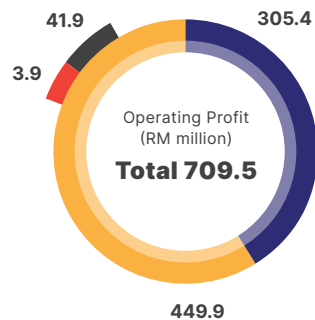
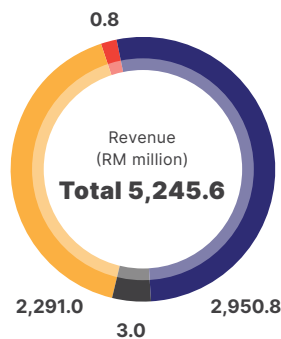
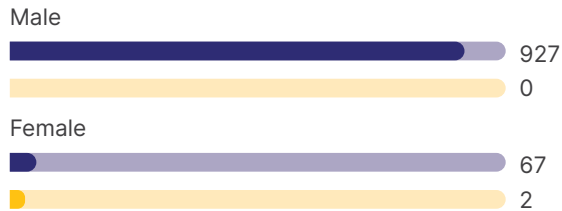
Total 3,708

FULL TIME

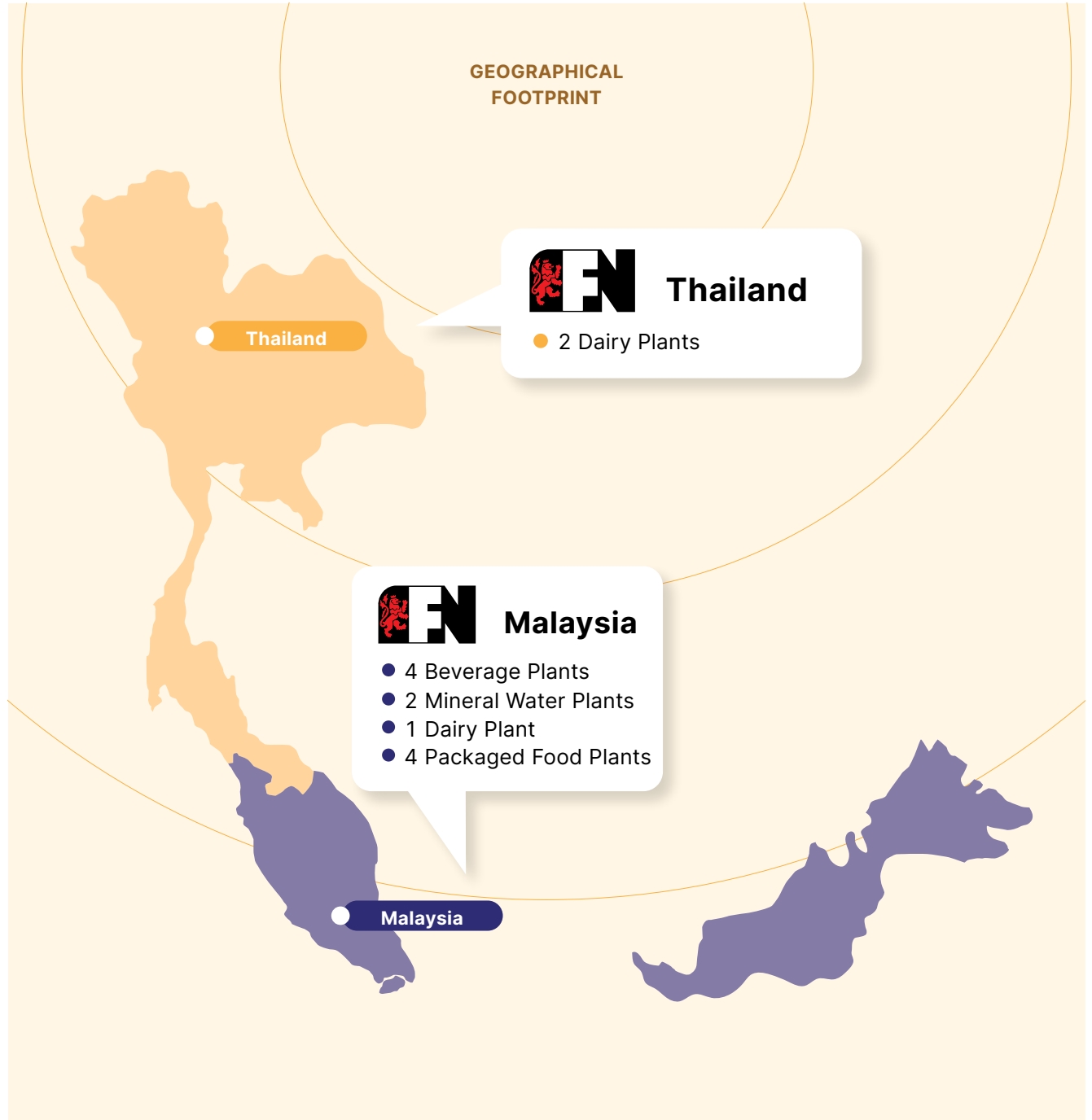
● Malaysia ● Thailand



TEMPORARY



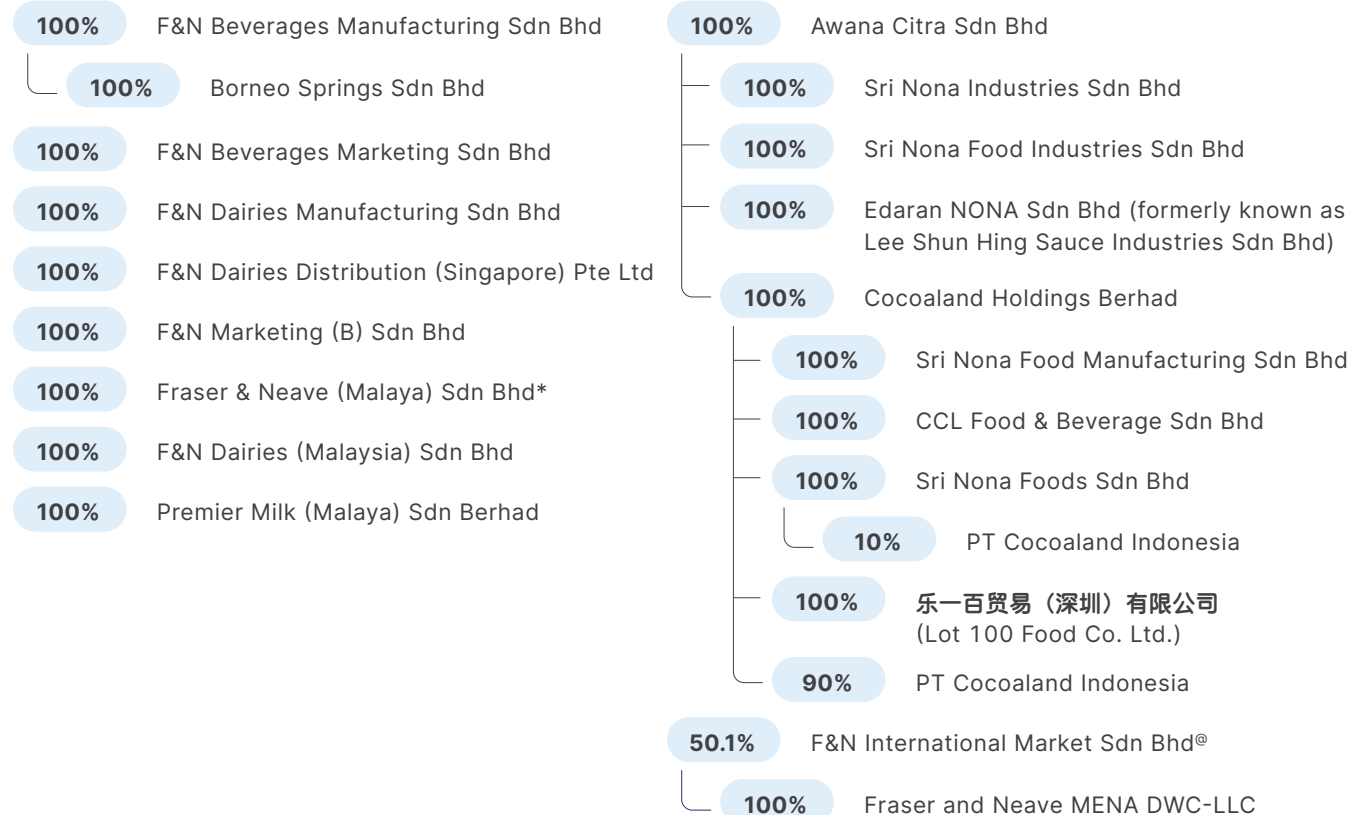
● F&B Malaysia ● F&B Thailand ● Property ● Others



CORPORATE STRUCTURE

as at 15 November 2024

FOOD & BEVERAGES MALAYSIA



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
- 100% F&N Foods (Cambodia) Co., Ltd.

FOOD & BEVERAGES THAILAND

- 100% F&N Dairies (Thailand) Limited

Notes:
 * Classified under Food & Beverages Malaysia and Others segments.
 # In the process of member's voluntary winding up.
 @ On 1 October 2024, Fraser & Neave (Malaya) Sdn Bhd ("F&NM", a wholly-owned subsidiary of the Company) entered into a share purchase agreement with F&N International Market Sdn Bhd ("F&NIM", a 50.1% subsidiary of the Company) to transfer its entire stake of 300,000 shares, representing 100% of the issued share capital in Fraser and Neave MENA DWC-LLC ("F&N MENA"), a company incorporated in the United Arab Emirates to F&NIM for a total consideration of AED1.00 ("Share Transfer"). Completion of the F&N MENA Share Transfer is subject to, inter alia, the receipt of relevant regulatory approvals following which F&N MENA will become a wholly-owned subsidiary of F&NIM.

OUR SUPPLY CHAIN

The preparation, production, and packaging of our diverse product range depend on a robust network of raw materials, equipment, and goods and services.

In FY2024, we partnered with over 2,000 global and local suppliers, ensuring a resilient and efficient supply chain. These partnerships span wide industries, including manufacturers, wholesalers, retailers, importers/merchants, contractors, and professional services providers. Our strategic procurement efforts saw a total expenditure of over RM5 billion.



SOURCING

We work closely with suppliers 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.



Read more in Supply Chain Stewardship on pages 60 to 66.



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.



Read more in Product Quality and Safety on page 54.
Read more in Operational Eco-efficiency on pages 98 to 117.



OUR SUPPLY CHAIN



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.

 Read more in Energy & Climate Change on pages 98 to 103.



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.

 Read more in Product & Service Labelling on page 55.



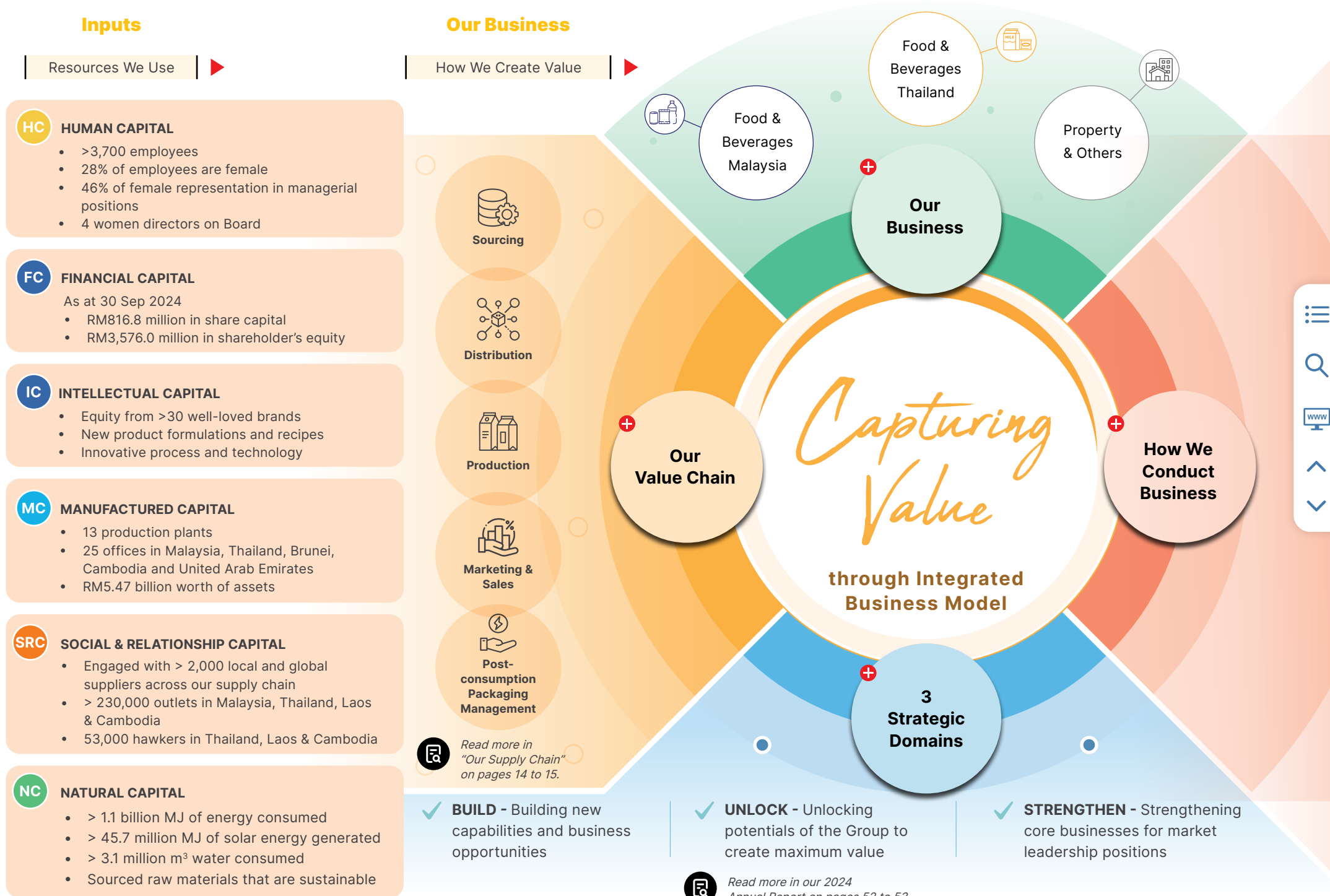
POST-CONSUMPTION PACKAGING MANAGEMENT

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.

 Read more in Waste Management on pages 108 to 112.



VALUE CREATION BUSINESS MODEL



VALUE CREATION BUSINESS MODEL

Outputs

Value Created

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
- Creating Values
- Caring for Stakeholders

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

Read more in respective sections.

OPERATING ENVIRONMENT

- Moderating Inflation & Cost of Living
- Increasing Health-consciousness
- Greater ESG Stakeholder Expectations
- Maintaining an Edge in Digital Era

Read more in our 2024 Annual Report on pages 44 to 45.

HC HUMAN CAPITAL

- Paid RM383.2 million in total employee remuneration & benefits
- Employed 382 new employees
- Provided training and development to employees
 - Executives : 34 average training hours
 - Non-executives : 12 average training hours
- Awarded RM260,000 to 89 children of employees under F&N Chairman's Award

FC FINANCIAL CAPITAL

- Revenue : RM5,245.6 million
- Profit before Tax : RM697.0 million
- Profit for the Year : RM544.3 million
- Dividend per Share : 63.0 sen*
- Total Dividend Payout : RM293.4 million
- Economic Value Retained : RM249.3 million

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

IC INTELLECTUAL CAPITAL

- F&N Introduced various innovative solutions for our customers in 93 countries nationwide
- Launched 14 new products and packaging formats
- 82 products endorsed with Healthier Choice Logo

MC MANUFACTURED CAPITAL

- Capital investment of >RM5.47 billion over past five years

SRC SOCIAL & RELATIONSHIP CAPITAL

- Social investment of >RM1.5 million to support >100,000 beneficiaries

NC NATURAL CAPITAL

- Energy Intensity (MJ/MT) : 867.74
- GHG Emissions Intensity (MTCO₂e/MT) : 0.064
- Water Intensity (m³/MT) : 2.37
- Solid Waste Recycling Rate : 94%
- % of Recyclable Packaging : 98%
- % of Recycled Content in Packaging : 25%

- Employees
- Shareholders and Investors
- Consumers
- Communities
- Suppliers
- Regulators
- Distributors and Trade Customers

REPORTING SCOPE

The F&NHB SR 2024 is designed to provide stakeholders and shareholders a concise overview and clear evaluation of our operational and governance performance for the reporting year, FY2024.

The report highlights our key ESG strategies and accomplishments, while also providing an update on our progress toward the 2025 targets. Additionally, it outlines sustainability-related risks and opportunities for the business, along with our forward-looking action plans.

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



This SR is best read together with our 2024 Annual Report (AR) to provide a comprehensive view of integrating our financial goals with social and environmental imperatives. For specific references to our F&NHB 2024 Annual Report, refer to our GRI Index in pages 133 to 138 of this Report. We appreciate the opportunity to share our sustainability commitments and progress in long-term value generation for our stakeholders.

REPORTING FRAMEWORK

This report is our eighth standalone SR prepared in accordance with the GRI Universal Standards 2021. The report is prepared 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 have begun a phased climate-reporting approach as recommended by TCFD, now incorporated into the International Sustainability Standards Board (ISSB), well ahead of the stipulated timeline of 2025 by Bursa Malaysia.

We are one of the 120 constituents of the FTSE4Good Bursa Malaysia Index (F4GBM) for the sixth year running, with Top 1% percentile rank within our global FTSE Industry Classification Benchmark Supersector. We remain as one of the 95 constituents of the FTSE4Good Bursa Malaysia Shariah (F4GBMS) Index for the fourth year.

For the fourth consecutive year, we took part in the S&P Global Corporate Sustainability Assessment (CSA). In 2024, we have been selected as a member of the Sustainability Yearbook 2024 by S&P Global, ranking among the top five Beverage companies globally. Our performance saw further improvement, with our percentile rising to 96th percentile from 95th percentile in 2022 (Score date: February 2024).

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 (ThaiBev).



Scan the QR code to view the full versions of our AR and SR 2024

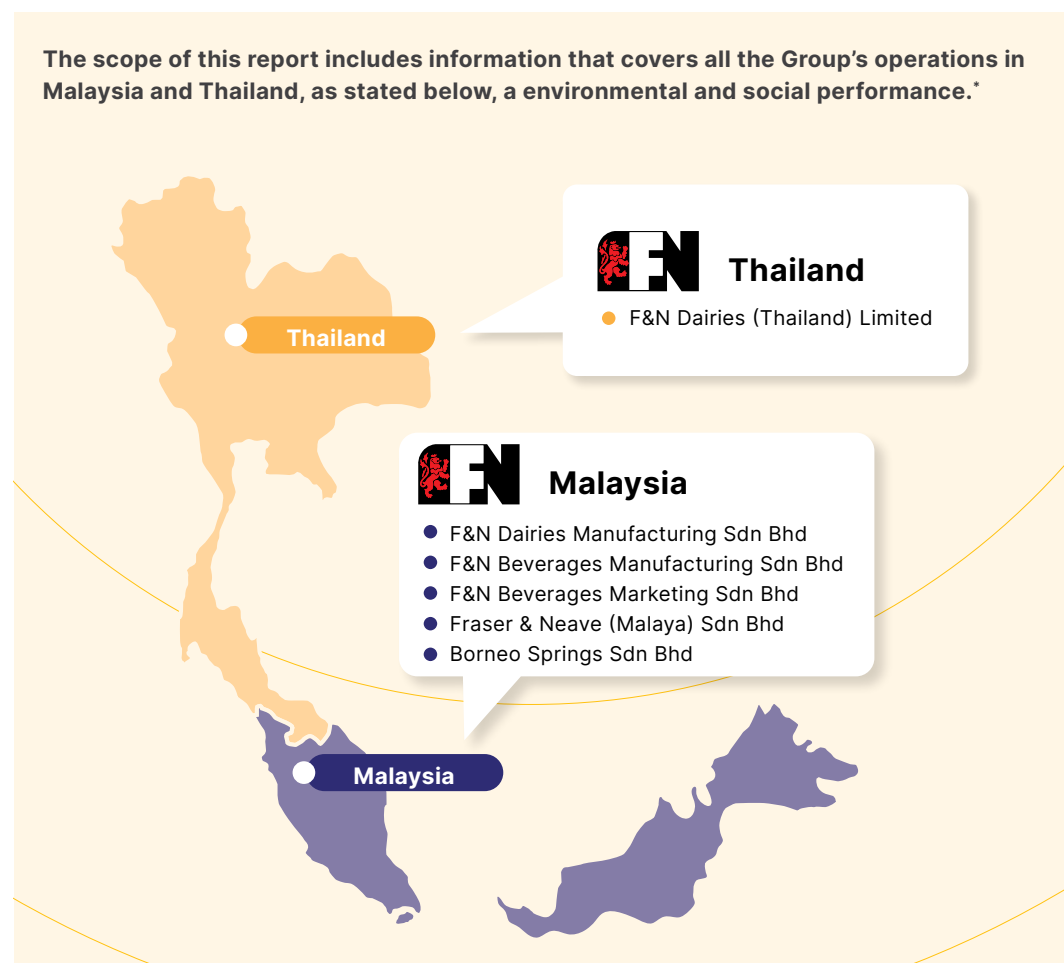


REPORTING SCOPE

BOUNDARY AND SCOPE OF THIS REPORT

F&NHB publishes SR annually with the reporting period spanning from 1 October 2023 – 30 September 2024, which is aligned with our financial reporting period. The report is published on 17 December 2024.

The scope of this report covers all the Group's operations in Malaysia and Thailand*. The entities within the reporting scope provide their sustainability performance across all our material topics including environmental and social performance. The operations listed in this Report are also considered for our annual reporting. Our sustainability data is collected through a single approach across our operations and are given equal weightage during consolidation.



* Environmental and social performance data from the newly acquired packaged food business will be included in subsequent reports from FY2025.

EXTERNAL ASSURANCE

Our policy ensures that the reporting of non-financial information aligns with the latest international standards and protocols available during our financial year. We are committed to reporting reliable data and continuously strive to improve the quality of non-financial disclosures.

To maintain the accuracy and credibility of our sustainability data, we obtained external assurance. This process, approved by the F&NHB Board Sustainability & Risk Management Committee (SRMC), involves obtaining external assurance from LRQA, an independent, globally recognised assurance provider. The scope and results of the external assurance are reported at the respective F&NHB Board SRMC and Sustainable Development Committee (SDC) meetings to ensure full transparency and accountability.

LRQA's independent status is assured by both legislation and professional ethics and guided by their internal guidelines. For FY2024, LRQA conducted a limited external assurance on selected Health, Safety and Environment (HSE) disclosures. The assurance was carried out in accordance with the International Standard on Assurance Engagements 3000, relying on the professional judgement and expertise of the verifier. The assurance engagement covered F&NHB's operations and activities in Malaysia and Thailand. The results of the external assurance are reported at the Board SRMC meetings, ensuring the Board remains updated of the assurance status and outcomes.

Read about LRQA's assurance statement on pages 131 to 132 of this Report.

POINT OF CONTACT

We highly value and appreciate all feedback that helps us enhance the relevance and quality of our Reports to better meet the needs of our stakeholders. Any questions pertaining to our sustainability initiatives or reporting, or comments and feedback, can be directed 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



MATERIALITY ASSESSMENT APPROACH

Our material topics are closely aligned with our sustainability strategy and related goals for 2025. Both our material topics and materiality matrix are reviewed annually to reflect updates in the sustainability landscape, regulatory requirements and the evolving needs of our stakeholders. Based on the previous assessment conducted in 2023, we performed a high-level materiality assessment for this year. This process involved desktop research on key trends related to our material topics, and interviewing internal stakeholders comprised of senior management team.

Since 2020, we have been working with an external independent consultant to review and update our materiality matrix, through a three-stage process:



MATERIALITY ASSESSMENT APPROACH

“Packaging” and “Nutrition” continued to be top priorities, particularly for our customers and consumers, offering opportunities for creating positive business impact. Meanwhile, “Climate Change,” “Energy,” “Governance & Ethics,” and “Policy & Regulations” are constantly significant to external stakeholders, reflecting their potential impact on our business.

Upon the conclusion of our 2025 goals, we will undertake a comprehensive materiality assessment to refine our understanding of emerging issues and evolving stakeholder expectations, enabling us to adapt and enhance our focus to creating value for our stakeholders.

F&N MATERIALITY MATRIX



Material Matters

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

Navigation icons: list, search, website, up, down

MATERIALITY ASSESSMENT APPROACH


BETTER BUSINESS

Material Issues of F&N	Opportunities for F&N If issue is addressed	Potential Risks for F&N If issue is not addressed
GOVERNANCE & ETHICS <i>Business policies and practices to ensure ethical, transparent, and responsible governance.</i>	<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"> Failure to establish transparent and robust governance represents a risk to our reputation
POLICY & REGULATIONS <i>Regulatory compliance across our operations and engaging with policymakers in a responsible and transparent manner.</i>	<ul style="list-style-type: none"> Engaging with regulators allows F&N to prepare for emerging legislation and ensure compliance Reduced operational costs 	<ul style="list-style-type: none"> Unpreparedness towards adherence to new regulations is a risk Reputational risk due to absence of transparent and robust policies
ECONOMIC PERFORMANCE <i>Financial performance to deliver shareholder value and secure long-term viability of the company.</i>	<ul style="list-style-type: none"> Long-term value for all stakeholders through sustainable financial performance 	<ul style="list-style-type: none"> Hinder F&N's business continuity
PRODUCT QUALITY & SAFETY <i>Delivering products to consumers which meet the highest quality and safety standards.</i>	<ul style="list-style-type: none"> Delivery of F&N brand commitment to consumers through product excellence Retention and increase in market share through product range expansion and diversified portfolio 	<ul style="list-style-type: none"> Reputational risk and customer claims arising from an interrupted supply chain or compromised packaging outside the factory Specific regulatory changes that may affect product recipe and/or packaging
PRODUCT & SERVICE LABELLING <i>Labelling our products and services in a responsible and transparent way for consumers.</i>	<ul style="list-style-type: none"> Meet regulatory requirements Meet consumer expectations relating to product and ingredient communication 	<ul style="list-style-type: none"> Inability to satisfy stakeholder expectations on transparency of product information
INNOVATION <i>Building competitive advantage through innovative products and solutions to meet consumer and societal needs.</i>	<ul style="list-style-type: none"> Respond to customer and consumer demands and stay relevant Embrace emerging and disruptive technologies increases competitive edge 	<ul style="list-style-type: none"> Balancing between risk of consumer non-acceptance and vulnerability of being outpaced by competitors
SUPPLY CHAIN STEWARDSHIP <i>Procurement policies, contractor management and supplier relationships which address material issues across the value chain.</i>	<ul style="list-style-type: none"> Enhanced vendors' efficiency and sustainability performance, ensuring compliance with food safety standards Achieve cost savings through stronger collaboration Implementation of robust policies and systems to ensure competitive pricing and safeguard vendors from corruption and unethical practices 	<ul style="list-style-type: none"> Expose F&N's supply chain to various ESG risks (e.g. human rights, product quality); unethical practice can lead to regulatory violations, monetary fines and reputational risk Disruption to operations Price fluctuation as a result of global economic performance and vulnerability to foreign exchange exposure



MATERIALITY ASSESSMENT APPROACH

BETTER SOCIETY

Material Issues of F&N	Opportunities for F&N If issue is addressed	Potential Risks for F&N If issue is not addressed
<p>NUTRITION <i>Helping consumers' lead healthy lives by developing nutritious and accessible products.</i></p>	<ul style="list-style-type: none"> • Avenue for innovation to align with customer and consumer expectations • Shift in product portfolio towards healthier choices that contribute to consumer well-being 	<ul style="list-style-type: none"> • Regulatory risks (e.g. sugar tax) from the markets we operate in; focusing on Nutrition helps mitigate this
<p>COMMUNITY DEVELOPMENT & INCLUSIVE GROWTH <i>Supporting economic development and creating positive social impact for communities connected to our business activities.</i></p>	<ul style="list-style-type: none"> • Investment in communities supports national social and economic development and ensures F&N's parallel growth with society • Collaboration with communities to reinforce our relationships, our credibility and presence 	<ul style="list-style-type: none"> • Absence of community programmes and initiatives impacts our reputation as a corporate citizen and impacts employee morale • Inadequate equilibrium between social, economic and environmental requirements results in financial implications
<p>HUMAN RIGHTS <i>Upholding strong human rights practices in our operations and supply chain.</i></p>	<ul style="list-style-type: none"> • Taking proactive measures to recognise and address human rights risks in F&N operations and supply chain ensures a safe workforce • Reduced inequalities (e.g. gender inequality) • Improved productivity and resource efficiency 	<ul style="list-style-type: none"> • Human rights violations in operations and supply chain lead to regulatory risks, monetary fines and reputational risk • Disruption to operations • Demotivated and unproductive workforce
<p>HUMAN CAPITAL DEVELOPMENT <i>Attracting, developing, and retaining high-performing employees, creating an inclusive and diverse culture.</i></p>	<ul style="list-style-type: none"> • Skilled and diverse employees enable F&N to deliver our business strategy and uphold competitiveness • Effective training and upskilling programmes contribute to a high-performance culture • Offer employment opportunities for local communities in areas of operation 	<ul style="list-style-type: none"> • Challenge in attracting and retaining talent • Adapting to the rapid alterations in skill set requirement within the evolving market
<p>EMPLOYEE SAFETY, HEALTH & WELL-BEING <i>Improving and maintaining the health, safety and well-being of our employees</i></p>	<ul style="list-style-type: none"> • A healthy and safe workforce increases productivity of F&N's operations • Improvements in talent acquisition and retention • Cultivation of positive employer reputation 	<ul style="list-style-type: none"> • Incidents such as injuries, occupational illnesses, lost days at work, and fatalities can lead to decline of productivity, disrupted business continuity and pose challenges to F&N's license to operate • Financial and reputational risks



MATERIALITY ASSESSMENT APPROACH

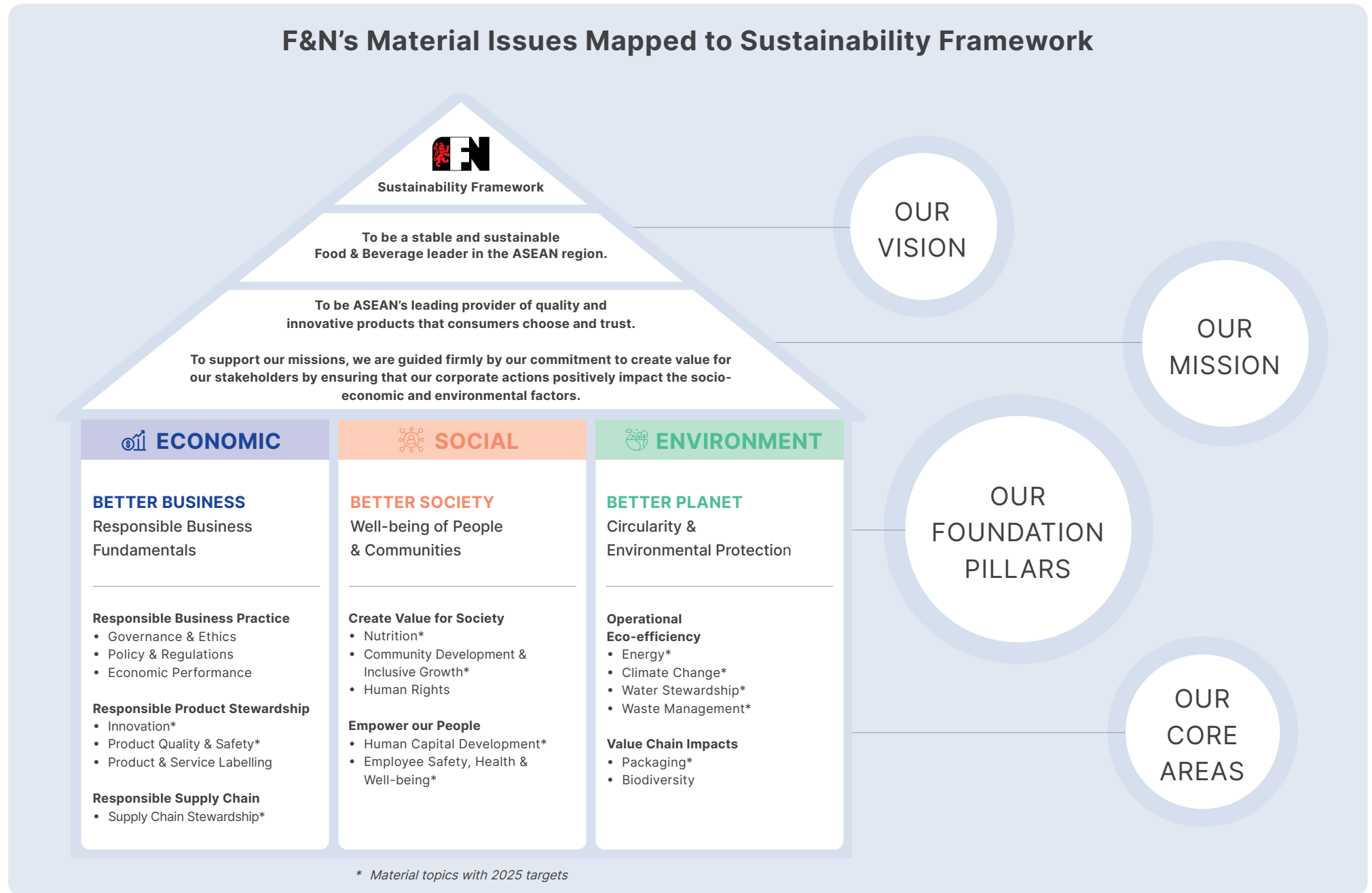
 **BETTER PLANET**

Material Issues of F&N	Opportunities for F&N If issue is addressed	Potential Risks for F&N If issue is not addressed
PACKAGING <i>Developing sustainable packaging solutions to reduce the impact of packaging on the environment.</i>	<ul style="list-style-type: none"> Meeting customer and consumer demands for products packaged sustainably uplifts reputation Improve resource efficiency in packaging Reduce dependence on virgin materials, resulting in cost savings 	<ul style="list-style-type: none"> Failure to meet stakeholders' expectations in packaging management results in reputational risks Risk of competitors taking lead and securing market shares
ENERGY <i>Minimising GHG emissions and energy use in our operations in line with global climate goals.</i>	<ul style="list-style-type: none"> Minimised energy use and emissions enables F&N to reduce costs Pre-empt future regulation (e.g. carbon tax) Conform to targets set by governments and customers 	<ul style="list-style-type: none"> Pressure from public resulting in reputational risks Increase in operational expenses due to stricter regulations and alterations in energy sourcing
CLIMATE CHANGE <i>Adapting our business model to ensure resiliency to climate-related risks.</i>	<ul style="list-style-type: none"> Meet growing expectations of investors and regulators by assessing 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 addressing climate change poses reputational risks
WATER STEWARDSHIP <i>Protecting and preserving shared water resources.</i>	<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"> Water insecurity will have a direct impact on F&N operations and business as water is a key material resource Regulatory risks around water as an important national resource
WASTE MANAGEMENT <i>Minimising waste and safely disposing of hazardous materials.</i>	<ul style="list-style-type: none"> Reducing and reusing waste supports operational efficiency, which leads to cost savings Inculcate sustainable practices and values in employees and communities through the 3Rs: Reduce, Reuse and Recycle 	<ul style="list-style-type: none"> Failure to meet stakeholders' expectations in managing our waste impact pose reputational risks
BIODIVERSITY <i>Sourcing raw materials responsibly, protecting biodiversity and eliminating deforestation from our supply chain.</i>	<ul style="list-style-type: none"> Mitigate reputational risks of negative environmental practices, particularly in our supply chain Create a sustainable business operation without exploitative processes 	<ul style="list-style-type: none"> Failure to meet stakeholders' expectations in protecting the natural environment and biodiversity



SUSTAINABILITY FRAMEWORK

The 18 material issues are mapped onto seven core areas of our Sustainability Framework, aligning our business and sustainability goals to more effectively create value for each issue.



2025 TARGETS & FOCUS AREAS

In 2020, we set ambitious sustainability performance targets for 2025, focusing on addressing our 12 highest-priority material issues. These strategic goals serve as the foundation for driving F&N's sustainability efforts, underscoring our commitment to creating meaningful, long-term value for our stakeholders.

As we approach the culmination of these 2025 targets, we prepare to evaluate our progress and align with the broader ESG targets set by our parent company, ThaiBev. This will ensure that our sustainability journey continues to evolve, further embedding responsible practices into our operations and amplifying positive impact across our value chain.

Legend: ● Achieved ● On track ● Work-in-progress ● Unmet

Material Issue	2025 Target	2024 Progress	
Product Quality & Safety	Achieve 100% of our plants and production processes certified with the Food Safety System Certification scheme 22000 (FSSC22000 scheme) and Halal Standard (or equivalent)	100% of our plants and production processes are certified with Halal Standards. 63% of our plants and production processes are certified with FSSC22000 scheme. In FY2024, our Kuching plant obtained the FSSC22000 certification.	●
Innovation	Achieve 10% product innovation for commercialised F&N products from 2020 baseline [^]	7% product innovation for commercialised F&N products.	●
Supply Chain Stewardship	100% of our active key suppliers to accept and comply with F&N's Supplier Code of Practice	99.7% 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 [^] comply with the Nutritional Guidelines	67% of our beverage and dairy products are endorsed with Healthier Choice Logo (HCL).	●
Community Development & Inclusive Growth	Increase the number of annual community programmes to 11	12 community programmes conducted this year, compared to 10 programmes in FY2020.	●
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	Conducted 34 training hours per employee in the executive category and 12 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 LTIFR was 0.67, with 4 lost time injury cases.	●
Energy	Reduce the Group's energy intensity ratio at our plants by 8% from a 2020 baseline	Group energy intensity ratio has improved by 0.1% to 867.74 (FY2020 baseline at 868.56).*	●
Climate Change	Reduce the Group's GHG emissions intensity ratio at our plants by 8% from a 2020 baseline	Group GHG intensity ratio has improved by 4%, now standing at 0.0635, (FY2020 baseline at 0.0661).*	●
Water Stewardship	Reduce the Group's water intensity ratio at our plants by 8% from a 2020 baseline	Group water intensity ratio has increased by 3% to 2.37 (FY2020 baseline at 2.29).*	●
Waste Management	Reduce the solid waste sent to landfill by 30% from a 2020 baseline	Our total solid waste sent to landfill reduced by 54% to 545 metric tonne (MT) (FY2020 baseline at 1,122 MT), attributed to various initiatives in managing waste.	●
Product Packaging	Increase the recycled content in our beverage and dairy packaging to 25%	We have achieved an average recycled content in our packaging at 25% this year.	●

* Performance in these areas has been influenced by operational expansions, including a new plant in Thailand and additional production and packaging lines across our Malaysian facilities, all of which increased water and energy demands. However, excluding the impact of these expansions, we are progressing well compared to our 2020 baseline under business-as-usual conditions. Our commitment remains firm as we work to achieve each of our sustainability goals.

Please refer to respective sections for more information.

ALIGNMENT TO THE UN SDGs

Through our sustainability framework and targets, our business contributes to the United Nations (UN) Sustainable Development Goals (SDGs), particularly towards SDG 2, 8, 9, 12 and 13. Our business also contributes to SDG 1, 3, 4, 5, 6, 7, 10, 15, 16 and 17.

Our business contribution to the specific SDG targets is summarised across our material topics:

F&N Alignment with SDG Targets																
Material Issues	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS	
Governance & Ethics										10.2 10.3		13.2		16.5 16.6		
Policy & Regulations			3.9											16.5 16.6		
Economic Performance								8.1 8.2	9.2							
Product Quality & Safety		2.1	3.4													
Product & Service Labelling			3.4								12.3 12.8					
Innovation		2.1 2.2	3.4			6.4	7.3	8.1 8.2	9.4		12.5					
Supply Chain Stewardship		2.3 2.4				6.A		8.1 8.2 8.7 8.8	9.2 9.4		12.2		15.2 15.5		17.16	

SDGs	Targets Most Relevant to F&N, In Summary						
● 1.4	Provide access to basic services for vulnerable groups						
● 2.1	Improve access to safe and nutritious food	2.2	Improve nutrition for society	2.3	Improve productivity and incomes of small-scale food producers	2.4	Promote sustainable food production and resilient agricultural practices
● 3.4	Promote mental health and well-being through prevention	3.8	Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	3.9	Reduce deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination		
● 4.1	Equal access to free equitable education at primary and secondary education	4.4	Promote relevant skills development	4.7	Promote sustainable development education and global citizenship	4.B	Expand higher education scholarships for developing countries
● 5.5	Provide women full and effective participation and equal opportunities for leadership						
● 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		

ALIGNMENT TO THE UN SDGs

Material Issues	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
Nutrition		2.1 2.2	3.4												
Community Development & Inclusive Growth	1.4	2.2	3.4	4.1 4.7 4.B				8.6		10.2	12.8				
Human Rights								8.6 8.7 8.8		10.2 10.3					
Human Capital Development				4.4 4.7	5.5			8.2							
Employee Safety, Health & Well-being			3.4 3.8					8.7 8.8							
Energy & Climate Change							7.2 7.3	8.2 8.4	9.2 9.4		12.2	13.2			17.16
Water Stewardship			3.9			6.3 6.4 6.a		8.2 8.4	9.2 9.4		12.2				17.16
Waste Management								8.2 8.4	9.2 9.4		12.2 12.5				
Packaging		2.1									12.2 12.3 12.5				
Biodiversity													15.5		

SDGs	Targets Most Relevant to F&N, In Summary	
7.2	Increase use of renewable energy	7.3 Improve energy efficiency
8.1	Sustain economic growth	8.6 Promote youth employment, in education and training
8.2	Diversify, innovate and upgrade for economic productivity	8.7 End modern slavery, trafficking, and child labour
8.4	Improve resource efficiency in consumption and production	8.8 Protect labour rights and promote safe working environments
9.2	Promote inclusive and sustainable industrialisation, raise share of employment in manufacturing	9.4 Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes
10.2	Empower and promote social and economic inclusion	10.3 Equal opportunity and reduce inequalities by eliminating discriminatory policies and practices and promoting appropriate policies
12.2	Sustainable management and use of natural resources	12.5 Substantial reduction waste generation
12.3	Reduce food waste at production, supply chain, and retail and consumer levels	12.8 Promote and provide information about sustainable lifestyles
13.2	Integrate climate change measure into policies, strategies and planning	
15.2	Promote sustainable forest management and reduce ecosystem degradation	15.5 Reduce degradation of natural habitats, halt the loss of biodiversity and, protect and prevent the extinction of threatened species
16.5	Reduce corruption and bribery	16.6 Effective, accountable and transparent institutions
17.16	Multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources, to support the achievement of the SDGs	



TCFD & CLIMATE RISK MANAGEMENT UPDATES

Climate change urgently requires F&N to transform its operations to manage both physical risks from natural hazards that could potentially disrupt operations and supply chain, and transition risks from the decarbonisation of the economy.


By proactively assessing and managing these material climate-related risks, we can create business opportunities while protecting stakeholders' interests.


F&N is committed to exploring effective sustainable pathways to reduce its carbon emissions and support the Paris Agreement's target of limiting the global temperature rise to 1.5°C from 2°C above preindustrial levels.


Since FY2022, F&N had embarked on a journey to understand the potential climate-related risks and opportunities for its businesses by conducting scenario analysis for short-, medium-, and long-term time horizons.

This is the third year we have disclosed our climate-related impacts in alignment with TCFD recommendations, including a TCFD Content Index available in page 140 of this Report. F&N has voluntarily provided climate reporting disclosures based on the recommendations of the TCFD, a year ahead of the timeline stipulated by Bursa Malaysia. We have undertaken activities to strengthen our understanding and management of material climate-related risks.

Some of the activities include:

- 

Quantify and analyse the potential financial impacts of Flooding and Water Scarcity on F&N's key financial metrics
- 

Quantify the potential financial impacts of Carbon Pricing on F&N's future operating expenditure
- 

Prepare the development of a decarbonisation roadmap for Scope 1 and 2 GHG emissions at a Group-level

We will further enhance our understanding of climate-related risks and opportunities. The ongoing assessments will shape a revised F&N Group climate strategy, integrated into our business processes.

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



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- Menu (three horizontal lines)
- Search (magnifying glass)
- Website (www icon)
- Up arrow
- Down arrow

TCFD & CLIMATE RISK MANAGEMENT UPDATES

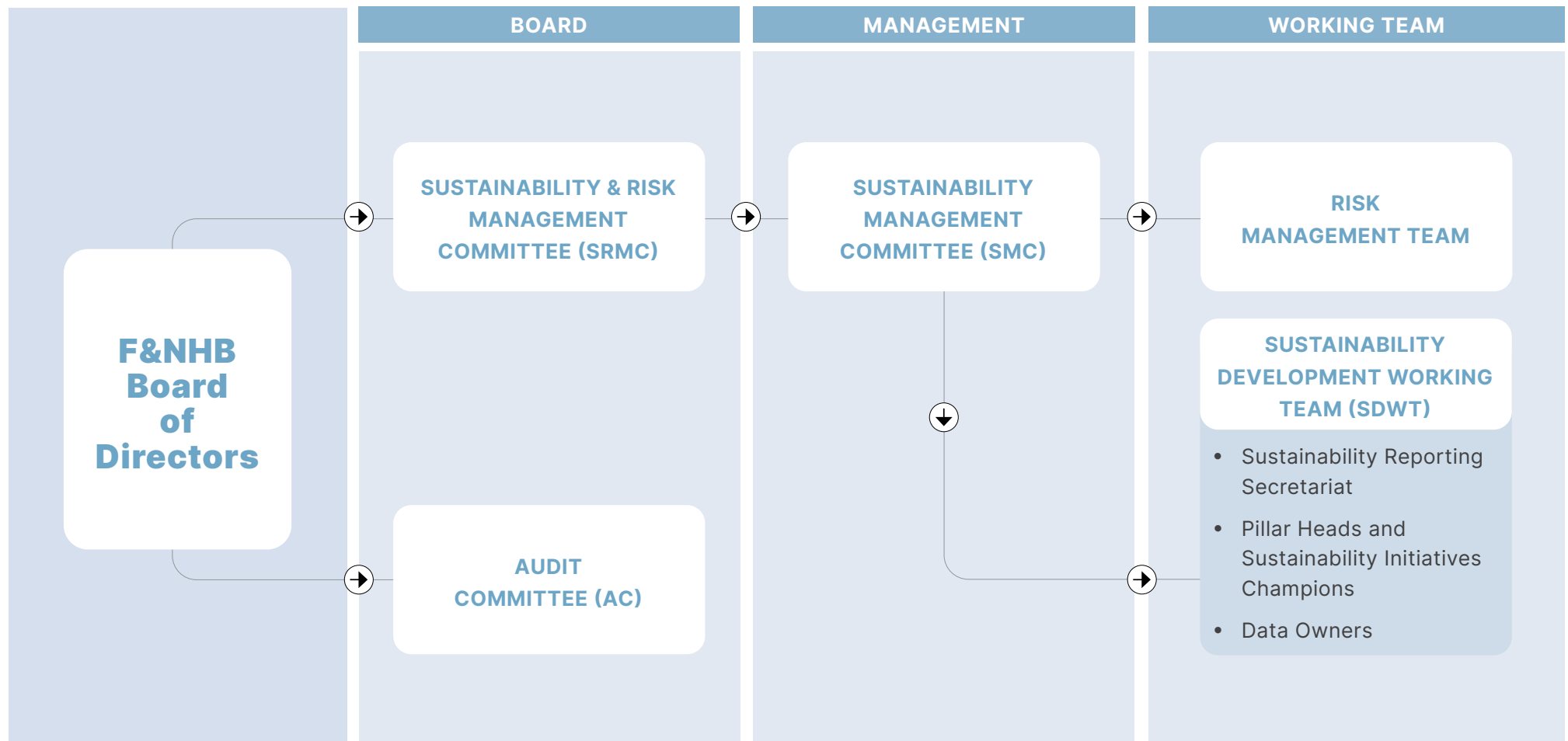
GOVERNANCE

Recognising F&N's roles and responsibilities in driving climate action and the shift to a low-carbon economy and society, climate-related responsibilities are integrated into our governance structure across the Board of Directors (Board), Board Committees, Sustainability-related Committees and working teams.

The Board oversees management performance, sets corporate strategy, and ensures stakeholder interests are considered. The Board SRMC provides oversight to the Board and guidance to the working groups on implementing of climate-related initiatives.

To ensure accountability, F&N links management and employee performance to the F&N Group sustainability targets related to environment, energy and water stewardship, with 5% of their incentives linked to their sustainability-related performance.

A structure of these dedicated roles and responsibilities of the Board of Directors, Board-level committees, and management functions are described as below:



TCFD & CLIMATE RISK MANAGEMENT UPDATES

F&N CLIMATE GOVERNANCE

F&N Governance Functions	Climate-Related Roles & Responsibilities	Meeting Frequency
Board of Directors	<ul style="list-style-type: none"> Oversees material sustainability-related topics, including environmental and climate-related risks and opportunities, as part of F&N Group's overall strategy planning and risk management. Approves F&N climate-related goals, targets, strategy and management's plans, according to the risk appetite and risk tolerance of the Group, in pursuit of its strategic objectives. Approves sustainability report which includes climate-related disclosures and metrics. 	Quarterly basis
Board Committee: Sustainability & Risk Management Committee (SRMC)	<ul style="list-style-type: none"> Supports the Board in monitoring and reviewing key sustainability and climate-related risks and opportunities and provides strategic direction in managing aforementioned risks as part of the Group's Enterprise Risk Management (ERM) framework. Ensures sustainability and climate-related risks and opportunities are escalated and considered at the Board level. Guides the development of risk and sustainability frameworks, policies, and guidelines to ensure that sustainability and climate-related issues, are effectively managed and integrated into business operations and corporate objectives. Endorses sustainability report which includes climate-related disclosures and metrics. 	Quarterly basis
Board Committee: Audit Committee (AC)	<ul style="list-style-type: none"> Assists the Board in reviewing and monitoring the integrity of the Group's sustainability and climate reporting process, the system of internal controls, audit process and compliance with applicable legal and regulatory requirements. Reviews key risks and recommendations from the Board SRMC, including sustainability and climate-related matters, and advise the Board annually. 	Quarterly basis
Sustainability Management Committee (SMC)	<ul style="list-style-type: none"> Headed by the CEO, the F&NHB SMC translates the overall direction into specific policies and goals for functions. The SMC team works in alignment with at the F&N Group level, headed by the CEO, F&N Group. Identify and evaluate material ESG topics - including climate-related risks and opportunities, and the progress of climate-related risk mitigation measures. Review and validate climate scenario analysis, risk assessment and disclosure in alignment with TCFD framework and make recommendations to Board SRMC. Monitor, track and report progress of the Group's sustainability and climate-related strategies, initiatives, and targets to the Board SRMC. 	Monthly
Sustainability Development Working Team (SDWT)	<ul style="list-style-type: none"> Consist of cross-functional representatives from each Business Unit who take on the role of Sustainability Reporting Secretariat, Pillar Heads and Sustainability Initiative Champions, and/or Data Owners. Develop sustainability and climate-related projects and initiatives under the five pillars of F&N Climate Strategy (e.g. energy efficiency, renewable energy, carbon reduction, route planning and exposure to climate change risks). Engage internal and external stakeholders to drive the implementation of sustainability and climate-related strategy at an operational level. Collate and analyse primary inputs from Data Owners of respective operational units to track progress towards the Group's sustainability and climate-related goals; and prepare periodic reports to F&N Group's SDC and F&NHB SRMC. 	Ad-hoc
Risk Management Team	<ul style="list-style-type: none"> Risk discussion with internal and external stakeholders as part of the risk management system. 	Quarterly basis

TCFD & CLIMATE RISK MANAGEMENT UPDATES

STRATEGY

The adverse effects of climate change continue to challenge F&N business as the risks from transition to a low-carbon economy and shifting climate patterns intensify. However, these challenges also bring opportunities for cost savings and alignment with customer expectations.

Understanding the material climate-related risks and their financial impacts on our business enables the Group to build resilience into our business model. F&N's Energy & Climate strategy will focus on strengthening climate resilience through effective mitigation measures as we transition to a low-carbon economy and implementing climate adaptation measures to reduce the impacts of climate change on our operations.

F&N is committed to reduce GHG emissions by adopting renewable energy and implementing energy efficiency measures. We aim to meet the expectations of our stakeholders by transforming our strategy into action plans according to our "Better Planet" theme.

► *Identifying and Assessing our Climate-Related Risks & Opportunities with Scenario Analysis*

In 2022, F&N started with a preliminary qualitative assessment to identify potential climate-related risks and opportunities for its business. And since 2023, we have expanded our understanding of the key material climate-related risks by quantitatively assessing the potential financial impacts to our business in a forward-looking way.

Built upon the qualitative assessment of the climate-related risks and opportunities undertaken in 2022, our evaluation was expanded to include the quantification of the potential business and financial impacts of the key climate-related risks that were identified as material to the Group. F&N conducted a group-wide quantitative scenario analysis for selected drivers, including two physical risks (water scarcity and flooding), one transition risk (carbon pricing) and one transition opportunity (increased availability of low-carbon technologies). As recommended by TCFD, the use of scenario analysis is a forward-looking tool that enhances strategic thinking through exploring the alternative pathways that the world may take, leading to different global temperature outcomes.

TIME HORIZONS

We recognise climate-related issues can arise over short-, medium- to long-term time horizons. We have selected 2030 and 2050 as key time horizons to reflect potential future business impacts, aligning with the most ambitious net-zero target set in countries where we operate.

Transition and Physical Climate Change Time Horizons

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

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

The outcomes from the quantitative assessment enable the Group to re-define its business strategy to ensure resilience to climate-related risks and leverage on climate-related opportunities. The Group seeks to enhance the management of these key climate-related risks by considering the range of possible financial impacts and embedding climate initiatives into F&N's Energy & Climate strategy.



TCFD & CLIMATE RISK MANAGEMENT UPDATES

CLIMATE SCENARIOS

Two sets of climate scenarios were used to evaluate the possible business impacts from climate-related risks. The climate scenarios used in the quantitative modelling of transition risks are referenced from the International Energy Agency (IEA) World Energy Outlook 2023 (WEO) Report, as outlined in below table. The physical impacts of the changing climate on F&N’s business had been modelled using climate scenarios

from the latest Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) as summarised in below table. The selected scenarios for transition risk assessment are aligned with the recommendations of TCFD to minimally consider a scenario in which the global temperature increase is limited to a 2.0°C rise above the pre-industrial levels by 2100.

Climate Scenarios for Transition Risks

Time Horizons	Low-carbon Pathway	Business-as-usual Pathway
Description	Global temperature increases of <2.0°C by 2100	Global temperature increases between 2.7-3.3°C by 2100
IEA Scenario Name	Announced Pledges Scenario (APS)	Stated Policies (STEPS)
Key Assumptions	Assumes all climate commitments, including nationally determined contributions (NDCs) and long-term net-zero targets, determined in time. In 2100, the global median temperature rise is projected to be “below 2°C”, in line with the goal of the Paris Agreement.	A high emissions business-as-usual global warming scenario which considers existing climate policies without implementation of additional policies.

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

The SSP1-2.6 scenario signifies the alignment with the upper boundaries of the combined Paris Agreement pledges from all the participating countries. The high-carbon pathway as defined by SSP5-8.5, assumes no additional climate policy will be enacted. This scenario was included to stress test the resilience of the business that may be challenged by severe outcomes of the key physical risks.

Climate Scenarios for Physical Risks

	Baseline	Low-carbon Emission Pathway	High Carbon Emission (business-as-usual) Pathway
Description	Scenario based on the historical data of climate change on F&N assets	Temperature increases of 1.8°C by 2100	Temperature increases of 4.4°C by 2100
IEA Scenario Name	N. A.	SSP1-2.6 ^[Note]	SSP5-8.5
Key Assumptions	The present-day risk of exposure for F&N’s key assets to selected material natural hazards, with consideration of their respective geographical locations.	A low emissions scenario which keeps global warming below 2°C by 2100. It aligns to current commitments under the Paris Agreement.	A high emissions scenario assuming no additional climate policy and seeing CO ₂ emissions triple by 2100.

Note:
 F&N used SSP2-4.5 as the low-carbon emission pathway in the 2022 qualitative risk assessment as we believed it was a more realistic scenario for the geographies of our operation given the climate policy landscape back then. However, SSP2-4.5 was replaced by SSP1-2.6 in the 2023 quantitative risk assessment considering the increasingly ambitious climate action that the region has taken to align with the Paris Agreement goals as well as the mainstream of using SSP1-2.6 as the low-carbon emission pathway by many companies across the world.

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

TCFD & CLIMATE RISK MANAGEMENT UPDATES

TRANSITION RISKS & OPPORTUNITIES

The magnitude of impacts from the transition to a low-carbon economy vary according to the geographical location and type of industry an organisation belongs to.

In 2022, F&N identified the key transition risks and opportunities through engagement with key internal stakeholders from Finance, Risk and Insurance, Strategy and Sustainability, and Manufacturing teams across the F&N Group. Transition risks and opportunities were evaluated according to the four categories, as recommended by TCFD, such as policy and legal, technology, market, and reputation.

In 2023 and 2024, F&N conducted a quantitative assessment of financial impacts arising from the most material transition risk (such as carbon pricing) and the most promising transition opportunity (such as increased availability of low-carbon technologies). The assessment was enabled by the scenario analysis technique as recommended by TCFD, which provides a forward-looking view of the potential increase in operating costs from carbon pricing regulations and the potential cost savings due to an increasing adoption of renewable electricity as the most commonly available and effective low-carbon technology for F&N's manufacturing sites in all the countries of operation.

Financial Impact of Transition Risk & Opportunities

To manage the varying levels of climate ambitions in countries which F&N operates in, the scenario data applied (such as carbon prices, power generation mix, levelised cost of electricity, and grid electricity prices) in the quantitative model were referenced from the WEO 2023 report published by the IEA and the Network for Greening the Financial System (NGFS) Phase 4 database.

Summary of Two Material Transition Risks & Opportunities

RISK	Risk Opportunity Carbon Pricing Increased Availability Of Low-carbon Technologies (e.g. increasing use of renewable electricity)	
Carbon Pricing		
Description	Carbon pricing is being considered in Malaysia and Thailand, and has implemented carbon taxes for selected sectors. Carbon pricing could increase and/or be enforced in the short-term to medium-term in these geographies where F&N operates.	Renewable electricity is the most commonly available and effective low-carbon technology for F&N in all the countries of operation. IEA data suggests that renewable electricity can become cost competitive against grid electricity (which is partially fed by fossil fuel sources) in the future as renewables become more available.
Business Implications	<ul style="list-style-type: none"> Gradual increase in operating costs over time. 	<ul style="list-style-type: none"> Increase in capital costs for self-owned solar installations in the short run. Decrease in operating costs in the medium to long run due to savings of energy costs thanks to lower levelised costs of electricity from renewable sources (mainly solar energy in the context of Southeast Asia) compared to that of grid electricity (which is not 100% renewable).
Potential Financial Impacts	Carbon pricing will have potential incremental impact up to 2.2% of Group's annual operating profit in 2030 under the low-carbon scenario.	Reduction in operating costs through savings from renewable solar energy will have a potential contribution of up to 4.8% of Group's annual operating profit in 2030 under the low-carbon scenario.
Methodology	Using Scope 1 and Scope 2 GHG emissions of F&N to project future GHG emissions of the business, with inputs using IEA carbon prices for the emerging market with net zero pledges.	Using F&N's expected electricity consumption, with inputs from IEA's projections of power generation mix, levelised cost of electricity for solar energy, and NGFS's data on grid electricity prices. Further adjustments were made based on F&N's actual electricity costs.
Management Response	<ul style="list-style-type: none"> In the short run, F&N will continue to monitor developments pertaining to carbon pricing in the key jurisdictions of our operation. Most sites have invested in on-site solar energy, increasing use of renewable energy and will continue to expand renewable energy investments. Focus on energy efficiency of operations and tracking our GHG emissions against our emission reduction targets. 	<ul style="list-style-type: none"> F&N has invested or planned to invest in rooftop solar systems at most of our manufacturing sites. Moving forward, F&N will continue to explore other renewable energy procurement options, prioritising those that ensure an actual reduction in GHG emissions (e.g. direct power purchase agreement)



TCFD & CLIMATE RISK MANAGEMENT UPDATES

► Carbon Pricing

To align with the Paris Agreement's objective of limiting global temperature rise to well below 2°C, while striving for a more ambitious target of 1.5°C, we are implementing carbon pricing to internalise the external costs associated with GHG emissions.

In 2024, we introduced an internal carbon pricing (ICP) mechanism to evaluate the impact of carbon on our business activities. Moving forward, all new capital expenditure (CAPEX) decisions will integrate environmental considerations, reflecting our commitment to achieving net-zero.

The maturity of carbon pricing regimes varies across the countries where F&N operates. In Thailand, the feasibility of a voluntary emissions trading scheme that includes the food sector is being tested, while Malaysia launched its voluntary carbon market in March 2023. These developments may have potential implications for our operations in the medium to long term, extending towards 2050.

Our quantitative assessment indicates that the estimated costs associated with carbon pricing will account for approximately 2.2% of our projected annual trading profit in 2030 under the low-carbon scenario. We view this as manageable, as F&N is already taking proactive steps to minimise GHG emissions, such as investing in solar panel installation. As we continue to reduce our emissions, the impact of carbon pricing is expected to be gradually mitigated.

► Increase Availability of Low-carbon Technologies

Over the years, F&N had explored alternative operating solutions that emit lower GHG emissions. Investments were made in energy efficiency systems which reduces the energy intensity and GHG emissions. To reduce its Scope 2 GHG emissions, the Group increased its deployment of renewable energy, specifically solar PV systems at most of its plants in Malaysia and Thailand. There are plans to explore more solar PV deployment at the remaining plants, where applicable.

In the meantime, F&N is also exploring other renewable energy procurement options. In Malaysia, a small amount of renewable electricity has been purchased through power purchase agreements. However, expanding the procurement of renewable electricity remains to be a challenge in these countries as the supply of renewables and available transaction models are limited.

Assuming that governments manage to boost the share of solar energy in total power generation mix as projected by IEA, and that F&N is able to tap into the renewable electricity market; the results of the quantitative assessment suggest that the estimated operating cost savings incurred from the use of renewable electricity (compared to the case of using 100% grid electricity) would account for approximately 4.8% of the

Group's projected annual trading profit in 2030 under the APS low-carbon scenario. This would outweigh the incremental operating costs due to carbon pricing regulations, leading to a positive net benefit to F&N's financial performance.

RESILIENCE TOWARDS TRANSITION RISKS

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

Over the medium-term, F&N seeks to evaluate the potential financial impact of other climate-related risks and opportunities identified as material to the business. These include evaluation of the financial impacts from rising customer demand for sustainably produced products. F&N aims to allocate further investment in the manufacturing of sustainably produced items. To this end, F&N had begun launching low-carbon products including plant-based products and products certified with carbon footprint labels, such as Thailand Greenhouse Gas Management Organisation (TGO)'s Carbon Footprint Reduction Label.

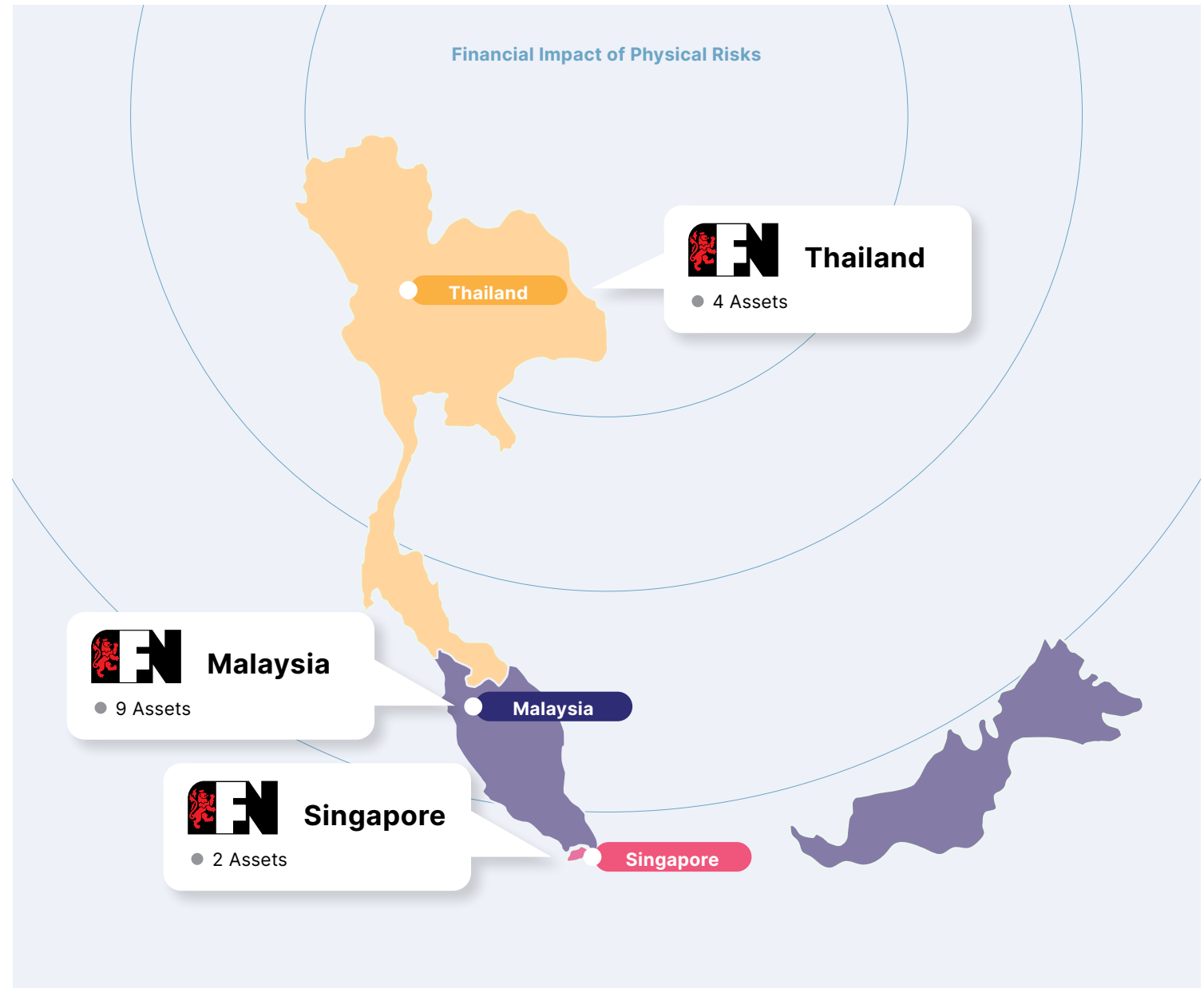


TCFD & CLIMATE RISK MANAGEMENT UPDATES

PHYSICAL CLIMATE CHANGE RISKS

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



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



The quantitative model projected potential impact to assets and revenue under various scenarios. It incorporated current levels of physical risks based on historical data and future projections adapted from IPCC's climate scenarios for the Asia Pacific region, including both business-as-usual and high carbon emissions pathway.

TCFD & CLIMATE RISK MANAGEMENT UPDATES

Summary of Material Physical Risks

Risk	Water Scarcity 	Flooding (Coastal, River & Extreme Rainfall) 
Description	Considering the nature of F&N business as a F&B organisation, water availability is critical. Water scarcity occurs with depleting supply to meet demands. This could be exacerbated by the increase in global average temperature.	On a global level, climate projections indicate an increasing trend in sea level rise and extreme rainfall under future climate change scenarios. This may lead to increased risk of flooding, which can damage equipment or other assets and cause disruptions to our operations.
Business Implications	<ul style="list-style-type: none"> • Increase operating cost due to an increase in water tariffs; • Decrease potential revenue from business disruption • Minimal impact expected by 2030 in the countries where F&N operates. 	<ul style="list-style-type: none"> • Increase cost for assets damage and repair; • Decrease potential revenue and profits due to business disruptions
Financial Impacts	Minimal impact expected by 2030 in the countries where F&N operates.	The actual damage from the flash floods in Malaysia in December 2021 was approximately 5% of the Group's operating profit. This was inclusive of inventories and property damage, repairs and other related costs. The damage was recovered from insurance.
Methodology	Using water stress data from World Resources Institute (WRI), climate trend data, and academic research, while factoring in the internal information from F&N such as annual revenue, the annual water usage volume, and the level of adaptation measures.	Internal information from F&N such as replacement value, net insurance coverage, annual revenue, and the level of adaptation measures were plotted against flood projections (e.g. flood depth) from Fathom, coupled with the assumptions based on the research by European Union Joint Research Centre (EU JRC) and the Federal Emergency Management Agency of the United States.
Management Response	<ul style="list-style-type: none"> • Regularly review water risk at our key sites through WRI. • Optimise water circularity for sustainable water management, improving water efficiency against our water intensity target. • Expand water storage systems, as necessary. 	<p>Our efforts to mitigate the risk impact include:</p> <ul style="list-style-type: none"> • Key sites are equipped with physical infrastructure mitigation (e.g. flood barriers, pumps, or other drainage solutions) and supported by administrative controls (e.g. emergency response plans). • New assets are raised a minimum height from the surroundings. • Insure our assets appropriately. • Continue to strengthen flooding assessment and mitigation measures.



TCFD & CLIMATE RISK MANAGEMENT UPDATES

▶ *Water Scarcity*

Water is essential in F&N's manufacturing facilities, particularly the beverage manufacturing sites which are in water-stressed areas. Factors such as population growth, economic development and climate change could result in demand for clean water exceeding the depleting supply, leading to water scarcity. The impact of rising global temperature also exacerbates water scarcity, limiting the availability of clean water.

The Group's revenue, water usage and level of adaptation measures at the respective sites were assessed in the quantitative modelling. This set of internal information was augmented with a scientific database that was widely acknowledged, such as World Resources Institute (WRI) Aqueduct, to project the potential days of business disruptions, and days with increased water tariffs, as a measure by the respective authorities to manage water scarcity. Using the water risk indicators from the latest WRI Aqueduct 4.0 version, F&N expects minimal financial impact from water scarcity across all the key operating facilities by 2030 under both climate scenarios.

▶ *Flooding (Coastal, River & Rainfall)*

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

The latest scientific assessment of climate change projected that changes in the drivers of climate change will see an increase in the frequency and magnitude of extreme rainfall and the different flooding events across the different climate scenarios. The sites located near riversides or lakesides are expected to face a higher risk of riverine flooding, and those in the low-lying coastal areas would have a higher probability of coastal flooding.

In December 2021, F&N experienced flash floods in Malaysia, which had resulted in damage of inventories and property. The damaged stocks and assets, repairs and other related costs were approximately 5% of the Group's FY2022 operating profits but was mitigated by insurance. Other measures, such as flood barriers, pumps, or other drainage solutions, are installed within F&N's key operating sites. The Group will continue to review measures to increase resilience against the impacts from extreme weather conditions across our key operating sites.

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

RESILIENCE TOWARDS PHYSICAL RISKS

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

In FY2024, F&N introduced an internal carbon price of SGD 35 per MT CO₂e, when evaluating new major capital investment decisions. Considering the impact of ICP as part of our evaluation of major CAPEX decisions will guide our business decisions and facilitate our preparation for future climate-related transitions.



TCFD & CLIMATE RISK MANAGEMENT UPDATES

RISK MANAGEMENT

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

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

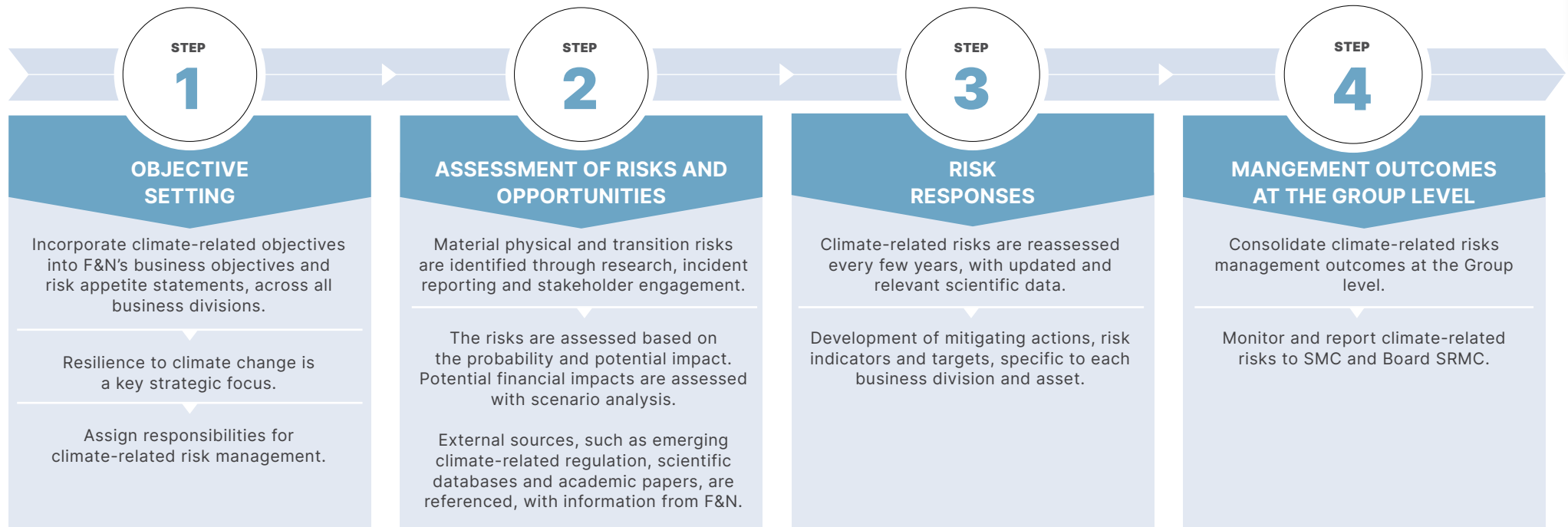
F&N aims to mitigate its potential risk exposure through appropriate risk management strategies by integrating relevant sustainability-related controls into its annual business

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

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

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

CLIMATE RISK MANAGEMENT PROCESS INTEGRATED INTO F&N ERM



TCFD & CLIMATE RISK MANAGEMENT UPDATES

METRICS & TARGETS

F&N is committed to mitigating material climate-related risks and leveraging on opportunities. It has since established climate-related targets for 2025 and relevant metrics for tracking progress. Group level environmental targets set, such as reducing Scope 1 and 2 GHG emissions, energy and water intensities, are disclosed over the past years. The relevant climate-related metrics and targets are mapped to the corresponding identified climate-related risks and opportunities. By continuous monitoring and reporting of climate-related metrics and targets, F&N seeks to identify areas of improvement so as to advance its climate resilience journey.



Refer to "Performance Summary", on pages 127 to 128 of this Report.

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

Metric	F&N's Climate Risk & Opportunity											
	2025 Targets (FY2020 Baseline)	Progress (FY2024)	Carbon Pricing	Low-carbon Refrigerant	Water Tariff	Low-carbon Land Transport	Sustainability Ink	Low-carbon Technology	Reduction of Virgin Packaging	Demand for Sustainably Produced Products	Reputation	Physical Risks
Group's GHG Emissions Intensity at Plants	8% reduction	-4%	✓	✓			✓	✓			✓	
Group's Energy Intensity at Plants	8% reduction	+0.3%	✓					✓			✓	
Group's Water Intensity at Plants	8% reduction	+2%			✓						✓	✓
Average Recycled Content In Beverage and Dairy Packaging	25% recycled content	25%							✓	✓	✓	

NEXT STEPS

Following the initial efforts to estimate the potential financial impacts of climate-related transition and physical risks on our business in FY2024, F&N will continue to refine its climate scenario analysis and expand its climate-related disclosures.

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

PARTNERSHIPS, MEMBERSHIPS & CERTIFICATIONS

In today's world, where collective action is critical for addressing complex environmental and societal challenges, F&NHB prioritises active management and assessment of its impact on the planet and society.

We align with sustainability guidelines, principles, and standards, including the UN SDGs, GRI, and IIRC, and collaborate with international organisations. We are a member of the RSPO, SASPO, and SEDEX.

In Malaysia, F&NHB co-founded Malaysian Recycling Alliance (MAREA), a voluntary initiative aiming to enhance the collection and recycling of packaging focusing on Extended Producer Responsibility (EPR). To-date, MAREA has piloted seven recyclable collection projects by partnering with local councils in Ampang Jaya, Kuala Selangor, Kuala Lumpur and Kuching, and recyclers to promote waste separation at source and facilitate recycling collection.

As a member of CEO Action Network (CAN), we are actively involved in its capacity-building initiative that facilitates peer sharing on topics such as National Energy Transition Roadmap, ISSB & Effective ESG Reporting and ESG Finance.

Our journey towards sustainability excellence was acknowledged through different prestigious awards received in Malaysia.



THE EDGE MALAYSIA ESG AWARDS 2023

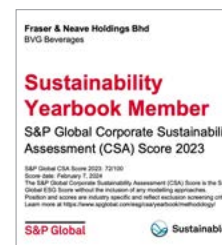
Gold Award in Consumer Products and Services for second consecutive year



NATIONAL CORPORATE GORVERNANCE & SUSTAINABILITY AWARDS (NACGSA) 2024

Top 50 Excellence Award

F&N participated in external sustainability ratings to communicate our commitment to our stakeholders, and to identify strengths and opportunities to improve our sustainability performance.



S&P GLOBAL ESG SCORE 2023

In 2024, we have been selected as a member of the Sustainability Yearbook 2024 by S&P Global, ranking among the top five Beverage companies globally. Our performance saw further improvement, with our percentile rising to 96th percentile from 95th percentile in 2022 (Score date: February 2024).

FTSE4GOOD RATING 2024

We are one of the 120 constituents of the F4GBM for the sixth year running, as the Top 1% within our global FTSE Industry Classification Benchmark Supersector. We remain as one of the 95 constituents of the F4GBMS Index for the fourth year.



FTSE4Good



WORKING WITH OUR STAKEHOLDERS

F&N's stakeholders include individuals or groups affected by or are interested in our activities. Maintaining strong relationships based on trust and respect is fundamental to our business, helping us assess and mitigate potential impacts effectively.

We identify stakeholder groups based on their level of interest or influence on our business, tailoring our engagement approach accordingly. Below is a summary of our approach for different stakeholder groups, and we remain open to feedback beyond the engagements.

	Engagement Channels	Key Concerns	How F&N Creates Value for this Stakeholder	Relevant Sections
S&I Investment Community	<ul style="list-style-type: none"> • General meetings of Shareholders (Annual General Meeting) • Regular face-to-face meetings & conference calls • Office/ plant visits, as and when required • Investor days/briefing • Annual reports 	<ul style="list-style-type: none"> • Transparent & accurate disclosure • Return on investment • Financial & operational performance 	<ul style="list-style-type: none"> • Managing resources effectively to maximise profits • Maintaining a strong balance sheet 	<ul style="list-style-type: none"> • Governance & Ethics • Economic Performance
Emp Employees	<ul style="list-style-type: none"> • Biennial employee engagement survey • CEO town hall • Annual company dinner • Festive gatherings • Sports tournaments • Teambuilding programme • iConnect (intranet), monthly email news highlights, digital TV & Fraserians Connect App (mobile app) • F&N Voice WhatsApp channel • Dialogues with unions 	<ul style="list-style-type: none"> • Compensation & benefits • Learning & development opportunities • Senior leadership • Rewards & recognition • Health & safety at work 	<ul style="list-style-type: none"> • Career advancement & ability to reach individual potential • Boosting earning potential of employees with training & development • Strict hygiene practices & sanitary environment in the workplace 	<ul style="list-style-type: none"> • Human Capital • Employee Safety, Health & Well-being • Human Rights
D&T Distributors & Trade Customers	<ul style="list-style-type: none"> • Annual customer meetings • Annual factory visits • Annual business planning • Regular business development activities • Joint supply chain meetings • Quarterly business reviews • Customer appreciation events 	<ul style="list-style-type: none"> • Supply chain disruptions • Reduced raw materials yield • Latest consumer trends • Product innovation • Customer relationship management • Shopper loyalty programmes • Business ethics • Efficient delivery systems 	<ul style="list-style-type: none"> • Partnering with retailers on shared opportunities • Job creation for our distributors • Supporting livelihoods of SMEs in Thailand, Laos & Cambodia 	<ul style="list-style-type: none"> • Innovation • Nutrition • Product Quality & Safety • Product & Service Labelling
Con Consumers	<ul style="list-style-type: none"> • Marketing & sales promotions • Advertising • Ongoing social media interactions • Onground events & activities • Dedicated consumer hotline 	<ul style="list-style-type: none"> • Product quality & safety • Consumer health & safety • Fair & reasonable product pricing • Social & community engagement • Environmental-friendly packaging 	<ul style="list-style-type: none"> • Launching innovative products • Fulfilling consumers' demand for safe & quality products • Providing accessible products through an extensive distribution network coverage 	<ul style="list-style-type: none"> • Innovation • Nutrition • Product Quality & Safety • Product & Service Labelling



WORKING WITH OUR STAKEHOLDERS

	Engagement Channels	Key Concerns	How F&N Creates Value for this Stakeholder	Relevant Sections
<p>Com</p> <p>Communities</p>	<ul style="list-style-type: none"> • Collaborations & partnerships • Outreach programmes • Meetings/dialogues with community representatives • Leadership programmes • Sponsorship for sports programmes • Donation of F&B to the community 	<ul style="list-style-type: none"> • Social & environmental responsibility • Job opportunities for locals • Promotion of good health & quality of life • Skill development in sports & leadership • Stimulating local economies 	<ul style="list-style-type: none"> • Social investment in community projects • Advocating active lifestyles via sports events & activities • Supporting beneficiaries from vulnerable communities 	<ul style="list-style-type: none"> • Community Development & Inclusive Growth • Human Rights
<p>Reg</p> <p>Regulators</p>	<ul style="list-style-type: none"> • Active collaborations such as Federation of Malaysian Manufacturers and MAREA • Meetings with government agencies and statutory bodies • Collaboration & partnerships with local councils 	<ul style="list-style-type: none"> • Good governance • Fair labour practices • Safety at work • Compliance with laws & regulations • Effectiveness of new or revised policies • Water & waste management • Environmental-friendly labelling & packaging • Greenhouse gas emissions 	<ul style="list-style-type: none"> • Compliance with regulation to mitigate against systemic risks • Adhering to sustainable practices to protect stakeholders • Participation in public or sector consultation by regulators • Actively collaborate & exchange knowledge within industry 	<ul style="list-style-type: none"> • Policy & Regulations
<p>Sup</p> <p>Suppliers</p>	<ul style="list-style-type: none"> • Supplier meetings • Tender Management System • Annual supplier assessment review and audit • F&N Business Partner Award Programme 	<ul style="list-style-type: none"> • Fair & robust procurement system • Support of local businesses • Social & environmental responsibility • Ethics - anti-bribery & corruption 	<ul style="list-style-type: none"> • Working with local suppliers • Partnering with suppliers on shared opportunities • Extend our Environmental, Safety & Health Policy to our suppliers 	<ul style="list-style-type: none"> • Supply Chain Stewardship • Biodiversity



F&N's responsible business fundamentals ensure that it is operating in a manner that considers the best interest of the business and its stakeholders, while weighing social, environmental and financial value creation impacts.



Responsible Business Fundamentals

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

Contribution to SDGs

Primary



Secondary



RESPONSIBLE BUSINESS PRACTICE

Our responsible business practice principles are integrated into every aspect of our business, and we ensure that our governance policies and ethical standards are communicated with our stakeholders in a transparent manner.

In this chapter, we elaborate on how we practice responsible business practice in the areas of:

Governance & Ethics

Policy & Regulations

Economic Performance



GOVERNANCE & ETHICS

GRI 205-1, GRI 205-2, GRI 205-3



Why It is Important

We integrate sustainability considerations, including environmental and social factors, into the core of our business strategic formulation, embedding them with our governance structure, decision-making processes and risk management frameworks. The Board has ultimate oversight on all our material sustainability issues, ensuring that decisions are aligned with long-term value creation and resilience. Guided by sustainability principles, the Board actively incorporates these factors into the company's strategic planning, fostering a forward-looking approach that balances financial performance with sustainable growth and societal impact.




Our Approach

At the Board level committee, the Board Sustainability & Risk Management Committee (SRMC) is responsible for steering the Group's ongoing sustainability efforts – approving all strategic initiatives and policies related to sustainability in F&N and ensuring sustainability-related risks and opportunities are considered at the highest level. The Board SRMC meets quarterly and receives updates on the Group's sustainability agenda.

The Board SRMC works closely with the Audit Committee, responsible for reviewing and ensuring integrity of the Group's reporting, audit and internal control system, while adhering to legal and regulatory requirements.

Headed by the Chief Executive Officer (CEO), the SMC supports the overall responsibilities of the Board SRMC by monitoring and reporting the progress of F&N's sustainability projects, policies, and goals. The SMC is supported by the SDWT which consists of cross-functional representatives responsible for monitoring the performance of designated goals, driving initiatives at an operational level, and gathering data for reporting.

F&NHB Sustainability & Risk Management Committee (SRMC)

 Madam Tan Fong Sang Chairman	 Mr. Kosit Suksingha Member
 Dato' Ng Wan Peng Member	 Mr. Michael Chye Hin Fah Member

F&NHB Sustainability Management Committee (SMC)

 Lim Yew Hoe <i>Chief Executive Officer</i>	 David Hoong Cheong Wai <i>Senior Director, Human Capital</i>
 Tiong Yean Yau <i>Chief Financial Officer</i>	 Ng Eng Cheang <i>Commercial Advisor (Foods & East Malaysia and Brunei)</i>
 Suchit Riewcharoon <i>Managing Director, Dairies Thailand</i>	 Karen Tan Chui Chui** <i>Director, Communications, Corporate Affairs & Sustainability</i>
 Jordan Ng Boon Leong <i>Managing Director, Beverages & Dairies (Peninsular Malaysia) (Effective 1st July 2024)</i>	 Kelleigh Foo Chooi Kian <i>Director, Malaysia Operations (Food) and Risk Management</i>
 Dato' Raffiq Md Ariff <i>Managing Director, Foods & Industry Engagement</i>	 Timothy Ooi Aik Tuan <i>Director, Group Legal Counsel & Company Secretary</i>
 Dr. Yap Peng Kang* <i>Managing Director, Agriculture & Dairy Farm</i>	 Waradej Patpitak* <i>Director, Manufacturing & Supply Chain, Dairies Thailand</i>

* F&N Group SDC

** F&N Group Sustainability Reporting Secretariat



For further information on Sustainability Development & Risk Management Governance Structure, refer to "TCFD & Climate Risk Management Updates", on page 30 of this Report.



GOVERNANCE & ETHICS

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:

Sustainability metrics are weighted at 15% of the annual variable compensation plan.	SOCIAL	Employee Safety, Health & Well-being, Human Capital Development
	ENVIRONMENT	Energy, Water Stewardship

F&NHB is also an apolitical company that does not contribute to any political party or activity. We fulfil our duty to the government by paying tax based on our annual income. We have policies and procedures in place to guide our tax management and ensure compliance with the applicable standards, laws, and regulations in the countries in which we operate. These tax related policies and practices are reviewed by Management annually.

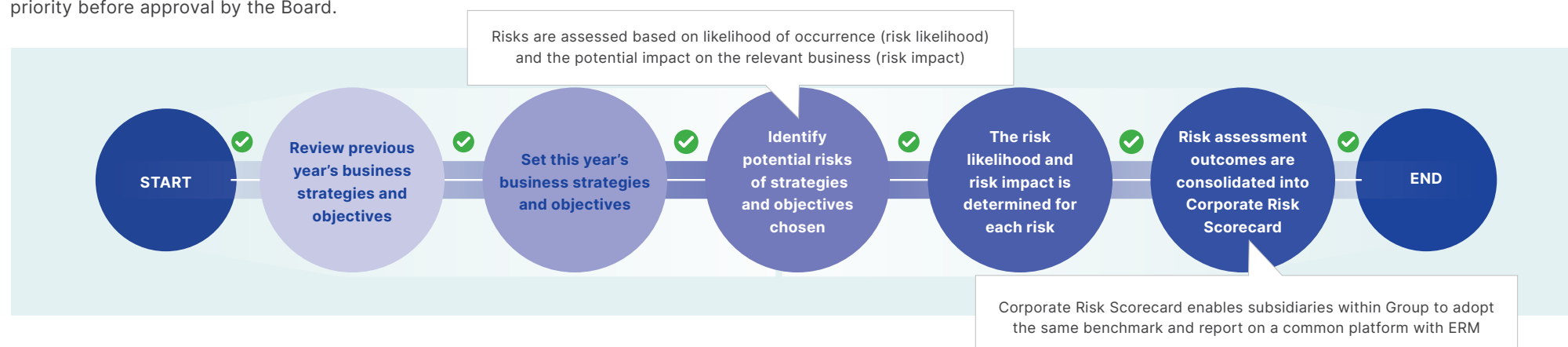


Scan the QR code to read Our Tax Strategy.

RISK MANAGEMENT

Each business division is supported by a dedicated risk coordinator responsible for conducting comprehensive risk analyses with management, compiling and submitting reports to the division heads, and providing briefings on risk policies and practices to both executives and operational employees. Risk appetite and risk tolerance statements are reviewed by the Board SRMC annually, ensuring they are aligned with evolving business priority before approval by the Board.

Risk identification and assessment are systematically carried out through the ERM process based on our ERM Policy, which evaluates the likelihood and potential impact of risks on key business objectives. The results of these assessments are consolidated into a Corporate Risk Scorecard, providing a holistic view of the organisation's risk landscape and enabling proactive management of potential threats to business performance.



To ensure the adequacy and effectiveness of our risk management and internal controls system, the Board receives assurance annually from the CEO and Chief Financial Officer (CFO). The Board is also made aware of concerns surrounding potential or actual negative ESG impacts raised by internal and external stakeholders. Notably, during the current reporting period, no such concerns were recorded.

Our risk management framework plays a critical role in guiding strategic decisions for the financial year, addressing a comprehensive range of risk categories. These include:

- (a) business operational risks
- (b) material sustainability-related risks and opportunities
- (c) new and emerging risks that could affect the company's mid-term or long-term performance.

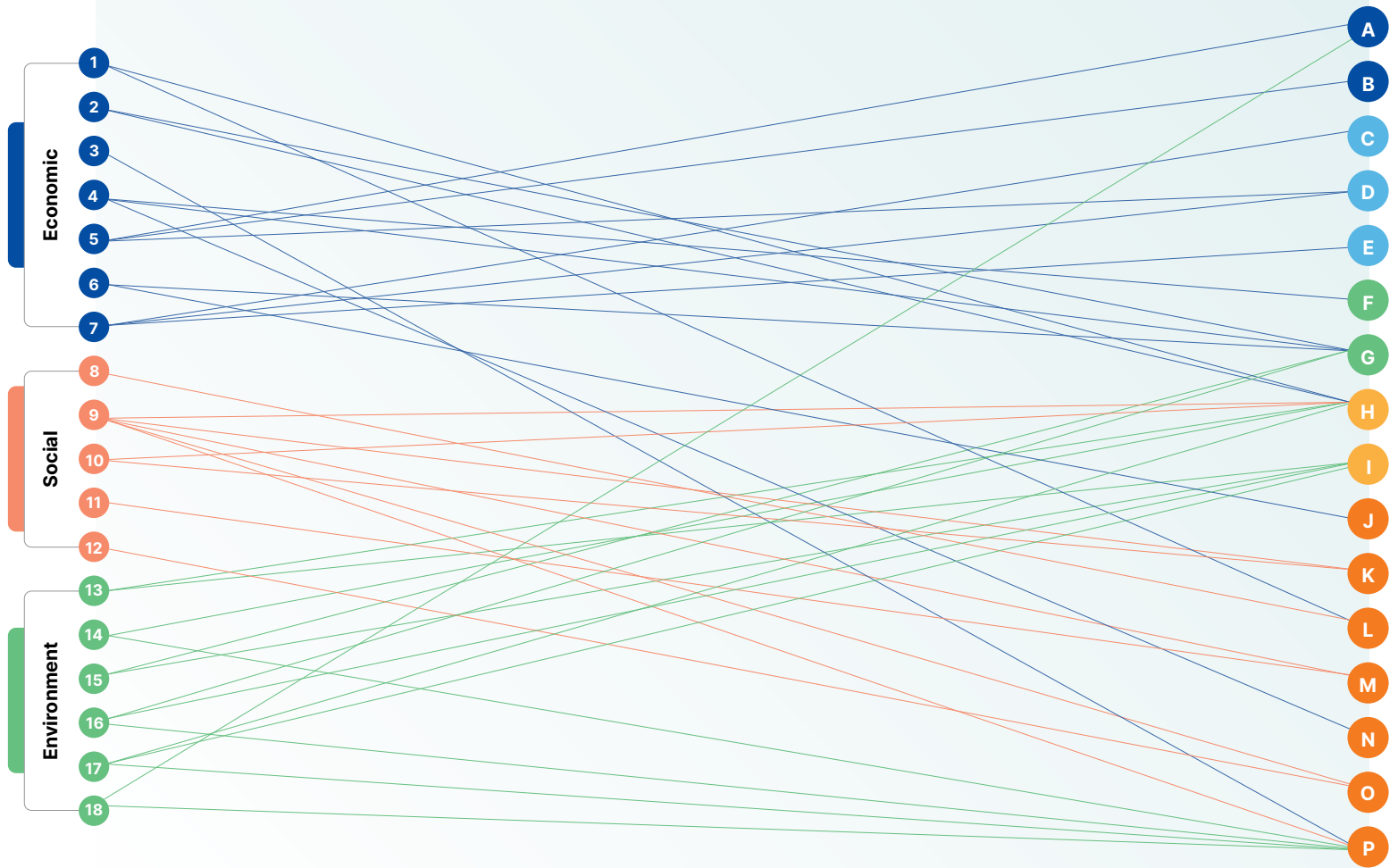
This year, we conducted a cross-departmental Business Continuity Management (BCM) simulation exercise to strengthen our preparedness for potential disruptions. Our team effectively managed various crisis scenarios covering a range of potential risks, including supply chain interruptions, workforce injuries, and cybersecurity threats, among others.

GOVERNANCE & ETHICS

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

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

Our Progress

F&N's governance system is underpinned by a robust set of policies and frameworks to ensure relevant controls and processes are constantly in place across the Group. Our commitment to ethical business practices is reinforced by our support for the UN Guiding Principles on Business and Human Rights, International Labour Organisation (ILO) guidelines, Thailand's Labour Protection Act and Malaysia's Employment (Amendment) Act 2022. These global and national guidelines, alongside legal requirements are integrated into our internal policies, which are communicated through our corporate website, internal mobile app (Fraserians Connect App), intranet, training sessions and new employee on-boarding sessions.

F&NHB is supported by these policies

Better Business	Better Society	Better Planet
Anti-Bribery & Anti-Corruption Policy	Corporate Donation & Sponsorship Policy*	Energy Management Policy
Code of Business Ethics & Conduct*	ESH Policy*	ESH Policy*
COBP & SCOP*	Human Rights Policy*	
Digital & Social Media Policy	Prohibiting Sexual Harassment Policy*	
Enterprise-wide Risk Management Policy		
Food Safety & Quality Policy		
Fraud Control Policy*		
Halal Policy*		
Procurement Policy		
Whistleblowing Policy*		



Scan the QR code to read our publicly-available policies.

The F&N Code of Business Ethics & Conduct embodies our principles of integrity, respect and excellence. Every employee is required to acknowledge the Code of Business Ethics & Conduct annually and declare any conflicts of interest to ensure full transparency and adherence to ethical standards.

We have established robust mechanisms for both internal and external parties to raise concerns on our business conduct. All reports received are treated confidentially and are thoroughly investigated through internal channels of communication. Any violation of Code can be reported via these mechanisms, managed internally by F&N:

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

As part of our ongoing commitment to maintaining a culture of integrity and accountability, we conducted mandatory online training for all executives, covering key areas such as whistleblowing, business continuity management, Code of Conduct, bribery prevention, fraud prevention, and business ethics and integrity. Nearly 100% of our employees successfully completed these mandatory training sessions. Additionally, training on ISSB Sustainability Disclosures is required for all directors and senior management, ensuring they are well-informed about sustainability-related practices.

IMPACT STORY

To strengthen our cybersecurity resilience, we have established a comprehensive roadmap encompassing employee training, targeted phishing & crisis simulations, proactive risk assessments, and robust technological safeguards. All employees undergo regular cybersecurity trainings, including mandatory IT security modules, specialised training for new hires, policy briefings, and ongoing security campaigns to heighten awareness and vigilance across organisation. Our technical defences include ongoing penetration testing, frequent patch of security vulnerabilities, and a strict security checklist to uphold compliance across all deployments. Additionally, we embrace modular, microservice-based architectures for enhanced system agility and scalability, and employ multi-cloud deployments to strategically diversify risk in a rapidly evolving digital landscape.

Performance

GRI 205-1 Operations assessed for risks related to corruption	All our operations have been assessed for risks related to corruption.
GRI 205-2 Communication and training about anti-corruption policies and procedures	30% of our employees have received training on anti-corruption. 98% of our executives completed the training on anti-corruption.
GRI 205-3 Confirmed incidents of corruption and action taken	In FY2024, there was no incident of corruption.

 **0** substantiated complaints concerning breaches of customer privacy and losses of customer data



POLICY & REGULATIONS

GRI 2-27

Why It is Important

Regulatory compliance is a cornerstone of our operations, and we place significant importance on adhering to the high standards across our operations. In Malaysia, a predominantly Muslim country, ensuring Halal compliance and upholding Halal integrity is equally important. We are committed to safeguarding the trust of our consumers while meeting stringent regulatory and ethical requirements.

Our Approach

To ensure regulatory compliance across our operations, we work closely with regulators in Malaysia and Thailand, such as the Malaysian Ministry of Health (MOH), Ministry of Trade and Industry (MITI) and Ministry of Domestic Trade and Costs of Living (KPDN), Thai Chamber of Commerce, Federation of Thai Industry and Dairy Industry Association on:

Employee Safety, Health & Well-being

Safety is integrated across our operations through the implementation of ESH systems and monitoring processes. Our ESH systems cover all employees, workers and activities, ensuring a safe work environment. We provide sufficient safety training and equip our employees with necessary safety equipment. Our major sites adhere to international standards such as ISO14001 Environmental Management Systems (EMS) and ISO45001 Occupational Health and Safety (OH&S).

Environmental Compliance & Management

Our manufacturing process generates both liquid and solid wastes. In line with our EHS Policy, we enforce strict standards to the quality of our effluent discharges and are working towards improving our solid waste management by embracing the principles of a circular economy.

Product & Service Labelling

F&NHB adheres to the Malaysia Consumer Protection Act: Law of Malaysia, Act 599, Consumer Protection Act 1999 and Malaysian Code of Advertising Practice in Malaysia and the Consumer Protection Act of B.E. 2522 (2019) in Thailand. In Malaysia, F&NHB is a signatory to the "Responsible Advertising to Children" initiative and have pledged to responsible marketing to children under 12 years of age.

Quality Management

All F&N products are produced under stringent international quality and food safety standards; our production facilities undergo rigorous quality control measures. Our plants are certified with Our plants are certified with FSSC22000 scheme, ISO22000 Food Safety Management System, Halal certifications and Hazard Analysis Critical Control Points (HACCP).

Halal Management

As a leading manufacturer of Halal-compliant products, we are committed to upholding Halal integrity throughout our supply chain. To embed the Halalan Toyyiban guidelines and the Halal assurance system requirements into our operations at the Group level, we have adopted a 2-tier Halal management structure:



GROUP HALAL COUNCIL

Established in 2016, this council sets policies and strategies with the support of the Halal Affairs Department which acts as a secretariat to ensure effective implementation across the organisation.



INTERNAL HALAL COMMITTEE

Each site has its own committee responsible for overseeing all matters related to Halal compliance in the supply chain.



F&N is proud to receive halal product certifications from regulatory authorities including the Department of Islamic Development Malaysia (JAKIM) and other relevant Islamic certification authorities, such as Majelis Ulama Indonesia (MUI), and Central Islamic Council of Thailand (CICOT). Our high Halal standards and robust assurance system have additionally earned the Shah Alam, Pulau Indah and Rawang plants Whitelist accreditation from JAKIM, where Halal applications and approvals are expedited.

Malaysian Halal Management System (MHMS) version 2020 is implemented to maintain and ensure the sustainability of the Halal production processes. A pool of qualified Halal Executives is maintained to implement a robust MHMS. Internal Halal Audits are conducted for all of our plants. Our Halal Risk Management plan for all plants is updated to meet the MHMS version 2020.

Additionally, we conduct porcine analysis on our products and ingredients, providing an extra layer of Halal assurance. Any used equipment or machinery purchased for our plants undergoes Shariah sertu cleansing to maintain the Halal integrity of our goods.

To ensure Halal compliance downstream our supply chain, Halal awareness training are conducted for our key transporters and distributors.

- We have conducted Halal audits on all our distributors to ensure Halal compliance.
- Halal audits are also conducted on our distributors to ensure Halal compliance further downstream our supply chain.



POLICY & REGULATIONS

We commit to adhering with the halal standards and requirements by strengthening our Malaysia employees' Halal awareness and understanding through the following initiatives:

REGULAR HALAL AWARENESS & TRAINING PROGRAMME

Organising scheduled training sessions, engaging contests and interactive quizzes designed to deepen Halal knowledge across the organisation

PROFESSIONAL TRAINING FOR EMPLOYEES WITH HALAL RESPONSIBILITIES

Focused on Halal internal audits and assurance processes to enhance competency in Halal management

STRICT PROHIBITION OF NON-HALAL F&B PRODUCTS

Ensuring that all factory premises, including offices and canteens, maintain a halal-compliant environment



Our Progress

To enhance our internal Halal capacity, we have organised a variety of training programmes for all employees in Malaysia, including new joiners, who are required to complete mandatory Halal awareness training, supplemented by an online refresher course every three years. The trainings are delivered in multiple languages, including the native languages of our foreign employees, ensuring comprehensive understanding. In addition to our workforce, we also provide training and conduct audits for our distributors and transporters to ensure that different aspect of our supply chain adheres to Halal compliance.

We facilitate collaborative engagement with Halal authorities such as JAKIM, HDC and various State Islamic Religious Councils. Our active participation in the Federation of Malaysian Manufacturers (FMM) allows us to contribute our insights toward developing Halal-related standards and frameworks, such as the Sertu standards, Malaysian Standard 1514 Good Manufacturing Practice (GMP), and the General Requirements and Guidelines for Halal Industrial Parks.

This year, we continued our partnership with HDC on the Halal Sourcing Partnership Programme, which focuses on building the capacity of SMEs. In April, we participated in the Halal Business Linkage and Business Matching event, a platform organised by HDC to promote partnerships between large local and multinational companies with SMEs. More than 15 SMEs were engaged with the Group as potential vendors during the Business Matching segment. Meanwhile, four SMEs have on-boarded as our vendors and we continue to mentor six SMEs under the Halal Sourcing Partnership Programme in collaboration with HDC.

Read more in "Supply Chain Stewardship", on page 66 of this Report.

Additionally, F&NHB participated in knowledge-sharing forums alongside international industry representatives, government leaders, trade councils, and civil society leaders, including the World Halal Business Forum 2024 and World Halal Business Conference Circuit London 2023. These forums focused on vital topics related to halal and sustainability, further solidifying our commitment to leadership in halal compliance and industry best practices.

Performance	
<p>GRI 2-27 Non-compliance with laws and regulations</p>	<p>In FY2024, there was no incident of non-compliance with laws and regulations resulting in a fine, penalty or warning.</p>



ECONOMIC PERFORMANCE

GRI 201-1



Why It is Important

F&N's business success is fundamentally rooted in our commitment to long-term value creation for our stakeholders. We achieve this by maintaining a strong leadership position in our core markets, leveraging cutting-edge technologies, harnessing the expertise of our employees to adapt to the evolving demands of consumers, and exploring opportunities to enter new markets.

Our Value Creation Business Model is explained in detail on pages 16 to 17 of this Report, emphasising how we generate value through six capitals – Financial, Manufactured, Intellectual, Human, Social and Natural.

For a complete overview of our full economic performance, please refer to our audited financial statements included in our FY2024 Annual Report:

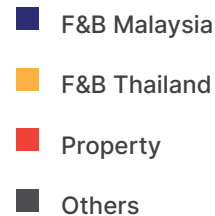
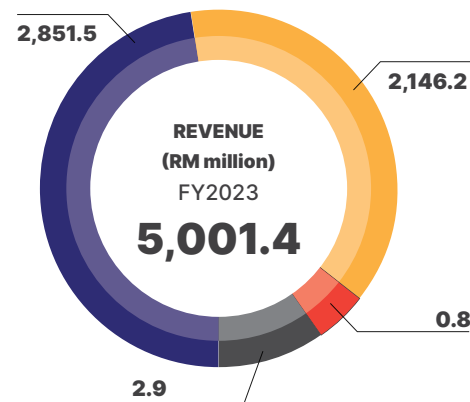
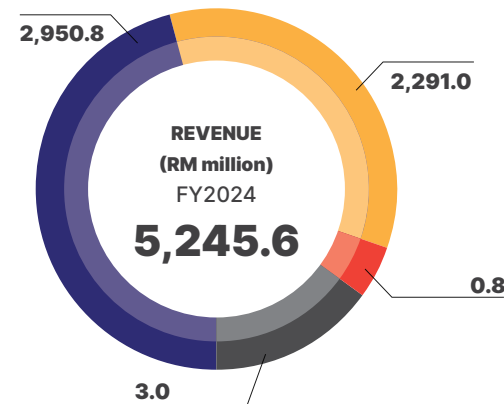


Group Financial Highlights, pages 8 to 9
Group Financial Statements, pages 160 to 275

Performance

GRI 201-1

Direct economic value generated and distributed



OPERATING COSTS

(RM million)



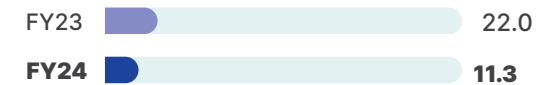
EMPLOYEE BENEFIT EXPENSES⁽ⁱ⁾

(RM million)



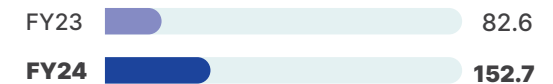
NET FINANCE COSTS

(RM million)



INCOME TAX EXPENSES

(RM million)



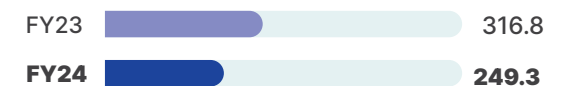
ANNUAL DIVIDENDS

(RM million)



ECONOMIC VALUE RETAINED⁽ⁱⁱ⁾

(RM million)



Notes:

(i) Employee benefit expenses comprise wages, salaries, contributions to state plans, expenses related to defined benefit plans, share-based payment expense and other staff costs.

(ii) Economic value retained is calculated by direct economic value generated (revenue) - economic value distributed (operating costs, employee benefit expenses, net finance costs, income tax expenses and annual dividends).

RESPONSIBLE PRODUCT STEWARDSHIP

We are committed to delivering high-quality, safety-compliant products that meet stringent safety standards, while prioritising the needs of our customers and consumers. Our commitment extends to providing clear product information on our labels and packaging.

In this chapter, we will share more on:

Product Quality & Safety

Product & Service Labelling

Innovation



PRODUCT QUALITY & SAFETY



Why It is Important

Product quality and safety is a fundamental principle embedded in the fabric of F&N's culture. Our over 140-year legacy of success is built on our unwavering commitment to delivering products that have gained confidence among our customers, enhance their satisfaction, and prioritise their well-being. This requires a comprehensive approach to quality and safety throughout our value chain, ensuring that every step—from sourcing and production to distribution and consumer engagement—meets the high standards of excellence.

Our Commitment



Achieve **100%** plants and production processes certified with the FSSC22000 scheme and Halal Standard (or equivalent).

Progress for FY2024

100% of our plants are certified Halal



63% of our plants are certified with the FSSC22000 scheme. Our Kuching Plant has received the FSSC22000 certification this year.



Read more in "Policy & Regulations", on pages 50 to 51 of this Report.

Our Approach

Our production facilities are certified to meet international standards, including the FSSC22000 scheme & ISO22000 Food Safety Management Systems and HACCP. Every stage of our production processes undergoes rigorous quality control procedures and complies with strict standard operating procedures, ensuring all our products are stored and transported under optimal conditions, including appropriate temperature range, lighting, and stress on packages. The Board SRMC conducts quarterly reviews of key risks associated with product quality and safety, ensuring proactive oversight and continuous improvement.

Our operations have obtained local and international product quality and food safety certifications:



MALAYSIA

- FSSC22000 Food Safety Management System
- ISO22000 Food Safety Management System
- GMP
- HACCP
- Halal Certifications (JAKIM + MUI)
- Industry Responsibility of Food Certification Scheme (MeSTI)
- ISO9001:2015 Quality Management System
- ISO/IEC 17025:2017 Accredited Laboratory
- ISO/TS 22002-1:2009 Prerequisite Programme on Food Safety
- Veterinary Health Mark (VHM) Certification
- GB12693:2010 China National Certification & Accreditation (CNCA)
- Supply Chain Certification Standard 2017 • SEDEX – SMETA (4-Pillar)
- McD Supplier Quality Management System (SQMS)



THAILAND

- FSSC22000 Food Safety Management System
- ISO22000 Food Safety Management System
- GMP
- HACCP
- Halal Certification (CICOT)
- ISO/IEC 17025:2017 Accredited Laboratory
- ISO/TS 22002-1:2009 Prerequisite Programme on Food Safety
- Green Industry Level 4
- Supply Chain Certification Standard 2017 • SEDEX – SMETA (4-Pillar)
- TAS 9023-2021 General Principles of Food Hygiene: Good Hygiene Practices
- Official Export Establishment Certificate

Our Progress

All critical suppliers undergo thorough audits, evaluating their adherence to good manufacturing practices, use of protective clothing, implementation of food safety management systems, and chemical management protocols. In FY2024, we recorded zero non-compliances with food safety regulations and standards.

Listening to and acting on our customers' feedback is critical to enhancing the F&N customer experience. We provide multiple channels for consumers to share their feedback, including a toll-free consumer care line, our website, and dedicated email support. This open communication fosters a collaborative relationship with our customers, enabling us to continuously improve and meet their needs effectively.



PRODUCT & SERVICE LABELLING

GRI 417-1, 417-2



Why It is Important

We communicate information about our product quality, nutrition, safety, and disposal methods through our packaging & labelling. Ensuring that our labels are comprehensive, accurate, and clear is important for our consumers to make informed purchasing decisions. By prioritising transparency in our labelling practices, we help our customers understand the value and benefits of our products while promoting responsible consumption and disposal.

Our Approach

Our labelling adheres to the Food Act in Malaysia and all requirements of the Food & Drug Administration (FDA) in Thailand. To ensure accuracy and credibility, all information disclosed on our labels undergoes regular review by internal experts from Research & Development (R&D) teams, and Scientific & Regulatory Affairs (SRA) teams. After thorough scrutiny, labels are submitted to government authorities for verification and endorsement.

F&N is committed to going beyond mandatory labelling requirements by providing comprehensive information on both the front and back of our packaging. The front-of-pack displays essential details, including the calories per serving and the percentage of the Guideline Daily Amounts (GDA) that the calories represent. Meanwhile, the back-of-pack features a Nutrition Information Panel that includes the following three critical elements:

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

The HCL is prominently displayed at the front-of-pack for our products certified as the healthier option in Malaysia and Thailand. Additionally, all our products feature the Halal logo, allowing our Muslim consumers to easily identify suitable products that meet their dietary requirements.

Our Progress

All our carton packaged products carry the Forest Stewardship Council (FSC) certification or Programme for the Endorsement of Forest Certification (PEFC), ensuring they are sourced responsibly from managed forests and other controlled areas where new trees replace those harvested through planting or natural regeneration.

In addition to the nutritional components of our products on the packaging, we have integrated this nutritional data in the Malaysian Food Composition Database, providing our consumers with quick access for our consumers to vital information about their F&B choices.



Scan the QR Code to access the Malaysian Food Composition Database.

We adhere to the Malaysia Consumer Protection Act: Law of Malaysia, Act 599, Consumer Protection Act 1999, Malaysian Code of Advertising Practice in Malaysia, and the Consumer Protection Act of B.E. 2522 (2019) and the FDA's Advertising Guidelines in Thailand, which collectively safeguard consumer rights. As a signatory to the "Responsible Advertising to Children" initiative in Malaysia, we pledged to responsible marketing to children under 12 years of age. Our marketing team works closely with the SRA department to ensure that all nutritional information advertised is accurate.

To reinforce our commitment to ethical marketing practices, all employees and new hires involved in marketing communication undergo comprehensive orientation training on marketing ethics, with annual refresher courses to keep everyone updated on best practices.

Performance	
GRI 417-1 All product categories comply with product labelling requirements	All product categories comply with product labelling requirements as below: <ul style="list-style-type: none"> • The sourcing of components of the product or service • Safe use of the product or service • Content, particularly with regard to substances that might produce and environmental or social impact • Disposal of the product and associated environmental/ social impact • 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 FY2024, 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

Why It is Important

Innovation plays a pivotal role in securing F&N's long-term business success, enabling us to introduce new and unique product offerings while addressing pressing societal and environmental issues.

By prioritising innovation, we reinforce our commitment to sustainability and responsiveness to consumer needs.

Our Commitment



Achieve **10%** product innovation for commercialised F&N products

Progress for FY2024

7% product innovation for commercialised F&N products.

7%

Our Approach

Guided by the principles of a circular economy, we are committed to continuous innovation that not only extends the shelf life of our products but also significantly enhances the recyclability of our packaging. By integrating these principles into our operations, we strive to create a positive environmental impact while meeting the evolving expectations of our consumers.

Our Innovative Framework

↑ PRIORITY AREAS

- Continuous improvement to deliver high-quality innovative products to consumers.
- Introduce new products to expand our target consumer groups.



EXTERNAL COLLABORATIONS

- Collaboration with authorities such as MOH, FMM and Thailand's FDA to adhere to food safety regulations and support national health priorities.
- Collaboration with research institutes to access cutting-edge research and scientific studies to discern the efficacy of our products.



INNOVATION CULTURE

- Development of products based on scientific research, consumer insights and tastes relevant to evolving Asian lifestyles.
- Refinement of products to meet the changing preferences of consumers and ensures consistent delivery the right nutritional values.

Our principal Group R&D unit, located in Singapore, is supported by dedicated R&D teams in Malaysia and Thailand, all focused on driving continuous improvements in product formulations that are in line with evolving consumer preferences and stringent regulatory standards. Our R&D efforts also involve exploring alternative approaches to enhance the functional advantages and shelf life of our products.



Furthermore, F&N is proactive in seeking research partnership opportunities with higher education institutions in the countries where we operate, including Malaysia and Thailand. This approach not only enhances our innovation capabilities but also fosters a culture of research excellence across the region.



F&N engages in a collaborative partnership with Nanyang Technological University (NTU) through the F&N-NTU Food & Beverage Innovation Lab based in Singapore. This strategic collaboration aims to nurture research endeavours focused on advancing food packaging technology and transforming food waste into valuable resources for a sustainable future. Our collaboration with NTU extends beyond the lab to include research. Our Group R&D team has several co-authored research papers with NTU and other universities in Malaysia and Thailand, focusing on topics related to food safety and nutrition.



R&D PRINCIPLES

 <p>SCIENTIFIC ADVANCES</p>	 <p>TECHNICAL DEVELOPMENTS</p>	 <p>REGULATORY COMPLIANCE</p>	 <p>QUALITY PRODUCTS</p>	 <p>INNOVATION & CREATION</p>
<p>for Application in Our Processes and Product</p>	<p>that Support Quality Improvement and Cost Optimisation</p>	<p>for Application in Our Processes and Products</p>	<p>that Meet Food Safety Standards</p>	<p>in terms of Products, Processes, Packaging and Sensory Science*</p>

* A scientific method of measuring and interpreting consumers' response to prototypes/ products based on the senses of taste, smell and touch/texture.

Our Progress

At F&N, we strive to fulfil our promise of “Pure Enjoyment, Pure Goodness” promise by providing consumers a diverse range of options across various product categories. We focus on healthier and functional products without compromising on taste and convenience through differentiation in packaging (including sustainable packaging) to meet the evolving needs of our consumers.

In FY2024, we introduced 14 new products and packaging formats, each undergoing comprehensive tests to ensure they meet our high standards of safety and quality before they hit the shelves.

Here are the new products and packaging formats launched:



<p>1 F&N SEASONS Barley – 300ml</p>	<p>3 F&N SEASONS Botanicals Lemongrass Ginger – 300ml</p>	<p>5 100PLUS ZERO – 325ml</p>	<p>7 F&N SEASONS Rose Soya – 1L</p>	<p>9 F&N Sarsi Classic – 180ml</p>	<p>11 F&N SEASONS Ice Lemon Tea – 1.5L</p>	<p>13 F&N Sweetened Condensed Milk with Calcium – 1 kg pouch</p>
<p>2 F&N SEASONS Botanicals Hibiscus – 300ml</p>	<p>4 F&N SEASONS Ice Lemon Tea Zero – 1.5L</p>	<p>6 BORNEO SPRINGS Natural Mineral Water – 330ml</p>	<p>8 F&N Orange Crush – 180ml</p>	<p>10 F&N SEASONS Apple Flavoured Drink – 1L</p>	<p>12 F&N SEASONS Lychee Flavoured Drink – 1L</p>	<p>14 OYOSHI Original Green Tea – 250ml</p>

INNOVATION

DIFFERENTIATED PRODUCT OFFERINGS

In FY2024, we expanded our portfolio to meet the growing demand for healthier choices. Our launches included two zero-sugar offerings: 100PLUS ZERO in a smaller pack size of 325ml, providing a refreshing zero-sugar option for on-the-go hydration and F&N SEASONS Ice Lemon Tea Zero in 1.5 litre delivering the classic lemon tea taste in a zero-calorie version.

We also introduced the F&N SEASONS Botanical Range in 300ml-size, which includes three refreshing beverages formulated with reduced sugar: F&N SEASONS Barley, Botanicals Hibiscus and Botanicals Lemongrass Ginger. Both F&N SEASONS Botanicals variants are crafted with botanical extracts and contain no added preservatives or artificial colouring.

During Ramadan, we debuted the F&N SEASONS Rose Soya, a nourishing local favorite, crafted as a delicious option for our consumers to break their fast during the holy month.

In line with our commitment to fortifying nutritional benefits, we reformulated F&N Magnolia Ginkgo Ultra-high Temperature Processing (UHT) Milk in White Malt and Chocolate flavours, doubling the ginkgo content to 5,400 mcg, up from 2,700 mcg — along with a 35% boost of the daily recommended intake of Vitamin B12. Recognised for cognitive support, ginkgo aids memory, mental clarity and circulation, delivering functional benefits alongside a delicious taste.



DIFFERENTIATED PRODUCT PACKAGING / PACK SIZE

In Malaysia, we introduced new packaging options across our F&N SEASONS and OYOSHI ranges, enhancing value and convenience to our consumers. This includes F&N SEASONS Apple Flavoured Drink and F&N SEASONS Lychee Flavoured Drink in 1-litre pack, Ice Lemon Tea in 1.5-litre pack. These family-friendly formats offer an economical choice for gatherings, delivering the same great taste in sizes that cater perfectly to shared occasions.

For the Chinese New Year season, we launched our festive favourites — F&N Sarsi Classic and F&N Orange Crush — in a smaller, celebratory 180-ml pack size, providing a mindful and festive option that fits the celebration. Similarly, OYOSHI Green Tea is now available in a handy 250-ml pack, catering to those seeking a refreshing, on-the-go green tea option.

Further supporting our on-premise customers, we introduced a 1 kilogramme (kg) pouch of F&N Sweetened Condensed Milk fortified with Calcium, an ideal solution for high-volume usage.



SUSTAINABLE PACKAGING

This year, we launched BORNEO SPRINGS Natural Mineral Water, packaged in FSC-certified recycled beverage cartons. This innovative product packaging features a bio cap made from sugarcane. This complements our offering of F&N ICE MOUNTAIN Drinking Water introduced last year, reinforcing our dedication to eco-friendly solutions and meeting the growing demand for environmentally conscious products.

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

COST & ECO-EFFICIENCY

We continuously evaluate and refine our current system processes to enhance operational efficiency in our plants through innovative solutions that promote water conservation, reduce GHG emissions and minimise resource consumption. By embracing circular economy principles, we focus on reusing and recycling wastewater where possible.

 Read more in "Energy & Climate Change" on pages 98 to 103 in this Report.

CULTIVATING INNOVATIVE CULTURE & MINDSET

We actively engage our operational employees on ground who possess invaluable insights into the gaps within our production processes, to drive improvements in productivity, quality, cost efficiency, delivery, safety, ethics and environmental sustainability. Our Dairies Thailand team organised its annual World Class Manufacturing – Excel as One (EAO) Convention 2024, which inspired its manufacturing colleague to work in groups to propose and implement innovative and cost-saving initiatives. The innovative ideas generated through this convention have successfully resulted in significant cost savings of THB35 million through 54 projects.



RESPONSIBLE SUPPLY CHAIN

Effective collaboration with upstream partners is crucial in mitigating supply chain risks and enhancing overall efficiency. By working closely with our suppliers, we gain deeper insights into our supply chain, enabling us to amplify our operational strengths, identify areas for improvement and streamline processes. This proactive approach not only drives greater efficiency but also fosters the development of a resilient and robust supply chain, which is essential for ensuring long-term business success. In this chapter, we will share on our initiatives in driving:

Supply Chain Stewardship



SUPPLY CHAIN STEWARDSHIP

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



Why It is Important

Maintaining supply chain stewardship is crucial for driving long-term sustainability, promoting ethical business practices, and ensuring operational resilience. Supply chain stewardship supports both business growth and the broader goal of sustainable development, ensuring that companies remain competitive and responsible in a rapidly changing world.

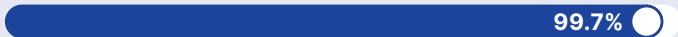
Our Commitment



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

Progress for FY2024

99.7% of key active suppliers have accepted and complied with F&N's SCOP



Our Approach

F&N fosters ongoing collaboration with our supply chain partners, including business partners, suppliers, and vendors, with the aim of understanding their needs and delivering sustainable solutions that generate lasting value for all parties. We actively encourage our stakeholders within the supply chain to enhance their sustainability performance, setting the standard through our own actions.

Our approach to Supply Chain Stewardship is built on key pillars, including:



Our Progress

SUPPLY CHAIN POLICIES

F&N is committed to upholding the UN Guiding Principles on Business and Human Rights, and as part of our dedication to responsible sourcing, we are a member of the SEDEX, a global platform for ethical supply chain management. Our SCOP and COBP outline stringent requirements, including business ethics¹, whistle blowing, communications, competitors, environmental management, human rights, and occupational health & safety.

Under the SCOP and COBP, suppliers must treat their employees with fairness, respect and dignity, in accordance with the ILO standards and relevant labour laws. This includes safeguarding against child and forced labour, ensuring equality, promoting human capital development, and adhering to standards for wages, benefits, and working hours. Our human rights commitment is communicated to the suppliers, together with the SCOP and COBP. Through these commitments, we ensure that our supply chain aligns with F&N's core values and global best practices.

¹ Antitrust, business gift, legal compliance, confidentiality and conflict of interest.



SUPPLY CHAIN STEWARDSHIP

SUSTAINABLE SOURCING

As a F&B business, we rely heavily on the supply of raw materials to sustain production operations. Our commitment to responsible sourcing drives us to continuously seek raw materials that carry credible ecocertification. Looking ahead, we aim to further enhance our supply chain by sourcing materials certified by the RSPO, FSC and PEFC. This ensures that the materials we procure come from environmentally sustainable and socially responsible sources, aligning with our broader goals of promoting ethical practices and reducing our environmental footprint.

► Sustainable Palm Oil

Palm oil is a significant raw material for F&N and plays a key role within our supply chain. We recognise the importance of our business practices in supporting sustainable palm oil production. Since August 2017, F&N has become an ordinary member of the RSPO, underscoring our commitment to supporting for the use of CSPO in products. Currently, 100% of palm oil used at F&N is RSPO-certified, with 80% sourced through physical CSPO² and 20% offset by RSPO credits. By 2025, we have set an ambitious target to procure 100% of palm oil as physical RSPO-certified, ensuring our continued support for sustainable and ethical palm oil sourcing.



► Sustainable Paper

Paper is essential in our packaging solutions. All the paper used in our carton packaging is FSC and PEFC-certified. Ensuring that it originates from responsibly managed forests. This certification assures that the materials meet rigorous environmental, social, and economic standards, supporting the conservation of forest ecosystems while promoting responsible forest practices and contributing to the livelihoods of communities who depend on these forests.



² As calculated by calendar year in alignment with the RSPO Annual Communication of Progress.

SUPPLY CHAIN STEWARDSHIP

SUPPLIER MANAGEMENT

🔍 Risk Identification: Screening & Critical Suppliers

At F&N, we integrate environmental and social criteria into the selection process for all new suppliers, ensuring alignment with our sustainability commitments. These criteria emphasize reducing waste, pollution, water consumption, and adhering to human rights and ethical labour practices. Annually, we assess our raw material and primary packaging suppliers based on the following parameters:



Implementation of environmental policy



Audits to monitor environmental performance and compliance



Compliance with ISO14001 EMS

During the pre-qualification stage, suppliers undergo a rigorous assessment covering a wide range of criteria, from delivery capacity and technical capabilities to ESG company policies and certifications. This includes key policies such as 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.

We conduct annual vendor performance evaluations for all critical suppliers, which include sustainability-related metrics.

Critical suppliers are our active direct (tier-1) material suppliers with high annual sales value greater than RM1 million and/ or irreplaceable suppliers, such as single-source suppliers.

Direct material suppliers are those who supply packaging materials, raw ingredients and auxiliary materials.

For non-compliant or underperforming suppliers, they must demonstrate their commitment to necessary corrective actions within a predefined period. Failure to do so may result in the termination of their contracts.

🎯 Risks Management: Building supplier capacity and forming strategic partnerships

In FY2024, we collaborated with over 2,000 global and local suppliers across our supply chain, spanning manufacturers, wholesalers, retailers, importers/merchants, contractors and professional service providers.

To recognise the suppliers with outstanding performance, we initiated the F&N Business Partner Award Programme in 2022. The programme celebrates suppliers demonstrating outstanding performance and strengthens our partnership by encouraging service improvements, especially in ESG factors.

The programme's objectives include:



Strengthening strategic partnerships to foster strong and productive collaboration.



Encouraging suppliers to pursue excellence in their products, service levels, and operational efficiency.



Driving performance in key areas such as delivery, quality, price, project development, and sustainability.

In 2024, 19 of our suppliers actively participated in the second edition of F&N Business Partner Award Programme. The award winners were selected based on multiple criteria, including sustainability, financial returns, functionality and technology capabilities. This year, we celebrated one Gold Winner, marking their second year of recognition, and awarded a Silver Winner for the first time. This programme reaffirms our commitment to fostering the growth and success of our local partners, helping them expand their capabilities and evolve into regional suppliers with broader business opportunities.



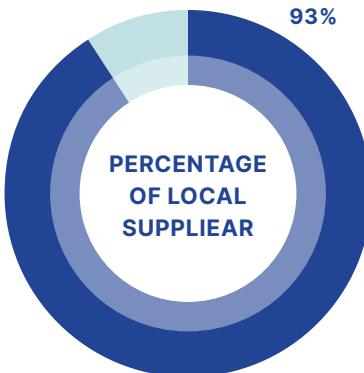
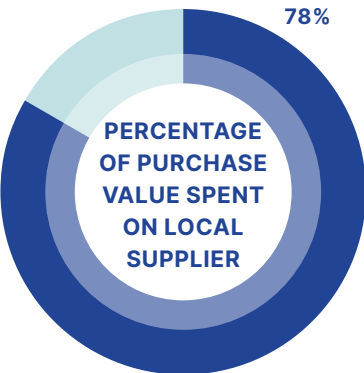












SUPPLY CHAIN STEWARDSHIP

RISK MONITORING: MONITORING, AUDITING & CORRECTIVE ACTION PLANNING

F&N maintains close collaboration with our suppliers and conducts regular audits to ensure standards and practices for food safety and the environmental and occupational health and safety, are upheld across the value chain. Supplier performance is assessed monthly, with medium and high-risk suppliers undergoing audits twice per year. In FY2024, all 179 critical suppliers were audited on food safety regulations and standards, and none were found to be non-compliant.

To safeguard the health and safety of our consumers and workers, we evaluate suppliers based on a range of quality assurance and food security criteria. This includes the implementation and monitoring of good manufacturing processes, use of protective clothing, food safety management systems, and chemical management protocols.

As an outcome of evaluation, non-compliant or underperforming suppliers are required to take necessary corrective actions within a set timeframe, or risk having contracts terminated. F&N is the process of enhancing its evaluation checklist to include additional ESG criteria, such as climate change resilience, corporate governance, and human rights.

Performance					
<p>GRI 204-1 Proportion of spending on local suppliers</p>	<p>F&N works with about 93% of local suppliers where possible, representing almost 78% of our purchase value expenditures.</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>PERCENTAGE OF LOCAL SUPPLIER</p> <p>93%</p> <p>Malaysia: 91% Thailand: 96%</p> </div> <div style="text-align: center;">  <p>PERCENTAGE OF PURCHASE VALUE SPENT ON LOCAL SUPPLIER</p> <p>78%</p> <p>Malaysia: 79% Thailand: 78%</p> </div> </div>				
<p>GRI 308-1 New Suppliers that were screened using the environmental criteria</p>	<p>Over the year, a total of over 342 suppliers were screened using the environmental criteria.</p> <table border="0" style="width: 100%;"> <tr> <td style="text-align: center;">Malaysia</td> <td style="text-align: center;">Thailand</td> </tr> <tr> <td style="text-align: center;">  <p>252</p> </td> <td style="text-align: center;">  <p>90</p> </td> </tr> </table>	Malaysia	Thailand	 <p>252</p>	 <p>90</p>
Malaysia	Thailand				
 <p>252</p>	 <p>90</p>				
<p>GRI 414-1 New Suppliers that were screened using the social criteria</p>	<p>Over the year, a total of over 342 suppliers were screened using the social criteria.</p> <table border="0" style="width: 100%;"> <tr> <td style="text-align: center;">Malaysia</td> <td style="text-align: center;">Thailand</td> </tr> <tr> <td style="text-align: center;">  <p>252</p> </td> <td style="text-align: center;">  <p>90</p> </td> </tr> </table>	Malaysia	Thailand	 <p>252</p>	 <p>90</p>
Malaysia	Thailand				
 <p>252</p>	 <p>90</p>				
<p>Group Suppliers by Supplier Category</p>	<p>13% of direct material suppliers 87% of indirect material suppliers</p>				
<p>Proportion of Spending on Materials</p>	<p>68% of purchase value spent on direct materials 32% of purchase value spent on indirect materials</p>				

Notes:

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



SUPPLY CHAIN STEWARDSHIP

IMPACT STORY


FARMING EXCELLENCE SYSTEM – THAILAND

Since 2013, F&N has partnered with local Thailand-based farmers in cooperatives to supply F&N Dairies Thailand with fresh milk. Through the Farming Excellence System, we continued to build the capability of over 2,000 farmers via three key programme:

▶ **1. TRAINING & RESOURCES FOR GOOD FARMING PRACTICES**

- We provide booklets, guidelines, newsletters, and training sessions focused on improving milk quality.
- We provide training to farmers and milk cooperatives on good agriculture practices to increase their productivity and achieve cost optimisation. This year, our training focused on agricultural practice and artificial insemination techniques & pregnancy tests for cows to ensure adequate milk supply.
- We have also established a learning centre at our manufacturing plant, allowing milk farmers and cooperatives to gain insights about sustainable manufacturing practices.
- We also collaborated with Chulalongkorn University's Faculty of Veterinary Science to help milk cooperatives to improve their management of cattle health, breeding, and milking to reduce cost and improve milk production efficiency.

▶ **2. MOBILE APPLICATION FOR FARMER ENGAGEMENT & ASSESSMENT**

- Our mobile application facilitates on-farm assessments and fosters direct communication with farmers. It includes GMP assessment that covers cleaning, antibiotics usage and physical properties of raw milk
- Online Certificate of Analysis assessment to track the waiting and delivery time to F&N, to ensure quality of raw milk
- The Line Mobile App serve as two-way communication channel, enabling farmers to discuss issues/ challenges and collaborate to develop solutions / action plans



SUPPLY CHAIN STEWARDSHIP

IMPACT STORY

▶ 3. SUSTAINABILITY INITIATIVES

- Water champagne tank project, helping to tackle the water shortage problem
- Supplying solar cell water pump to farmers to address the challenge of water scarcity in the region, enabling farmers to grow their own cow's food supplies
- Donating a Somatic Cell Counter to improve milk quality
- Conducting a GHG study on milk farms to identify the key sources of GHG emissions, and develop a long-term strategy to reduce their carbon footprint.

At F&N, we adopt a ground-up and collaborative approach to supplier engagement. We understand the challenges faced by our suppliers. Recognising the logistic challenges of our milk farmers in Thailand, we supported the KhaoYai Milk Cooperative in 2023 and 2024 to establish a milk collection centre (MCC) in Nakorn Rachasima for the farmers from the Northeast area. This year, we implemented improvement project for the MCC, through on-the-job-training for the team at MCC, recurring training of GMP and laboratory, pre-audit based on GMP requirements and maintenance of cooling system. Since August 2023, the MCC has commenced, allowing KhaoYai Milk Cooperative to supply fresh milk to us directly. Beginning FY2024, a Fresh Milk Quality Committee is established, organising monthly meeting with the milk cooperatives to review the progress.

To ensure the quality of fresh milk, our team has developed a digital platform to support the MCCs and farmers in enhancing milk quality while promoting traceability from farm to factory. The platform has reduced the receiving time of the raw milk by 70%, optimising transportation routes to reduce environmental impact and enable real-time monitoring of raw milk data. This new milk transportation method reduces CO₂ emissions by over than 200,000 kg annually.

In response to climate challenges, we have installed a large water storage tank to raise water security for our milk farmers in Chaiyaphum Province. This has reduced the need for long distance travel to access water resources, especially during droughts, providing 1,680,000L of water monthly for up to 180 households and supporting 24 farms with 955 cattle.

Additionally, in 2023, we supplied solar cell water pumps to local farmers to further combat water scarcity. This initiative has proven effective, with farmers reporting cost savings and increased ability to cultivate their own feed crops, thereby enhancing their economic stability.

This year, we supported the Thai-Danish Lam Phaya Klang Dairy Cooperative in Saraburi Province by providing a Somatic Cell Counter to test the fresh milk, ensuring good quality before supplying to us. This effort aligns with our commitment to raising production standards, ensuring higher quality and safety for consumers.



SUPPLY CHAIN STEWARDSHIP

IMPACT STORY



HALAL SOURCING PARTNERSHIP PROGRAMME

In a predominantly Muslim market, F&N has significantly intensified its commitment to advancing the Halal industry in Malaysia. Our approach goes beyond merely upholding Halal standards within our own operations; it encompasses a comprehensive strategy that integrates both upstream (suppliers) and downstream (packers) processes.

Since 2018, we have collaborated closely with the HDC through the Halal Sourcing Partnership Programme, providing essential technical guidance and knowledge transfer to support SMEs in their Halal certification journey.

Notably, in 2021, one of these identified vendors successfully became an ingredient supplier for our F&N Kurma Madu Cordial. This vendor went on to receive the prestigious Halal Homegrown Champion Award from HDC at the World Halal Business Conference 2024. This further encourages us to continue nurturing and developing Halal SMEs as

valued business partners. Building on this commitment, four SMEs have on-boarded as our vendors and we continue to mentor six SMEs under the Halal Sourcing Partnership Programme in collaboration with HDC.

In April, we participated in the Halal Business Linkage and Business Matching event, a platform organised by HDC to promote partnerships between large local and multinational companies with SMEs. More than 15 SMEs were engaged with the Group as potential vendors during the Business Matching segment.

Through these initiatives, F&N is not only enhancing its product offerings but also contributing to the growth of the Halal ecosystem, fostering sustainability, and promoting inclusivity within the industry.



F&N's 141-year legacy is built on the dedication of our people, valuable insights from our consumers, and the support of the communities where we operate. Cultivating a collaborative relationship with our stakeholders is essential for sustained growth, fostering trust, innovation, and resilience. This commitment requires continuous effort and adaptability to meet the changing needs of our stakeholders.

We are dedicated to delivering high-quality, nutritious products, empowering our employees, and supporting vulnerable groups, while ensuring that we uphold high standards of human rights across our operations. These principles are integral to driving long-term success and creating rewarding, inclusive work environments.

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

Contribution to SDGs

Primary



Secondary



*Well-Being of
Our People & Communities*

CREATING VALUE FOR SOCIETY

F&N acknowledges its responsibility as a corporate citizen, striving to create meaningful value for both consumers and communities we serve. As a leader in the F&B industry, we are committed to promoting societal well-being by offering healthier products, actively supporting community initiatives, and advocating human rights. Our efforts reflect our core belief that business success is tied to the well-being of society and the positive impact we make on the lives of those around us.

Our efforts are further elaborated in the following sections:

Nutrition

Community Development &
Inclusive Growth

Human Rights



NUTRITION

GRI 416-1, GRI 416-2



Why It is Important

Our philosophy of “Pure Enjoyment, Pure Goodness” embodies our commitments to delivering delicious, high-quality products packed with nutritional benefits. We remained dedicated to providing affordable nutrition that supports the health and well-being of our consumers.

Shaped by market trends and regulations, our R&D strategies focus on developing products which align with the standards of health and wellness. By understanding the evolving needs and preferences of the communities we serve, we tailor our product innovation to offer choices that resonate with our consumers. This approach not only keeps pace with shifting market dynamics but also emphasizes our dedication to promote well-being and healthier lifestyles.

Our Commitment



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

Progress for FY2024

67% of our beverage and dairy products are endorsed with Healthier Choice Logo (HCL).



Shaped by market trends and regulations, our R&D strategies focus on developing products which align with the standards of health and wellness.

Our Approach

In response to shifting consumer expectations for affordable and nutritious products, we continually enhance the nutritional value of our offerings. Through ongoing innovation, reformulation, and strategic new product launches, we ensure that our portfolio meets and exceeds expectations, providing healthier choices that cater to the dynamic needs of our consumers.

NUTRITION CHARTER

The F&N Nutrition Charter outlines principles that guides us in our product development, creating healthy products that benefit consumers:

- 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.



NUTRITION

We have also established an internal Nutrition Guideline in reference to World Health Organisation (WHO)'s recommendations to strengthen our commitment in healthier products.

All our products are free from trans fatty acids

More than 70% of our products (by Stock Keeping Unit - SKU) contain less than 5% added sugar

We remain committed to broadening the health and nutrition aspects, focusing on key areas that align with consumer needs, and industry and global best practices:



Reducing Sugar Level

Since 2004, we have been proactively reducing sugar content in our beverages. Today, more than 90% of our ready-to-drink products have less than 5g sugar per 100ml.



Eliminating Products with Partially Hydrogenated Oils (trans fatty acids)

All our products are free from partially hydrogenated oils (trans fatty acids) and we continue to ensure our formulations adhere to this standard.



Fortifying our Products with Micronutrients

Our product development team actively work to meet consumer demands for healthier and immune building products, by fortifying our offerings with essential micronutrients.



Catering to Diverse Dietary Need

Recognising the increasing diversity in dietary preferences, we strive to offer flexible options, including products tailored for consumers with food intolerances and specific nutritional needs.



Promoting Health and Well-being through Education

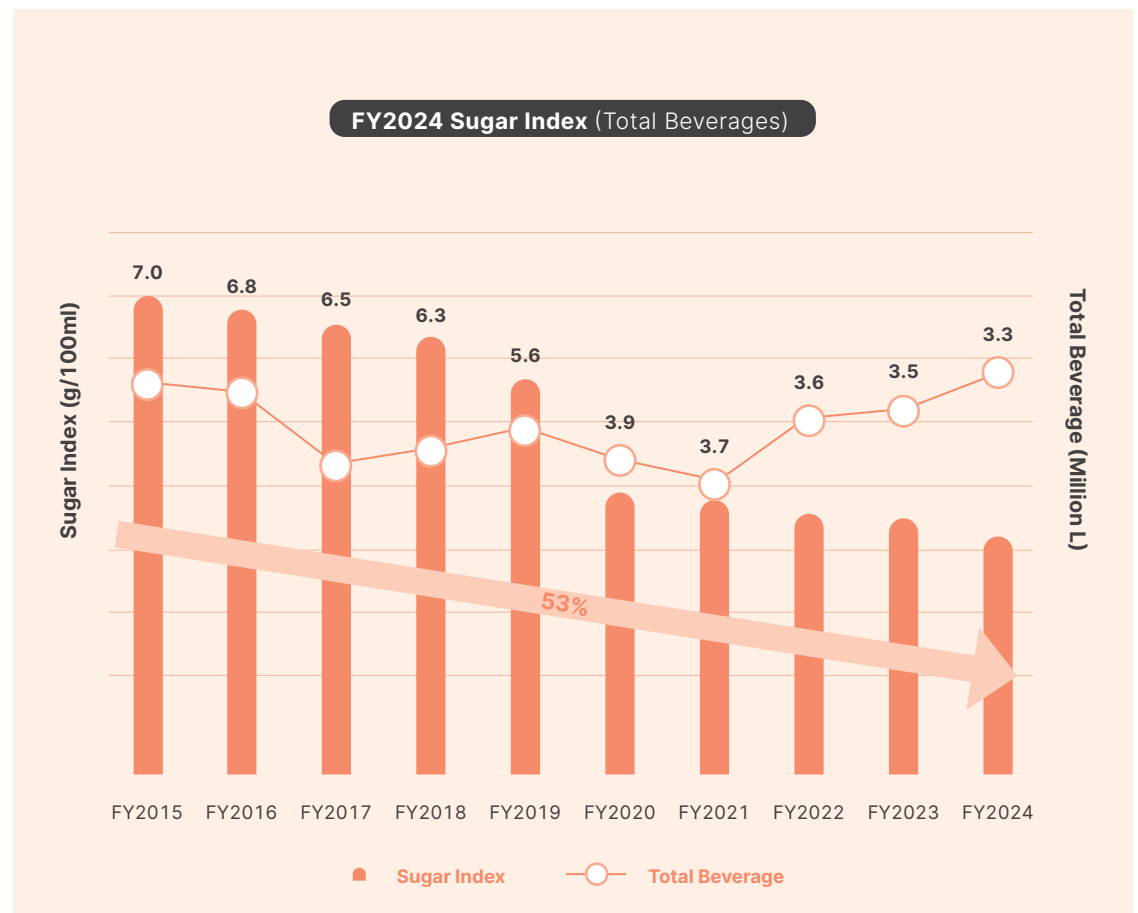
F&NHB has a long and proud tradition of promoting hydration and active lifestyles within the community, supported by consumer education programmes.

Our Progress

Delivering healthier choices for consumers is a top priority, and we ensure that enjoyment is never compromised. Our product development team remains focused on enhancing the health and nutritional profiles of our products, with a particular emphasis on reducing sugar content without sacrificing taste.

REDUCING SUGAR LEVEL

A key aspect of our dedication to providing healthier options is our ongoing effort to lower sugar content. Since 2004, the F&N Group has taken proactive measures to decrease the sugar content in our beverages. Our efforts have resulted in a significant reduction in the sugar index (grammes of sugar per 100ml) across our entire beverage portfolio, with an impressive 53% decrease in sugar levels compared to 2015.



Read more in "Community Development & Inclusive Growth" on pages 72 to 78 of this Report.

NUTRITION

CATERING TO CONSUMERS WITH DIETARY RESTRICTIONS & PREFERENCES

Lactose-Free

We are committed to offering healthier alternatives that cater to the diverse dietary needs of our consumers. In response to the growing demand for specialised products, we have developed options for individuals with food intolerances. One such example is our lactose-free milk, which is currently available in Thailand, providing consumers with a high-quality, nutritious alternative that supports digestive health without compromising on taste.



Zero-Sugar

With the increasing demand for zero-sugar products, we have expanded our portfolio with innovative offerings that cater to health-conscious consumers. Our 100PLUS range now includes 100PLUS ZERO, a zero-sugar, zero-calorie variant available. Additionally, in FY2024, we launched more zero-sugar offerings: 100PLUS ZERO in a convenient 325ml pack for on-the-go refreshment, and F&N SEASONS Ice Lemon Tea Zero in 1.5L size, a delightful zero-calorie iced tea that delivers the same beloved taste.



ADVOCATING HEALTHIER CHOICES AND LIFESTYLE

Our focus on creating low-sugar, nutrient-fortified products is validated by the regulatory authorities in Malaysia and Thailand. Many of our products carry the HCL. As of 2024, we have obtained HCL endorsement for 82 products, constituting 67% of our total ready-to-drink portfolio, showing good progress towards our 2025 ambition.

In addition to offering healthier options, we continued to promote healthier lifestyles to the community through consumer education programmes. F&NHB, in partnership with Mydin, launched the “Jom Sihat, Kekal Cergas” campaign to promote healthier lifestyles among Malaysians, through educational activities on exercise and nutrition. The campaign kicked off with a four-day roadshow at Mydin USJ, emphasizing the importance of balanced living and educating consumers on healthier food options. The launch featured insights from industry experts who stressed the importance of food labelling literacy and HCL in helping consumers make informed decisions. The roadshow also showcased interactive stations with themed activities that promote physical and mental well-being.

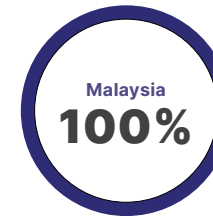
In support of Malaysians’ well-being, we distributed over 5,000 cans of 100PLUS during the nationwide heatwave from April to June, providing hydration at major highways as Malaysians ‘balik kampung’ during the holy month of Ramadan.

As part of our commitment to promoting nutrition in Thailand, we launched an impactful initiative from June to August 2024, reaching 500 schools nationwide and serving over 500,000 cups of F&N Magnolia UHT plain and chocolate-flavoured milk to students. This initiative aimed to educate students on the essential health benefits of milk through engaging experiences.

Performance

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 by country



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

In FY2024, 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



Why It is Important

The scale of our operations extends beyond serving consumers, as local communities play a vital role in shaping our business success. We build strong relationships within these communities, fostering social inclusion and bridging different cultures. This approach aligns seamlessly with our business strategy, reinforcing our commitment to sustainable growth.

Through these efforts, we strive to make a meaningful impact and contribute to the holistic development of the communities we serve, all while enhancing our business objectives and reinforcing our brand's commitment to corporate social responsibility.

Our Commitment



Increase the number of community programmes to **11**

Progress for FY2024

12 community programmes conducted this year

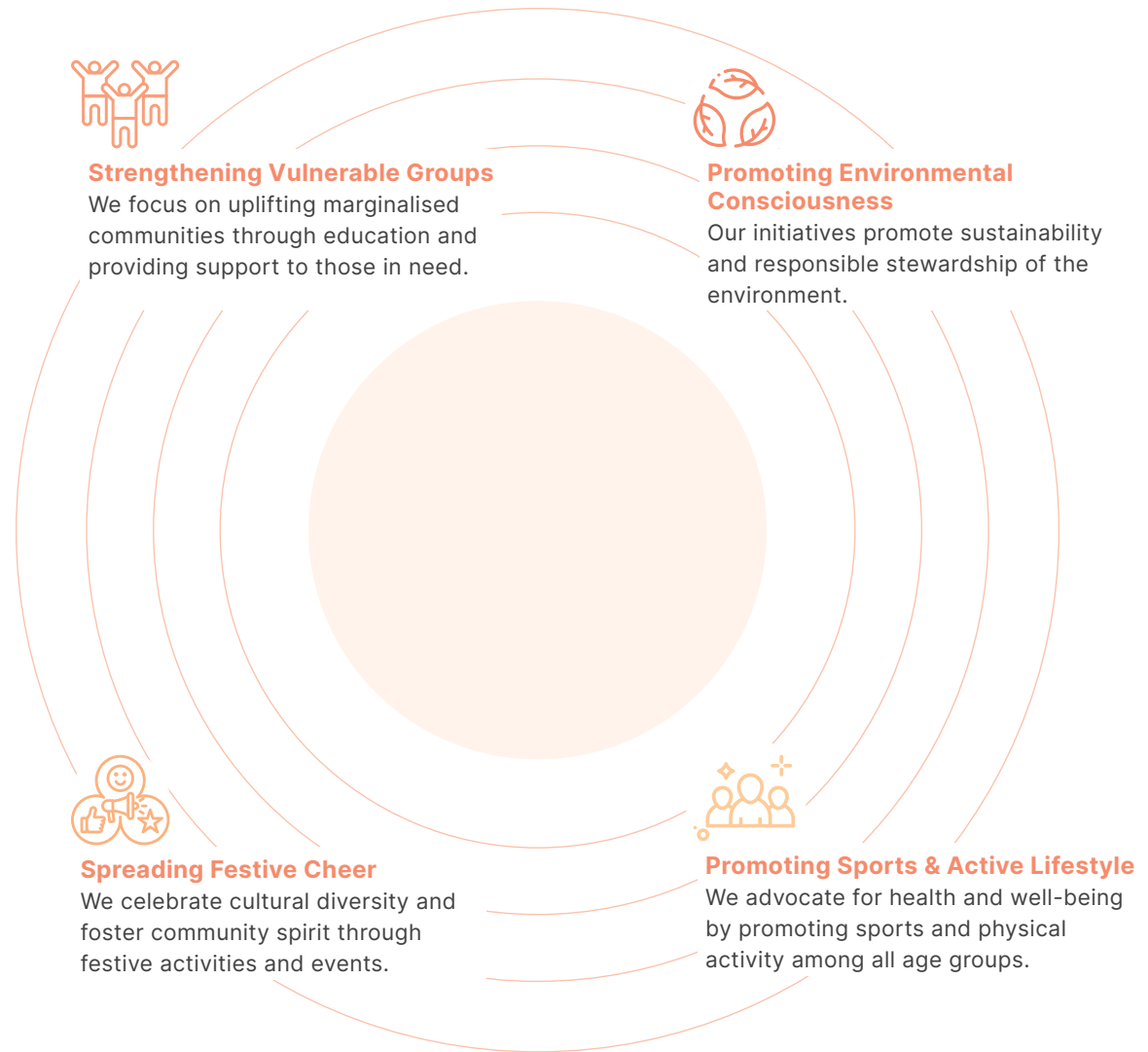
12 community programmes

An increase of **20%** compared to FY2020 baseline.

We build strong relationships within these communities, fostering social inclusion and bridging different cultures.

Our Approach

Our shared value creation model thrives through collaborative partnerships with the community. Across all our markets, we implement both long-term and short-term programmes aimed at promoting social equity. Our community programmes focus on four key themes:



COMMUNITY DEVELOPMENT & INCLUSIVE GROWTH

Our Progress

STRENGTHENING VULNERABLE GROUPS

▶ **International Computer Driving License Certification Course for Montfort Boys Town, Malaysia**

Recognising that strong digital skills are a gateway to high-demand careers in today's digital economy, we continue to support underprivileged youths of Montfort Boys Town through the ICDL certification course.

The ICDL course has been a core part of our F&N IT Corner programme since 2011, which we launched in 2010 to equip the students with practical computer skills, giving them a competitive edge as they step into the workforce. Tailored to various levels of digital literacy, the ICDL course enables students to build or strengthen foundational computer skills for real-world applications. This year, we proudly expanded the reach of the programme to support 54 students, providing them with a comprehensive six-to-eight-month course recognised by governments, international organisations, and corporations globally. Through this long-standing commitment, F&NHB aims to cultivate critical digital competencies among these youth, fostering their confidence and career potential in the digital era.

▶ **Donation of Computers to School, Thailand**

This year, we expanded our support for Wat Kok Mayom School, located near our Rojana factory in Thailand, by donating 20 sets of computers to the school. This contribution is designed to enhance educational opportunities for local students, providing them with essential technology and resources to foster their academic growth and development.

PROMOTING ENVIRONMENTAL CONSCIOUSNESS

▶ **Partnership with SWCorp on F&N School Recycling Programme, Malaysia**

We continue our commitment to nurturing green lifestyles among school children with the renewed partnership with the SWCorp, an agency under the Ministry of Housing and Local Government Development (KPKT). The three+two-year MoU will extend our successful collaboration with SWCorp from 2024 to 2026, enabling new opportunities for both parties to jointly cultivate environmental responsibility within local communities across Malaysia.

The core initiative of the partnership is the Pertandingan Kitar Semula Sekolah-Sekolah (PerKISS), or Inter-School Recycling Competition, conducted since 2014 under the purview of the Ministry of Education Malaysia. The programme's aim is to instill the 3R (Reduce, Reuse & Recycle) principles in children across Malaysia by encouraging schools to compete in recycling efforts.

As a key supporter of the programme, to-date we have supported almost RM1.2 million in cash prizes and contribution. F&NHB's collaboration with SWCorp has also resulted in this programme gaining momentum, involving 360 schools in 2019 and growing fourfold to over 1,700 primary and secondary schools across Malaysia in 2024. Over 12 million kg of recyclables have been collected.

In this new season of collaboration with SWCorp, F&NHB is planning more initiatives to educate students on the importance of recycling and sustainability, including holding talks, exhibitions, and other activities at the school level in collaboration with SWCorp.



▶ **F&N Reverse Vending Machine at Klang Valley, Malaysia**

We have collaborated with leading industry partners KLEAN, GRAB, and the Malaysian Research Accelerator for Technology and Innovation (MRANTI) to launch 18 Artificial Intelligence (AI) powered RVMs at strategic locations across the Klang Valley

This nine-month pilot project introduces fully operational RVMs that accept not only commonly recycled items such as aluminium cans and Polyethylene Terephthalate (PET) bottles but also plastic food containers, expanding recycling options for the public. A certified recycling processor, collects the materials, which are converted into raw forms like plastic pellets and flakes. These are then upcycled into various new products, including apparel, furniture fillings, and plastic furniture or storage boxes, giving these materials a valuable second life in support of a circular economy.



COMMUNITY DEVELOPMENT & INCLUSIVE GROWTH

Tree Planting at Malaysia and Thailand

This year, our employees made significant contributions to nature conservation through various tree planting initiatives. In Sabah, our team joined the Environmental Awareness Programme organised by the KIC, planting 210 mangrove trees to support the preservation of Sungai Telipok, a vital river near our premise.

Meanwhile, in Kuching, almost 100 employees, together with the JADC, planted 200 trees as part of the Sports Club's during Malaysia Day's weekend celebration, which also served as the symbolic launch of our water conservation programme at the Bung Jagoi Heritage Centre.

Additionally, over 360 colleagues in Thailand further strengthened our environmental commitment by planting 450 trees and 1,200 seed balls in clay soil at the Salakpra Wildlife Sanctuary in Kanjanaburi province. These collective efforts reflect our ongoing dedication to environmental stewardship and community engagement, fostering a greener, more sustainable future for all.

Improving the Reliability of Water Supply for Farmers in Thailand

In Chaiyaphum Province, Thailand, our team has installed a water storage tank to ensure an efficient water supply for local communities and dairy farmers, reducing the need to travel long distances for water during droughts. This THB 460,000 investment supplies 1,680,000 liters of water monthly to 180 households and supports up to 24 farms with 955 cattle, helping farmers maintain sustainable operations despite seasonal challenges.

Additionally, we have implemented a project supplying solar cell water pumps to local farmers, significantly improving water access. These pumps enable farmers to cultivate their own forage grass, reducing costs and enhancing their economic well-being.



COMMUNITY DEVELOPMENT & INCLUSIVE GROWTH

SPREADING FESTIVE CHEER

F&NHB has always been an integral part of festive celebrations for generations of Malaysians. Upholding our brand promise of “Pure Enjoyment, Pure Goodness” we are dedicated to fostering connections within communities, especially during festive seasons. Our initiatives aim to bring people together, celebrating the joy and warmth that these special times inspire.

▶ Deepavali



In celebration of Deepavali in 2023, we continued our support for the MySkills Foundation, dedicated to empowering at-risk youths and children through skills and personal development training. As part of the initiative, our volunteers sold murukku made by the Foundation’s youths, with the Group pledging RM20 for every tub sold. They successfully sold 260 tubs, raising a total of over RM10,000, which was used to purchase an industrial oven and two industrial cake mixers for the Foundation’s culinary school.

During a visit to its campus in in Kalumpang, Hulu Selangor to celebrate Deepavali with students and teachers, our volunteers presented the oven and mixers, along with our products to support the students’ daily needs. This contribution not only enhances the students’ baking skills but also helps the Foundation generate income for its initiatives. Joining the celebration was celebrity chef Kamaruddin Adnin, known as Chef Bob, who conducted a cooking demonstration, sharing his unique techniques with the students for preparing popular Malaysian dishes using our products.

▶ Christmas



During the year-end holiday season in 2023, F&NHB continued its tradition of spreading joy by fulfilling the wishlists of over 170 children from three homes supporting underprivileged youth in Malaysia. Our employees made the wishes come true for 83 children from Yayasan Sunbeams Home in Kuala Lumpur, 28 children from Jireh Home in Kota Kinabalu, and 62 children from The Salvation Army Home in Kota Samarahan, Kuching.

As part of the celebration, F&NHB hosted children from Sunbeams Home for a day of fun at Super Park in central KL, complete with a complimentary Christmas lunch and gifts presented by F&N volunteers, including two dressed as Santa Claus and an Elf. At Jireh Home, volunteers spread cheer by singing Christmas carols and donated F&N products and daily necessities. Additionally, we also supported a Christmas Charity Dinner organised by The Salvation Army Home in Kota Samarahan, Kuching.

▶ Chinese New Year



Fraser & Neave Holdings Bhd reaffirmed its longstanding commitment to spreading joy during the Chinese New Year by visiting 10 homes across Malaysia. The dedicated efforts of our staff volunteers brought smiles to 509 individuals, including orphans, disabled children, and senior citizens.

The homes visited included The Salvation Army Penang Children’s Care, Anning Children’s Home, Pertubuhan Kebajikan Orang Tua Cacat Dan Kurang Upaya Taman Connaught, Persatuan Kebajikan Vinashini, Persatuan Kebajikan Prihatin Kuan Yin in Johor Bahru, Pusat Jagaan Kanak-Kanak Terencat Akal, Joy Garden Karak - House of Joy, Down Syndrome Centre Lions Club Kota Bahru House, Community Social Support Centre, and Holy Family Residence for Senior Citizens.

During these visits, F&NHB contributed nearly RM85,000 in the form of F&N products, essential household items, personal care products, and ‘ang pows’ for the residents. The Group also provided lunch at some of the homes and spent quality time with the residents, aiming to enhance their festive spirits and overall well-being during this special season.



COMMUNITY DEVELOPMENT & INCLUSIVE GROWTH

▶ Ramadan

This year's Ramadan, F&NHB hosted a 'buka puasa' to spread joy to the residents and staff of the Pertubuhan Rumah Anak Yatim Dan Asnaf Kampung Sijangkang orphanage in Selangor, held at the Kota Permai Golf & Country Club. During the event, our Chairman Y.A.M. Tengku Syed Badarudin Jamalullail presented 'duit raya' and a complete set of 'baju raya' to each of the 51 children from the orphanage, along with various products from the F&N portfolio.

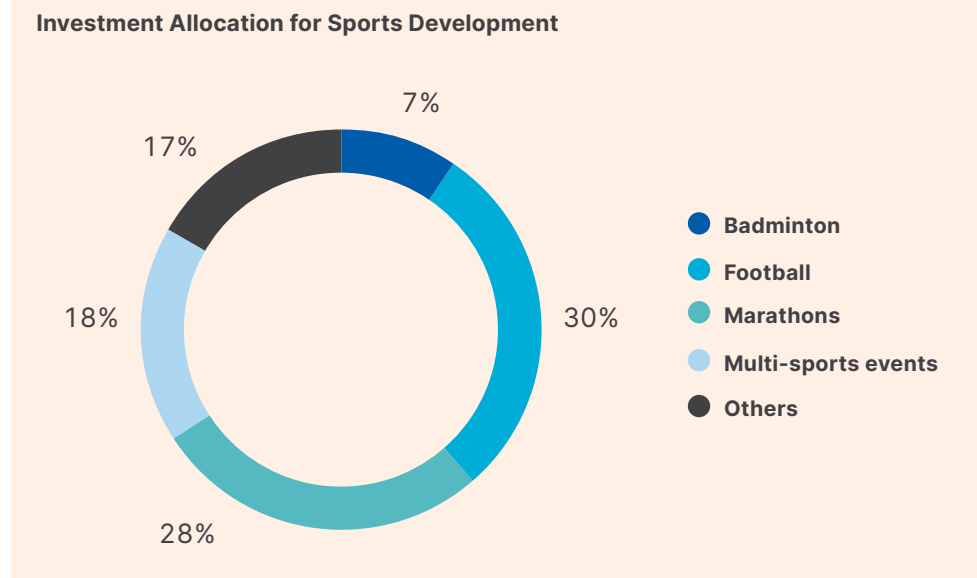
We partnered with Masjid Kariah Felde Pasir Besar and two other mosques to organise a 'Ramadan iftar' event, providing 'duit raya' and goodie bags to 50 attendees, including orphans and asnaf. Additionally, we hosted an 'iftar' for over 100 underprivileged children at the Tropicana Golf Country Resort. Our collaboration with the Malaysian Ministry of Education for the 'Program Jaulah Ramadan' involved distributing 'bubur lambuk' and presenting "Duit Raya" to students. In collaboration with Mydin, we supported with beverages for 45,000 packs of 'bubur lambuk', underscoring F&N's commitment to community support and compassion during 'Ramadan'.

In addition, we joined Bursa Malaysia for their annual 'Rewang Ramadan' 2024 event at PPR Seri Alam, Kuala Lumpur. Our dedicated volunteers collaborated with Bursa Malaysia's volunteers to prepare and distribute 'bubur lambuk,' a cherished traditional dish during Ramadan. This year's initiative provided essential support to 1,600 families in the community, featuring 1,600 servings of 'bubur lambuk' and 1,600 food bags supported by F&N. These efforts are in line with Bursa Malaysia's re.FOOD programme, which emphasizes responsible food waste management by donating edible food to communities in need, showcasing our shared commitment to enhancing community well-being.



PROMOTING SPORTS & ACTIVE LIFESTYLE

F&NHB has a rich and proud tradition of championing sports and fostering active lifestyle within the community, spanning from grassroots development to elite-level support. We firmly believe that sports serve as a powerful instrument for youth development, instilling core values such as teamwork, respect, discipline and self-confidence. Our passion drives us to ensure that young individuals have access to sporting opportunities, demonstrated through our commitment to funding initiatives aimed at nurturing talent and encouraging participation in various athletic activities.



Through our flagship brand 100PLUS, we proudly support key sport organisations including the Football Association of Malaysia (FAM), Badminton Association of Malaysia (BAM), Squash Racquets Association of Malaysia and the National Sports Council (NSC). As the official beverage partner of the Johor Darul Takzim and Selangor Football Club, we are deeply rooted within the local sports community. We also collaborate closely with the Sportswriters Association of Malaysia (SAM), serving as the primary partner of the annual SAM 100PLUS Awards, celebrating achievements in sports journalism.

▶ Grassroot Badminton Programmes

Since 2003, 100PLUS has partnered with BAM to promote badminton at the grassroots level. We have been actively contributing to organising the 100PLUS Junior Elite Tour, a premier youth development badminton competition that inspires young and rising players to excel. Many of Malaysia's current national stars – such as Tan Wee Kiong, Goh V Shem, Chan Peng Soon, Goh Liu Ying and Goh Jin Wei - competed in this prestigious competition during their formative years.

▶ Supporting Football Development

Our long-standing commitment to FAM continues as we serve as the official hydration partner for major football and futsal events nationwide. We focus on nurturing young talent through the Liga Bola Sepak Kementerian Pendidikan Malaysia (KPM) 100PLUS, an annual competition held from June to November 2024, which this year saw enthusiastic participation by 26 schools.



COMMUNITY DEVELOPMENT & INCLUSIVE GROWTH

► Recognising Local Sports & Sports Media Practitioners

As staunch advocates for local sports development, we honour our sports personalities and sports media practitioners through the annual SAM-100PLUS Awards, of which we have been the main partner since 2006. The national women's lawn bowls duo of Nur Ain Nabilah Tarmizi and Aleena Ahmad Nawawi became the first lawn bowlers ever to win the prestigious Best Athlete award. Additionally, 2020 Paralympic gold medallist Cheah Liek Hou successfully defended his title as Best Para Athlete. Their remarkable achievements highlight the extraordinary talent and dedication present in Malaysia's sporting landscape.

► Championing Athletes & Nurturing a Passion for Sports through Major Sports Events

F&N, through its iconic brand 100PLUS, has extended its partnership with the NSC for an additional five years, until 2028. This renewed agreement designates 100PLUS as the exclusive Official Isotonic and Electrolyte partner for NSC. This year marks a significant milestone, celebrating 25 years of collaboration since 2000. The NSC plays a pivotal role in the development and preparation of national athletes, and 100PLUS is committed to building on this rich legacy by nurturing a passion for sports among Malaysians.

As a gold partner of SUKMA and PARA SUKMA XXI Sarawak 2024, we proudly supported this prestigious biennial national multi-sport event, held from 17 to 24 August 2024, which showcased the incredible talents of young athletes across 37 sports and 487 events.

Recognising our continuous contributions to the development of sports in Sabah, we are honored to receive a special accolade at the Sabah State Sports Awards Ceremony 2021/2022, highlighting the remarkable achievements of state athletes.

Throughout the year, we have actively supported major runs, marathons, and sports events across Malaysia, including the Powerman 2024 Duathlon, Redline Fitness Games – a gamified functional fitness race, Standard Chartered Kuala Lumpur Marathon, Bursa Bull Charge 2024, Minggu Amanah Saham Walk 2024, Kinabalu Park Charity Run 2023, AWAM White Ribbon Run, Sukan Sabah 2023, Agenda Nasional Malaysia Sihat – Sabah Maju Jaya and KL Car Free Morning. These initiatives reinforce our commitment to fostering a more active community.

► Advocating for Healthy & Active Lifestyle

F&NHB is dedicated to promoting healthy and active lifestyles through comprehensive consumer education programmes. In partnership with Mydin, we launched the 'Jom Sihat, Kekal Cergas' campaign to encourage healthier lifestyle choices among Malaysians, coinciding with Malaysia Day. The four-day campaign kicked off with a four-day roadshow at Mydin USJ, emphasizing the importance of balanced living and educating consumers on healthier food options. The roadshow featured interactive product stations showcasing the nutritional benefits of our products alongside themed activities that promote physical and mental well-being for a fully immersive and fun experience for participants.

IMPACT STORY

Flood Relief


Floods have taken a severe toll on communities across East Malaysia this year, and we have taken prompt actions to provide essential relief. In Kuching, when the residents of Sinar Budi Baru and Kampung Rantau Panjang Batu Kawa were hit by sudden flooding, our team quickly stepped in with food packs containing our products, offering much-needed sustenance during the difficult time.

In Sabah, F&N partnered with KupuKupu FM radio station and the Info X news portal to distribute 700 cartons of products, including drinking water and soybean milk to residents in 40 flood-affected homes across Tamparuli and Penampang, Kota Kinabalu.
















Through these efforts, we are bringing relief and support to impacted communities, underscoring our commitment to standing by those in need during challenging times.



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
 >RM1.5 million invested in the community where the target beneficiaries are external to the listed issuer >1,000 of beneficiaries of the investment in communities	

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

Programme	Location	Timeline	Ongoing
Strengthening Vulnerable Groups			
1 International Computer Driving License Certification Course for Montfort Boys Town	Shah Alam & Melaka	2011	
2 Donation of Computers to School, Thailand	Ayutthaya Province	Annual	
Promoting Environmental Consciousness			
3 Partnership with SWCorp on F&N School Recycling Programme, Malaysia	Various cities in Malaysia	2008	
4 F&N Reverse Vending Machine at Klang Valley, Malaysia	Klang Valley	2023	
5 Tree Planting at Malaysia and Thailand	Kuching, Sarawak Kota Kinabalu, Sabah Kanjanaaburi Province	2024	
6 Improving the Reliability of Water Supply for Farmers in Thailand	Chaiyaphum Province	2024	
Spreading Festive Cheer			
7 Deepavali	Hulu Selangor	Annual	
8 Christmas	Kuala Lumpur Kuching, Sarawak Kota Kinabalu, Sabah	Annual	
9 Chinese New Year	Various cities in Malaysia	Annual	
10 Ramadan	Various cities in Malaysia	Annual	
Promoting Sports & Active Lifestyle			
11 Grassroot Badminton Programmes	Various cities in Malaysia	2003	
12 Supporting Football Development	Various cities in Malaysia	2008	
13 Recognising Local Sports & Sports Media Practitioners	Klang Valley	2006	
14 Championing Athletes & Nurturing a Passion for Sports through Major Sports Events	Various cities in Malaysia	1983	
15 Advocating for Healthy & Active Lifestyle	Various cities in Malaysia	1983	

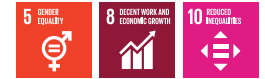


[^] Refer to all our major operating sites in Malaysia and Thailand, which include major offices and plants.



HUMAN RIGHTS

GRI 2-30, GRI 406-1



Why It is Important

At F&N, our business activities are guided by a strong commitment to good governance, ensuring that we uphold high standard of human rights across our operations and supply chain. We are dedicated to improving the health and well-being of our stakeholders, consistently treating them with dignity, respect, and fairness. Our approach reflects our belief that responsible business practices not only foster trust but also contribute to sustainable growth, creating lasting value for our communities and partners alike.

Our Approach

HUMAN RIGHTS DUE DILIGENCE PROCESS

F&N is committed to protecting and promoting human rights for all stakeholders. In 2021, we initiated a comprehensive Human Rights Due Diligence (HRDD) process designed to identify and address both actual and potential human rights challenges within our stakeholder groups. The detailed process deepens our understanding and helps create environments that enable the respect and advancement of human rights.

We fully support freedom of association and actively collaborate with seven formal employee unions, ensuring balanced collective bargaining agreements that covers more than 35% of our employees. Employees outside of this agreement are informed that F&N adheres to existing local workforce regulations and international safety standards.



POLICY COMMITMENT

Our Human Rights Policy applies to all employees, suppliers, and business partners. It describes our commitments, particularly in the following areas:

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

F&N Human Rights Policy was developed in alignment with key international human rights principles, including the UN Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, UN Global Compact, International Bill of Human Rights and ILO's Declaration on Fundamental Principles and Rights at Work. It adheres to both domestic and international laws, rules, and regulations, extending across all companies within the F&N Group.

F&N remains committed to strengthening the capacity of all relevant stakeholders, both internal and external, on human rights issues. This includes conducting human rights training for employees including senior management throughout our entire business.



HUMAN RIGHTS

Our Progress

HUMAN RIGHTS RISK ASSESSMENT

Scope of HRRRA

The Human Rights Risk Assessment (HRRRA) at F&N covers key business activities across our operational sites in Malaysia and Thailand, spanning the entire value chain, including Sourcing, Production, Distribution and Logistics, and Marketing and Sales, and the supporting function, Human Capital.

 **SOURCING**

- Screening
- Retailing

 **PRODUCTION**

- Dairy
- Beverage

 **DISTRIBUTION & LOGISTICS**

- Distribution Centre & Warehousing
- Logistics

 **MARKETING & SALES**

- Marketing
- Sales

 **SUPPORTING FUNCTION**

- Human Capital

The assessment evaluates actual and potential human rights concerns across all business operations. Specific attention is given to marginalised communities such as migrant workers, LGBTQI+ individuals, and the elderly. Their feedback has significantly shaped our Human Rights Policy and commitments, influencing the frequency and dynamism of how we assess human rights issues.

Consideration of Actual & Potential Human Rights Issues

 **Labour Rights**

- Working conditions and fair remuneration
- Health and safety
- Freedom of association and rights to collective bargaining
- Discrimination and harassment
- Illegal forms of labour (including child labour, forced labour and human trafficking)

 **Community and Environmental Rights**

- Community health and safety
- Community standard of living
- Community access to water and sanitation
- Land acquisition

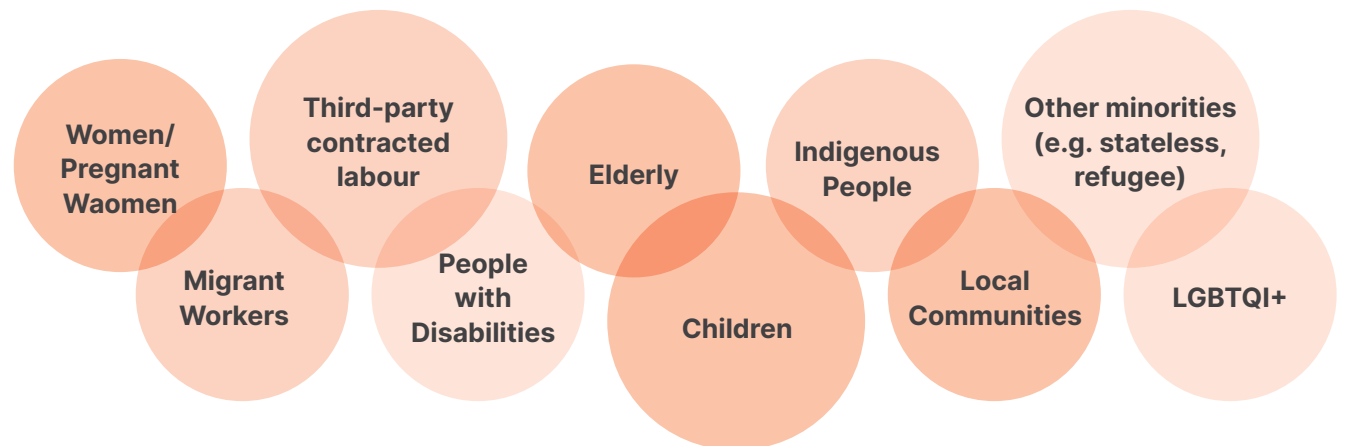
 **Supplier Rights**

- Supplier data privacy
- Supplier discrimination

 **Customer Rights**

- Customer health and safety
- Customer data privacy
- Customer discrimination

Consideration of Employees & at Risk/Vulnerable Groups



HUMAN RIGHTS

METHODOLOGY OF HRRA

Human Rights Issues Identification

We identified human rights concerns across F&N Group's internal activities, value chain, and in new business partnerships. To enhance our understanding of these actual and potential human rights issues, we benchmarked against our peers in the dairy and beverage industries and consulted global human rights trends.

The identified issues were prioritised based on their severity and its residual risk level:

INHERENT RISK RANKING

Rank risks of the identified human rights issues that do not have controls and/or measures in place.



RESIDUAL RISK RANKING

Rank risks of identified human rights issues that exist even with the company's controls and/or measures.



RISK PRIORITISATION

Prioritise salient human rights issues, and issues with high residual risk.

Results of Human Rights Risk Assessment

A total of nine salient human rights issues were identified across our value chain. No salient issues had a "High" residual risk rating. We conducted an annual systemic review of our self-human rights assessment and found no changes to the residual risk rating, since 2021.



Human Right Issue (F&N)

- | | | |
|-----------------------------|--|----------------------------------|
| 1 Employee Health & Safety | 4 Community Standard of Living | 7 Consumer Discrimination |
| 2 Community Health & Safety | 5 Community Access to Water & Sanitation | 8 Customer/Consumer Data Privacy |
| 3 Working Condition | 6 Consumer Health & Safety | 9 Employee Discrimination |



HUMAN RIGHTS

Integrate Findings & Potential Impacts

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

Examples of Salient Human Rights Issues and Mitigating Measures

	Actual Issues	Mitigation Measures
Employee Health & Safety	<ol style="list-style-type: none"> 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 people in high frequencies) 2. Production + Human Capital: Minor work injuries and accidents 3. Logistics: Road accidents during transportation, minor vehicle malfunction (e.g. flat tires) 	<ol style="list-style-type: none"> 1. Compliance with Public Health Regulations on COVID-19 measures e.g. self test, face masks, hand sanitisers, temperature checks 2. Approved paid leaves for vaccinations & launched vaccination programme for employees 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 & Safety, and Community Standard of Living	<ol style="list-style-type: none"> 1. Marketing & Sales: Spread of COVID-19 virus from employees infected to members of the community (e.g. during large scale events) 2. Marketing & Sales: Road accidents will increase health and safety risks for community members 3. Marketing & Sales: Reckless driving complaints of the distributor in the local area 	<ol style="list-style-type: none"> 1. Compliance with Public Health Regulations 2. Provide Personal Protective Equipment (PPEs) such as face masks, face shield, hand sanitisers to employees 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
Employee Discrimination	<ol style="list-style-type: none"> 1. Human Capital: An employee felt uncomfortable to report a case of verbal harassment until after resigning from the company 	<ol style="list-style-type: none"> 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	<ol style="list-style-type: none"> 1. Discrimination by prioritising against certain groups of customers/ consumers 	<ol style="list-style-type: none"> 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



HUMAN RIGHTS

Track & Communicate Performance


F&N continuously monitors and assesses human rights risks to stay informed on related issues and concerns. Through HRDD, we identify, review and evaluate any actual or potential human rights violations and impacts from our business operations and associated activities. The assessment outcomes are reported annually in our SR.

F&N educates all employees on our human rights practices, encouraging all directors, executives, employees, and stakeholders to report any suspected incidents or human rights violations via dedicated communication channels, including Fraserians Connect App in Malaysia and Line App in Thailand, that is accessed daily by employees. Feedback is used to develop suitable mitigation and remediation measures, which is regularly monitored together with the policies.

Remediate Adverse Impacts

F&N recognises our business activities may contribute to or be linked with human rights violations. We are committed to mitigating these risks by conducting a revised assessment every three years. Additional measures will be established to remediate and mitigate human rights violations caused by F&N's business activities.

No human rights violation cases were noted in 2024. Thus, no remediation measures were taken.

Performance	
GRI 406-1 Incidents of discrimination and corrective actions taken	To our best knowledge, there was no incidents of discrimination. Thus, no corrective actions were taken.
 0 substantiated complaints concerning human rights violations	



EMPOWER OUR PEOPLE

F&N acknowledges the importance of our employees in driving our success. Their dedication and expertise are pivotal in bringing F&N's strategic vision to life and propelling our business forward. In appreciation of their invaluable contributions, we are committed to promoting continuous learning and professional development through comprehensive Group-wide initiatives. We also place a strong emphasis on employee well-being, aiming to cultivate a workplace environment that prioritises safety, health, and personal growth for all team members. Through these efforts, we strive to empower our employees, enabling them to thrive both personally and professionally.

Our efforts are further elaborated in:

Human Capital Development

Employee Safety, Health
& Well-being



HUMAN CAPITAL DEVELOPMENT

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



Why It is Important

Our employees increasingly value a diverse work environment that supports continuous learning and professional development. By strategically investing in these areas, we empower them to drive innovation, embrace sustainability, and cultivate a continuous learning culture. This commitment not only enhances employee engagement but also equips our team with the skills and knowledge needed to adapt to an ever-evolving landscape, ultimately fostering a vibrant organisational culture.

Our Commitments



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

Progress for FY2024

34 training hours per employee in the executive category

34 training hours

12 training hours per employee in the non-executive category.

12 training hours



100% of our employees trained on ESG and Digitalisation at least once by 2025.

Progress for FY2024

95% of our employees were trained on ESG

95%

68% of our employees were trained on digitalisation

68%

Our Approach

Our employees increasingly value a diverse work environment that supports continuous learning and professional development. By investing in these areas, we empower them to drive innovation, embrace sustainability, and cultivate a continuous learning culture.

As the world moves beyond the peak of COVID-19, we remain cognisant of its lasting impact on mental health. To support our employee's mental well-being, we have implemented several initiatives, including an internationally recognised mental wellness framework that promotes a healthy workplace culture.

The effective implementation of our strategic goals and sustainable business performance relies on our workforce's contributions. We actively engage our employees through various communication channels, such as CEO Townhall, engagement survey, recognition events, and periodic performance reviews. This financial year, we strengthened our connections by organising in-person events such as the CEO Townhall, our 140th Anniversary Celebration Dinners, sports activities and festive gatherings.

Across all our operational locations, we adhere strictly to labour laws, providing equal employment opportunities to all employees and job applicants. Our unwavering commitment is to create a workplace free from discrimination, harassment, and retaliation, fostering an inclusive environment where everyone can thrive.

PROMOTING DIVERSITY & INCLUSION

Building a company that consumers choose and trust requires a good understanding of the cultural diversity of the societies we serve. We celebrate and promote diversity and inclusion at every level, aiming to create a genuinely diverse workforce and an inclusive culture where every team member is valued, engaged, and treated fairly, regardless of their personal characteristics.

We are committed to providing equal opportunities without discrimination based on race, religion, age, nationality, gender, political beliefs, marital status, disability, and any other unrelated criteria to employment requirements. This commitment is firmly embedded in our non-discrimination employment policies. We actively seek to recruit a diverse mix of employees with varied experiences to enhance our business, reflecting the ethnic diversity of Malaysia and Thailand.

Our dedication to diversity and inclusion includes strict compliance with employment rights legislation in our operating countries, such as prohibiting the hiring of minors. In recent years, we have made significant progress in promoting gender equality within the F&N workforce, with women comprising 28% of our total employee population, and occupying 46% of leadership positions.

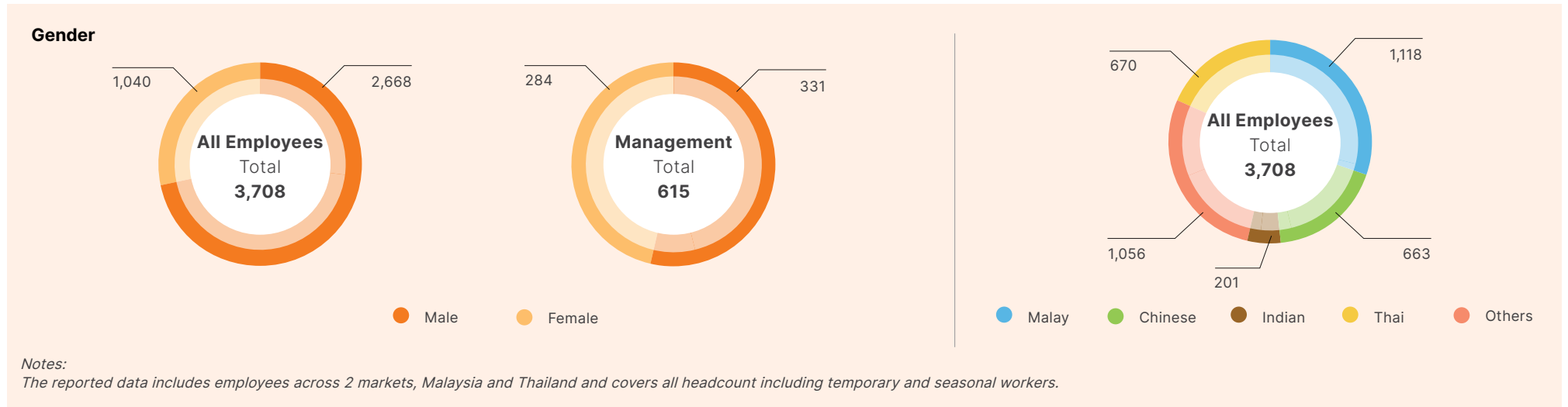
We encourage our employees to contribute meaningfully by engaging within an open and mutually respectful environment.



HUMAN CAPITAL DEVELOPMENT

EMPLOYEES BY ETHNICITY & GENDER

We are proud of the diversity and inclusivity our community brings to the Company.



Our Progress

HUMAN CAPITAL ROADMAP & STRATEGY

F&N Group has developed a comprehensive Human Capital Roadmap designed to strategically nurture and develop our employees. This roadmap features seven essential modules aimed at driving human capital transformation, ensuring that we cultivate a skilled, engaged, and future-ready workforce. Each module focuses on key areas of development, enabling us to align our human resources strategies with our overarching business goals.



HUMAN CAPITAL DEVELOPMENT

1 Clear Structure & Roles

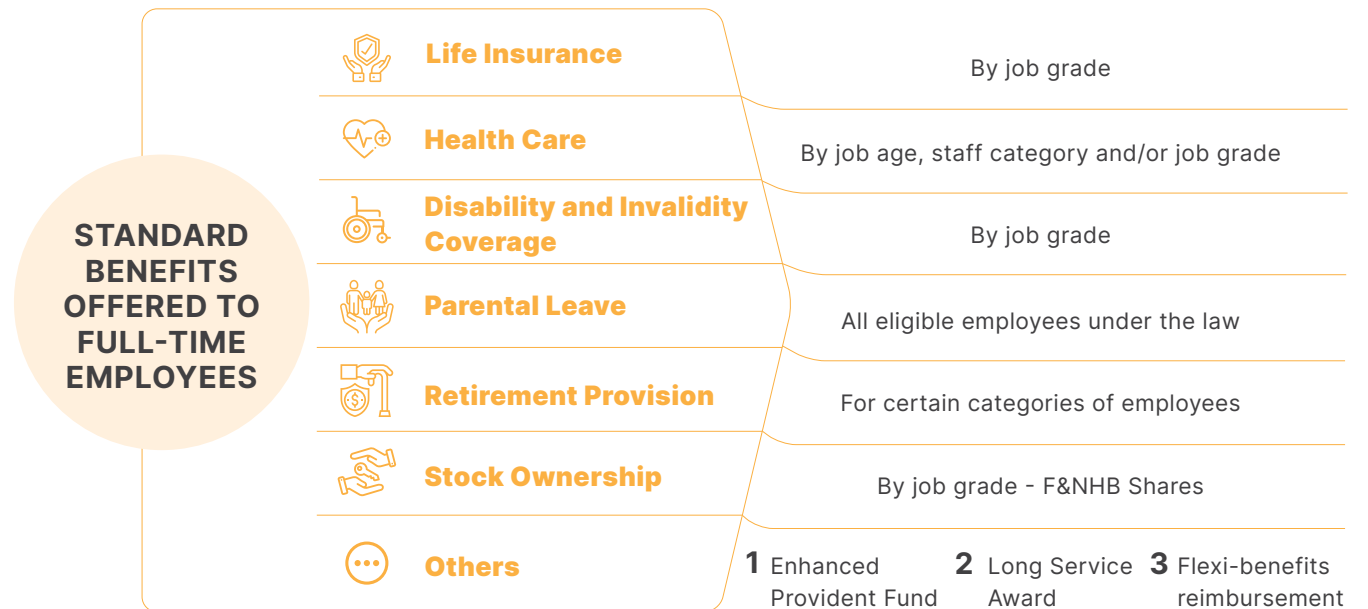
F&N implements the “Beverest” system, an integrated platform that streamlines our Human Capital processes and systems across the organisation, covering recruitment, onboarding, performance evaluations, and career development. This system ensures employees clearly understand their expectations and responsibilities.

2 Market-orientated Compensation & Benefits

F&N ensures employees are fairly rewarded with competitive pay and benefits, regularly reviewing remuneration in line with market rates and industry peers. In compliance with the Minimum Wages Order 2022, we have adjusted our wages to meet the minimum standard. We also ensure fairness between genders by providing equal remuneration for men and women.

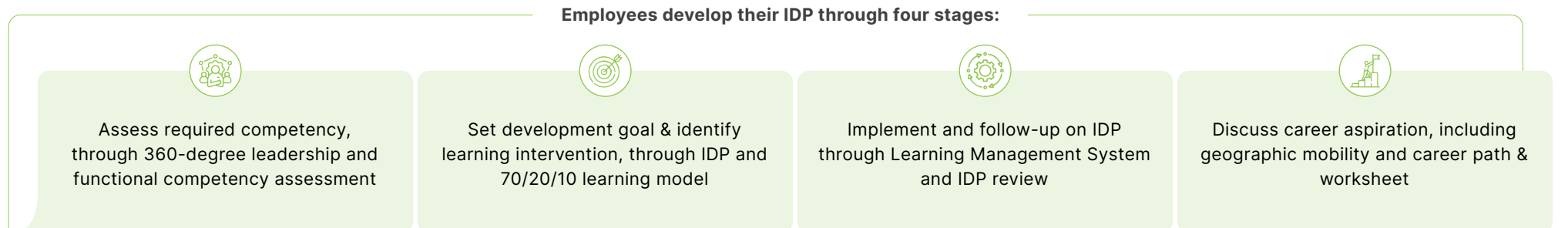
Full-time employees receive benefits including life insurance, health care, disability and invalidity coverage, parental leave, retirement provision, and stock ownership options (share-based incentive plans).

We implemented the Human Resource Management System (HRMS), in 2023, to simplify tasks such as leave management, appraisals, accessing tax information and pay slips into a mobile application while also cutting down on paper usage and supporting sustainability within our Human Capital operations.



3 Recognition-based Performance Management

Performance Assessment Reviews are conducted twice a year, allowing employees to evaluate their achievements and discuss development opportunities with their supervisors. Assessments are based on clear SMART (Specific, Measurable, Achievable, Relevant, and Time-bound) Goals and Key Performance Indicators established in their Individual Development Plans (IDP). In 2024, 1,668 of employees completed their bi-annual assessment reviews.



HUMAN CAPITAL DEVELOPMENT

4 Holistic High Performer Retention & Development

F&N encourages internal career growth to create a positive and rewarding work environment. We offer online and on-the-job training to support employee's professional development.

As we rapidly digitalise our operations, we ensure all employees are up to speed with the skills required to adapt to new ways of working. About 100 employees underwent AI training as part of the Gen-AI adoption programmes.

PROGRAMME	FOCUS	EMPLOYEES TARGETED
Finance & Strategy	Business acumen and competitive strategic thinking	Managers & senior managers
Strategic Thinking	Strategic Mindset	Managers & Executives
Coaching, Mentoring & Leadership Skills	Leadership and management skills to increase team's productivity	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	Executives & supervisors
ESG Training	Awareness of ESG issues	Executives & supervisors

5 Proactive Succession & Workforce Planning

We cultivate future leaders by offering high-potential employees with opportunities such as job rotations and transfers to develop their understanding of our operations.

For executives and above, F&N has developed LAMPU (Leadership & Management Potential Unleashed) programme, a comprehensive leadership and talent development programme. This programme features training courses on critical thinking, communication skills, personal development, and leadership style, curated from various sources for a holistic learning experience.

We look forward to introducing LAMPU 3.0, which will provide more advanced and impactful learning opportunities. We aim to successfully train 100% of eligible individuals within 2025.

As part of our initiative to nurturing future talent, we actively seek to recruit interns and trainees. Through the programme, our interns and trainees gain hands-on experience. The programme serves as a valuable talent pipeline, with many of them ultimately transitioning to full-time roles within the company. In FY2024, we engaged a total of 41 interns through this programme.

IMPACT STORY

Since 2003, F&NHB has proudly celebrated academic excellence through the F&N Chairman's Award, recognising the outstanding achievements of employees' children.

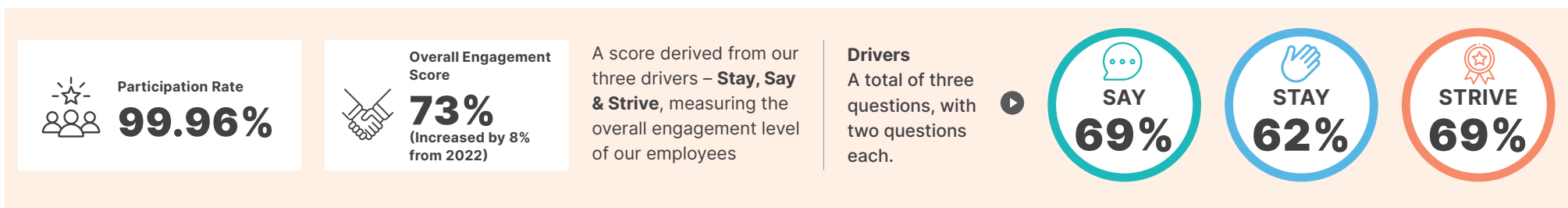
This year, 89 recipients were honoured with cash awards totalling RM260,000. To date, this meaningful programme has disbursed RM4.5 million to over 2,700 deserving children, underscoring our commitment to nurturing talent and fostering a culture of excellence within the F&NHB family.

HUMAN CAPITAL DEVELOPMENT

6 Engaging Corporate Culture

Aligned with our Global Values, F&NHB fosters a culture of engagement and inclusion through various communication channels, including monthly employee email newsletters and internal mobile apps such as Fraserians Connect app in Malaysia and Line app in Thailand. Employees are encouraged to share real-time feedback, ideas, and suggestions directly with senior management via F&N Voice, an internal channel accessible through the Fraserians Connect (FC) mobile app, enabling easy and open dialogue for all stakeholders.

We also conduct an annual Employee Engagement Survey for better understanding of employee’s needs and areas for F&N’s improvement. This feedback allows F&N to implement initiatives to improve employee satisfaction and well-being.



- What did our employees like most?**
1. Work Tasks – The tasks assigned are always clear and well-defined, making it easier to understand expectations and deliver quality work.
 2. Work Environment – A positive work environment and corporate culture can enhance employee’s job satisfaction and happiness.
 3. Collaboration – Team works well together, using each other’s strengths to get things done. We communicate openly, which makes collaboration easy and effective.

F&N has embraced flexible working hours and a work-from-home arrangement for office employees, fostering a supportive work culture that priorities mental well-being and work-life balance. Recognising the importance of physical health, we provide in-house gym facilities for employees to work out. We also organise a variety of sports and fitness activities, including badminton tournament, bowling tournament, Zumba classes and engaging team-building activities that strengthens bonds and promote collaboration across teams. By fostering a workplace where both mental and physical health are valued, we are committed to creating an environment where our employees can thrive, connect, and perform at their best.

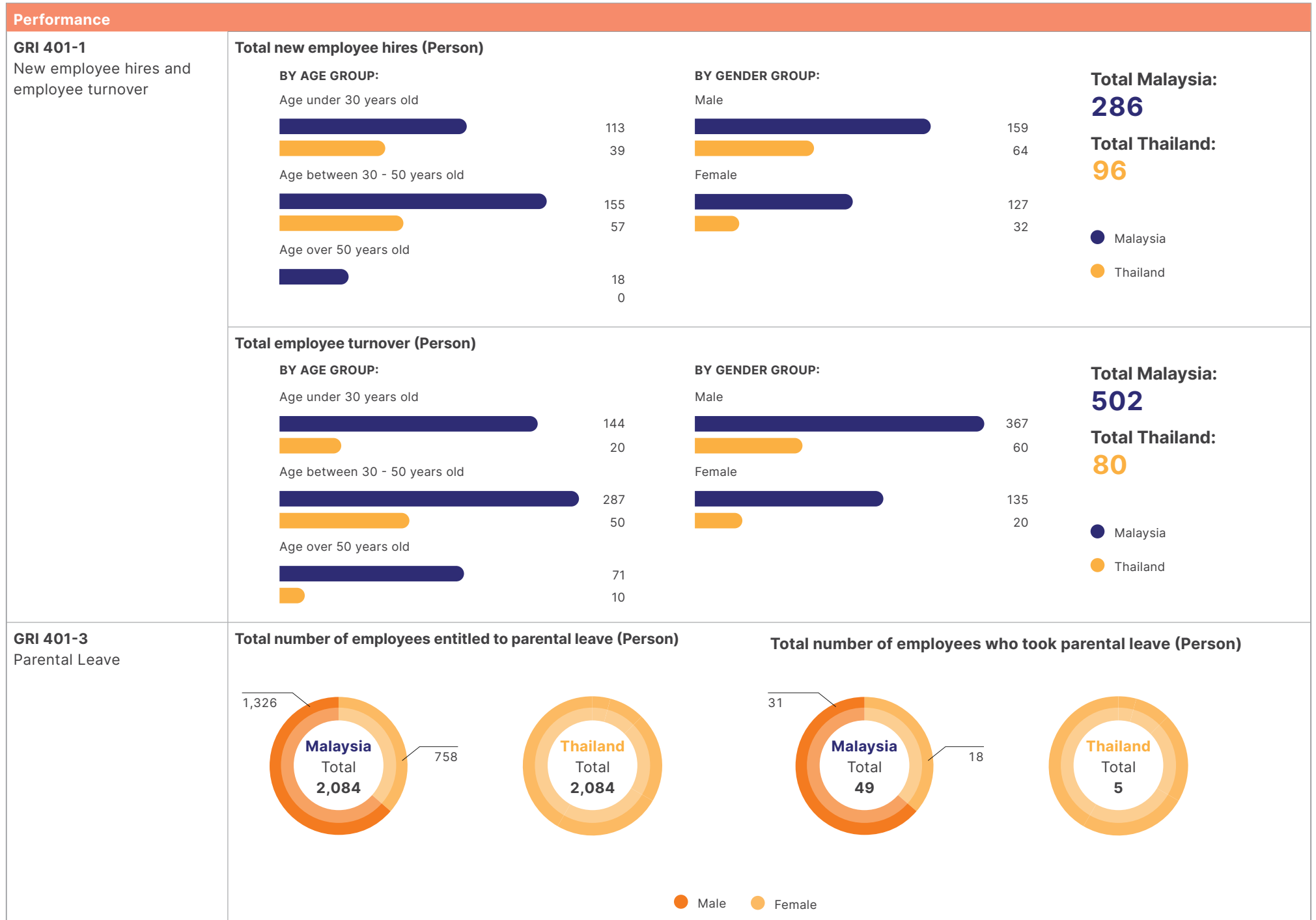
7 Strategic Talent Acquisition & On-boarding

We are dedicated to nurturing and advancing our workforce, optimising opportunities for career growth within F&N. When internal promotion is not feasible, our Human Capital team employs a diverse range of assessment tools to ensure a fair and rigorous recruitment process. Candidates are selected based on their alignment with the job requirements and the company’s objectives. We aim to attract, hire, develop, and retain the right candidates to support our mission.

To ensure a consistent onboarding experience across the Group, we provide all new hires a comprehensive programme that includes engagement with CEO, briefing of key policies, self-paced e-learning IT modules and personalised one-on-one support through a 3-month buddy system, enabling a smooth transition into the organisation.



HUMAN CAPITAL DEVELOPMENT



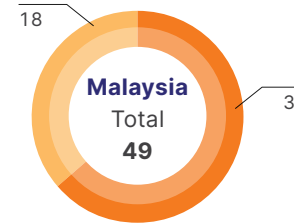
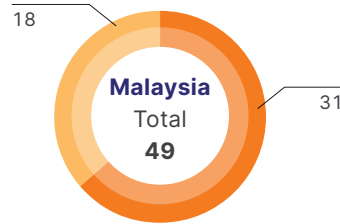
HUMAN CAPITAL DEVELOPMENT

Performance

GRI 401-3
Parental Leave (Continued)

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

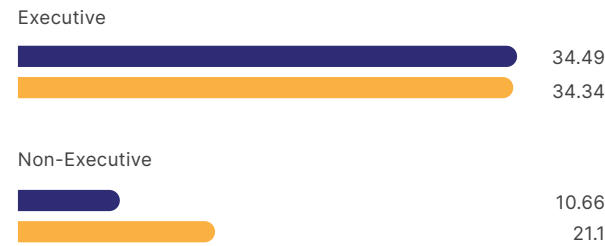


● Male ● Female

GRI 401-1
Average hours of training per year per employee

BY GENDER GROUP:

BY CATEGORY GROUP:

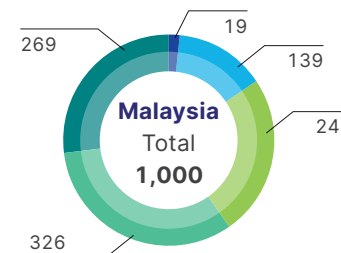
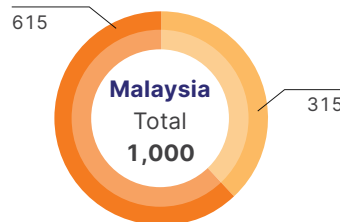


● Malaysia
● Thailand

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

BY GENDER GROUP:

BY CATEGORY GROUP:



● Male ● Female ● Executive Level ● Middle Management ● Department Head/Supervisor ● Senior Officer ● Officer

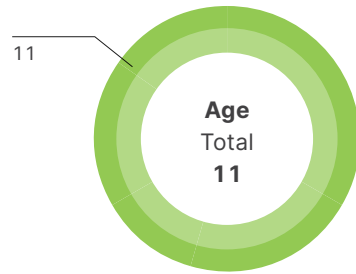
HUMAN CAPITAL DEVELOPMENT

Performance

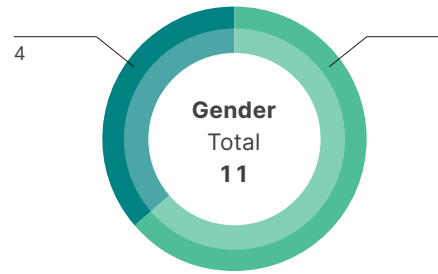
GRI 405-1

Diversity of governance bodies and employees

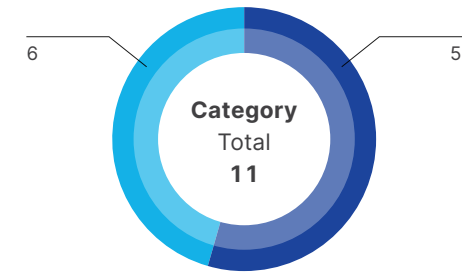
Total Directors (Person)



● Age over 50 years old



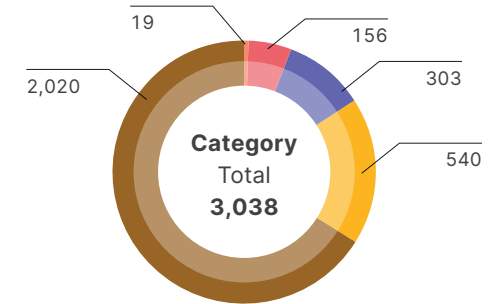
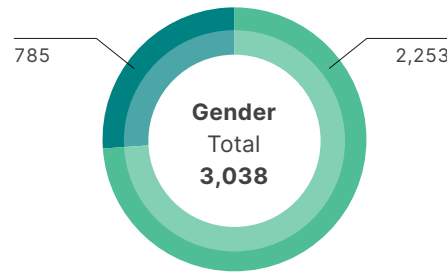
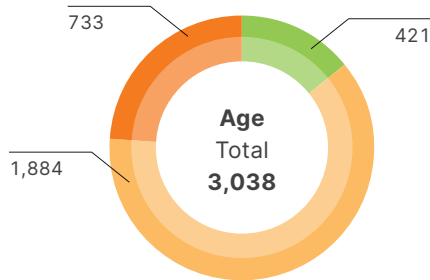
● Male
● Female



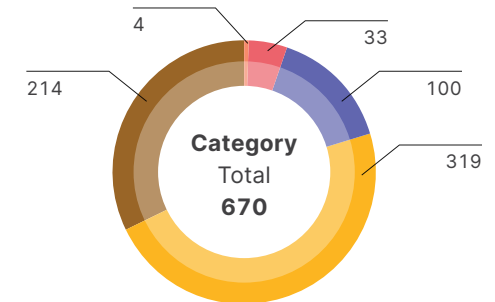
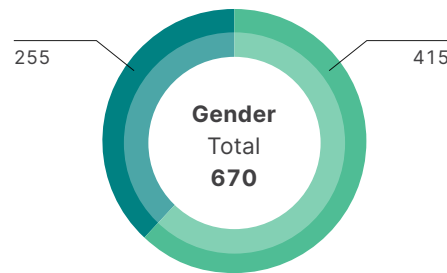
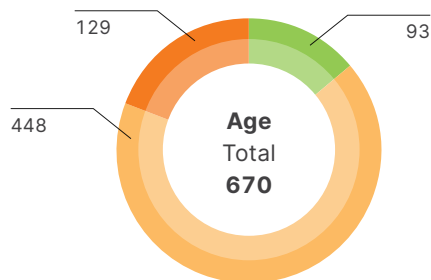
● Independent Non-executive Director
● Non-independent Non-executive Director

Total Employees

Malaysia



Thailand



● Age under 30 years old
● Age between 30 - 50 years old
● Age over 50 years old

● Male
● Female

● Executive Level
● Middle Management
● Department Head/Supervisor
● Senior Officer
● Officer





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

Why It is Important

Prioritising employee health is essential in building sustainable organisations. F&N has effectively fostered a culture of behaviour change that eliminates unsafe practices and promotes a proactive “safety first” culture, encouraging employees to take responsibility for well-being of themselves and their colleagues. We believe teamwork is a key to achieving zero LTIFR.

At F&N, workplace health and safety are integrated into our daily operations. We implement strict procedures to safeguard the physical well-being of our on-site employees, while promoting practices that enhance their mental health. To further reinforce our safety culture, achieving zero lost time injury was established as shared sustainability KPIs for all executives since 2020.

Our Commitments



Reduce the **LTIFR** to 0.

Progress for FY2024

Our LTIFR was **0.73**, with 4 lost time injury cases.

0.73



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

Progress for FY2024

In 2024 **50%** of employees participated in annual safety, health and well-being programmes.

50%

Ensuring the safety of our employees and contractors is one of our top priorities.

Our Approach

Ensuring the safety of our employees and contractors is one of our top priorities. We conduct various safety training programmes to ensure that all personnel align with F&N’s safety protocols, guaranteeing that 100% of our employees and contractors receive appropriate safety training tailored to their specific roles and responsibilities.

CREATING A SAFETY CULTURE

F&NHB strictly adheres to the ILO guidelines, Thailand’s Labour Protection Act, and Malaysia’s Employment (Amendment) Act 2022. These guidelines and legal requirements are reflected in our policy, reinforcing our commitment to creating a safety culture for all.

This policy is fundamental to our ESH management system, which aims to enhance ESH performance through establishing objectives, targets, and ongoing monitoring of key performance indicators. Our ESH management system encompasses all personnel and activities with the necessary training and safety equipment.

Safety is integral to our operations. Our primary facilities comply with global standards like ISO45001 Occupational Health and Safety (OH&S), and our safety measures exceed national regulations. Each facility has a Safety Committee that includes both management and workers’ representatives. Additionally, we have established a Safety and Health Committee for our corporate office and regional sales offices, which oversees F&N’s safety systems and programmes. All our workforce is represented in these committees, ensuring that worker input is systematically considered in OH&S decision-making.



EMPLOYEE SAFETY, HEALTH & WELL-BEING

The responsibilities of the committee include:



In the event of health and safety incidents, our trained Company Emergency Response Teams (ERT) will respond promptly.


The Board oversees and evaluates the company’s health and safety strategy, policies and procedures, including setting and assessing targets, and evaluating our performance against these targets. The Board SRMC discusses health and safety concerns, and provides quarterly updates of these issues to the Board to maintain transparency and accountability. This structured oversight reinforces our commitment to a safe and healthy workplace across all levels of the company.

Our Progress

EMPLOYEE SAFETY TRAINING & AWARENESS

Our safety training remained effective with over 1,800 attendees in over 7,500 hours of safety training in Malaysia and Thailand, respectively. Topics covered in FY2024 included:



-  **SHE Awareness**
-  **Occupational Disease & Syndrome**
-  **Safety at Workplace & First Aid**
-  **Warehouse Safety Management**
-  **Fire Safety & ERT**
-  **Waste Management**

We keep our employees informed about health and safety topics through monthly trainings and newsletters that highlight risky behaviours and safety hazards. Employees are encouraged to report any potential health and safety hazards to their safety representative or supervisor, or through a formal reporting channel monitored by our safety committees, with anonymous option provided.



EMPLOYEE SAFETY, HEALTH & WELL-BEING

CONDUCTIVE WORKING ENVIRONMENT







To safeguarding our workforce, we put efforts to create a workplace environment that prioritises safety and promotes employee health and well-being. When necessary, F&N collaborates with accredited consultants to maintain high standards.

Our Health Risk Assessment Committee, comprised of highly trained personnel, continuously assesses our facilities for areas exposed with health risks, including air quality, lighting, temperature, and noise levels. We have established a routine noise monitoring protocol to ensure compliance with recommended levels. For employees in high-noise environments, we provide hearing protection to reduce their exposure and regular audiometric tests for workers at risk of hearing impairment. If hearing impairments are detected, we arrange follow-up consultations with doctors to properly address the issue.

All employees and contractors have access to comprehensive occupational health services tailored to their specific roles. These services include hygiene resources, ergonomic tools, PPE, and first aid kits. We also offer healthcare insurance coverage to all our employees in Malaysia and Thailand.

F&N facilitates annual health screenings for all workers to reinforce our commitment to their overall health. In the event of work-related illness, we provide follow-up consultations with medical professionals to address the situation appropriately. Annual check-up records are managed by clinics or specialists, with no copies provided to F&N, ensuring confidentiality of employee's personal health information. In 2024, we continued to provide complimentary influenza vaccination to more than 1,200 employees from 19 locations nationwide.

Prioritising the wellness of our employees, we have implemented initiatives to enhance their work-life balance, physical and mental health, including:

-  **Flexi working hours and working from home arrangement, allowing employees to align their work schedule with their personal needs**
-  **In-house gym facilities at some offices and factories**
-  **Extended health insurance to families with 50% subsidy, ensuring their health and financial security are well looked after.**
-  **Workplace stress management, assisting employees in managing workplace stress through various talks and seminars**
-  **Sports and health initiatives, including weekly Zumba classes, health and wellness activities, and flexi benefit scheme that covers health and wellness aspects**
-  **Extended health screening for employees**

Performance	
<p>GRI 403-9 (2018) Work-related injuries</p>	<p>Employee recordable work-related injuries (Case)</p> <ul style="list-style-type: none"> • 4 work-related injuries • 4 high-consequence injuries • 0 work-related fatality <p>High-consequence work-related injuries (Case)</p> <ul style="list-style-type: none"> • 0 work-related injury • 0 high-consequence work-related injury • 0 work-related fatality
<p>GRI 403-10 (2018) Work-related ill health</p>	<ul style="list-style-type: none"> • 0 work-related illness for both employees and non-employees
	
 65 employees trained on health and safety standards	



At F&N, we acknowledge and embrace the significant responsibility our business carries in protecting and sustaining the environment. We understand the critical link between the F&B sector and the biodiversity within our value chain. We fully recognise our pivotal role in conserving natural resources for the benefit of current and future generations, with a firm commitment to sourcing ingredients responsibly and with respect for their ecological impact. Across our operations, we champion circularity and resource efficiency, managing energy, water, and waste resources with care. The shift towards a circular economy not only presents opportunities to enhance business value, while actively reducing our environmental footprint.

This section elaborates on our approach in main environmental impact areas:

Operational Eco-efficiency

- Energy & Climate Change
- Water Stewardship
- Waste Management

Value Chain Impacts

- Packaging
- Biodiversity

Contribution to SDGs

Primary



Secondary



Circularity & Environmental Protection



OPERATIONAL ECO- EFFICIENCY

F&N is acutely aware of the environmental footprint stemming from our operations, including energy consumption, water usage, and resource utilisation. We are committed to minimising these impacts by continually exploring ways to enhance our manufacturing processes, with a primary focus on optimising eco-efficiency at every step. Through innovative initiatives and resourceful strategies, we aspire to not only minimise our environmental footprint but also align our operations more closely with sustainable practices, supporting a balanced and sustainable coexistence with our planet.

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

Energy & Climate Change

Water Stewardship

Waste Management



Environment, Safety & Health Policy

Our ESH Policy ensures all major plants in the group are ISO14001 EMS certified. 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, management of waste.

We undertake 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.



In FY2024, **4** of our manufacturing plants are **certified with ISO14001 EMS certification**, representing 30% of our total manufacturing facilities



ENERGY & CLIMATE CHANGE

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



Why It is Important


The GHG emissions generated from our business operations play a role in driving climate change, which, in turn, affects F&N in various ways. Climate change places pressure on our production processes, including fluctuations in the raw materials prices and potential disruptions in access to water, posing challenges to our operational resilience and sustainability.

At the same time, it 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 Updates” on pages 29 to 40 of this Report.

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



Our Commitments

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

Progress for FY2024

Our energy intensity ratio improved marginally by **0.1%** to 867.74 from the FY2020 baseline at 868.56, reflecting the impact of increased energy demand from strategic expansions undertaken across Malaysia since 2020 and a new plant in Thailand.



Under the business-as-usual conditions, we are progressing well towards our 2025 target, with Malaysia facilities achieving a **7%** reduction of energy intensity ratio against baseline year.

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

Progress for FY2024

Group GHG intensity ratio has improved by **4%**, now standing at 0.0635, (FY2020 baseline at 0.0661).*



Under business-as-usual conditions, our progress would indicate even better improvements to the 2020 baseline, with Malaysia facilities achieving **18%** reduction in GHG emissions intensity ratio against baseline.

* Our strategic expansion initiatives across Thailand and Malaysia.

Thailand

- Commissioned a new facility in Wang Muang to strengthen our regional operations.

Malaysia

- Added a new line for mineral water in Bentong;
- Expanded with a new line for carbonated soft drinks in Kuching;
- Introduced a new line for mineral water in Matang;
- Installed several new lines, including chilled & UHT products, standup pouch format and drinking water in Pulau Indah;
- Introduced key automation advancement including auto-depalletiser, robotic arm and rotofeeder in Pulau Indah;
- Enhanced capacity with new lines for carbonated soft drinks, Asian drinks line and cordials in Shah Alam.

Our Approach

F&N effectively manages energy usage across our operations and the entire value chain by adhering to our Energy & Climate Change Management Policy.

Our workforce, business associates, and various stakeholder groups are well-informed about this policy and endorse our objectives. We actively engage with suppliers and service providers to secure their dedication to environmental-responsible practices.

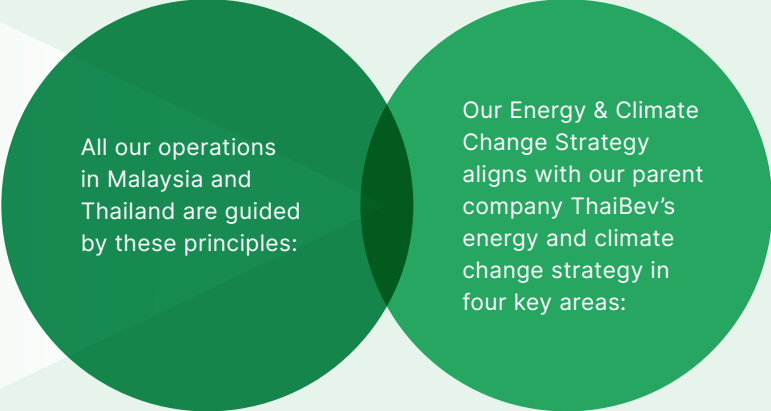
Our operations, spanning manufacturing, storage, and transportation, consume energy across all stages.



ENERGY & CLIMATE CHANGE

OUR ENERGY & CLIMATE CHANGE MANAGEMENT POLICY

- 1 Fulfil and enhance the energy management system as energy conservation is an important part of our operations
- 2 Well manage and utilise energy conservation technology and best practices as part of our continuous improvement
- 3 Implement and improve energy management system to comply with relevant laws and regulations
- 4 Conduct energy improvement programme to optimise business operations
- 5 Promote, support and manage energy conservation efficiently



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



Navigation icons: list, search, website, up, down

ENERGY & CLIMATE CHANGE

Our Progress

ENERGY EFFICIENCY IN OUR OPERATIONS

Enhancing the energy efficiency of our operations is not only a strategic business move but also aligns with our commitment to reducing GHG emissions. F&N is dedicated to expanding our efforts in reducing GHG emissions by optimising energy efficiency across our operations and supply chain.

Throughout the year, our manufacturing team proactively identified opportunities to implement various energy-efficiency improvement initiatives:

🇲🇾 **Malaysia**

Pulau Indah Plant

Several energy and resource-saving initiatives were implemented across the plant to improve energy efficiency, including:

- Upgrading the condensate recovery system for sugar dissolving and the plate heat exchanger by converting standard steam traps to condensate pump traps.
- Installing the Intelligent Flow Control (IFC) system for the Compressed Air Management System (CMS) to optimise air compressor performance.
- Fine-tuning the Can Flamer to achieve optimal efficiency.
- Switching off air compressors during weekends and replacing street lighting with solar lighting for sustainable energy use.
- Shutting down blowers in the Industrial Effluent Treatment Systems (IETS) during weekends to reduce energy consumption.
- Upgrading the ammonia system with three Variable Speed Drive (VSD) units for fans in the evaporative condenser, allowing for better energy control.
- Together, these measures resulted in significant annual savings of over 400,000 kWh of electricity and 80 mmBTU of natural gas.

Shah Alam Plant

Several initiatives at the Shah Alam plant focused on energy savings. These include:

- Developing a strategic plan to align utility usage with the production schedule, focusing on compressed air, high-pressure (HP), low-pressure (LP), and ammonia systems.
- Centralising the 40 bar compressor.
- Upgrading the air conditioner chiller in the main building to a more efficient inverter and hybrid model.
- Relocating an unused filler blower from the aseptic line to the UHT line.
- Adjusting the chiller temperature of aseptic, drinking water and cordial filling halls.
- Collectively, these efforts results in annual savings of over 200,000 kWh of electricity.

Bentong Plant

- At the Bentong plant, an optimisation initiative was implemented, where a single compressor now supplies air to two production lines, instead of using two compressors for 12 hours a day.
- This change led to a significant savings of almost 300,000 kWh of electricity per annum.

Kuching Plant

- At the Kuching plant, the Boiler Auto Blowdown Heat Recovery system was implemented, capturing and reusing heat from the blowdown process to improve energy efficiency.
- This measure resulted in a savings of 20 kWh of electricity per annum.

🇹🇭 **Thailand**

The Heat Recovery Project at Rojana plant focuses on recovering waste heat from various processes, including the processing lines, continuous sterilisers, and jumbo sterilisers. This recovered heat is then transferred to systems such as reverse osmosis (RO), softened water, processed water, and fresh milk. The newly implemented heat recovery system captures 100% of heat waste, achieving a recovery rate of 170 GJ/day. This initiative provides a competitive advantage by enabling the cooling tower to operate with zero heat waste discharge to the atmosphere.

Heat Recovery Project

- Raw Water
- Soft Water
- Processed Water
- RO Water
- Fresh Milk



ENERGY & CLIMATE CHANGE

RENEWABLE ENERGY SOURCING & GENERATION

We have been gradually implementing solar photovoltaic (PV) systems at our facilities in Malaysia and Thailand to reduce our reliance on fossil fuels and minimise our carbon footprint. This initiative aligns with our overall strategy to decrease our reliance on fossil fuels and minimise our carbon footprint.

In April 2020, we took a significant step towards sustainable energy by commissioning our first solar photovoltaic (PV) system at the Rojana plant, with a generating capacity of 1 MWp. By FY2022, we had expanded this commitment, completing the installation of solar roofs at our Shah Alam, Pulau Indah, and Bentong plants in Malaysia, collectively adding 10 MWp to our renewable energy portfolio. Additionally, in the same fiscal year, we installed a 1 MWp solar roof at our dairy plant in Wang Muang.

By FY2024, our solar PV systems across five key plants — three in Malaysia and two in Thailand — have collectively contributed to a substantial reduction in grid electricity usage by more than 14 million kWh annually. This transition to renewable energy has resulted in an estimated 13,000 metric tonnes of CO₂e reduction per year, underscoring our ongoing commitment to minimising our carbon footprint.

Looking forward in FY2025, we are poised to expand our solar energy capacity further at two existing plants and three new food plants, adding an additional 6.38 MWp. This expansion is set to further reducing our GHG emissions by 6,600 MT CO₂e annually, aligning us with our long-term sustainability goals.

		Year of operationalisation	Capacity
Malaysia	Bentong plant	2022	16.38 MWp
	Pulau Indah plant		
	Shah Alam plant		
	Rawang plant (3 new sites)	2024	
Thailand	Rojana plant	2020	2 MWp
	Wang Muang plant	2022	1 MWp

Low-carbon Product

Thailand – CARNATION Extra Non-dairy Half Creamer for Cooking and Baking

The CARNATION Extra Non-dairy Half Creamer for Cooking and Baking (385g) is our first low-carbon product certified by Thailand Greenhouse Gas Management Organisation (TGO). With a carbon footprint of 295 kg CO₂, this product successfully meets the requirements of the Carbon Footprint Label Scheme. Building on this milestone, we are actively expanding our efforts to certify additional products under TGO's Carbon Footprint Label Scheme, reinforcing our dedication to minimising our environmental impact and promoting low-carbon choices for our consumers.






ROUTE PLANNING

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

A major technological advancement we have implemented is the Automated Storage and Retrieval System (ASRS), which is now fully operational in our integrated warehouses in Malaysia and regional distribution centre in Thailand. This system has revolutionised our operations by automating processes, enabling the handling of higher daily loads. As a result, it optimises forklift usage and substantially reduces their use by up to 40%, leading to savings in both time and energy while cutting down on trips down storage aisles.

A notable benefit of implementing the ASRS is the elimination of reliance on external rented warehouses. This strategic shift has enabled us to achieve a 15% annual reduction in transportation costs, yielding substantial savings in time and energy while significantly lowering greenhouse gas emissions by 1,400 metric tonnes of CO₂e per year. The ASRS drives continuous improvement through a series of integrated steps designed to optimise storage and retrieval, enhance operational efficiency, and support our sustainability goals:

-  **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**



ENERGY & CLIMATE CHANGE


OPERATIONS EXPOSURE TO CLIMATE CHANGE RISKS

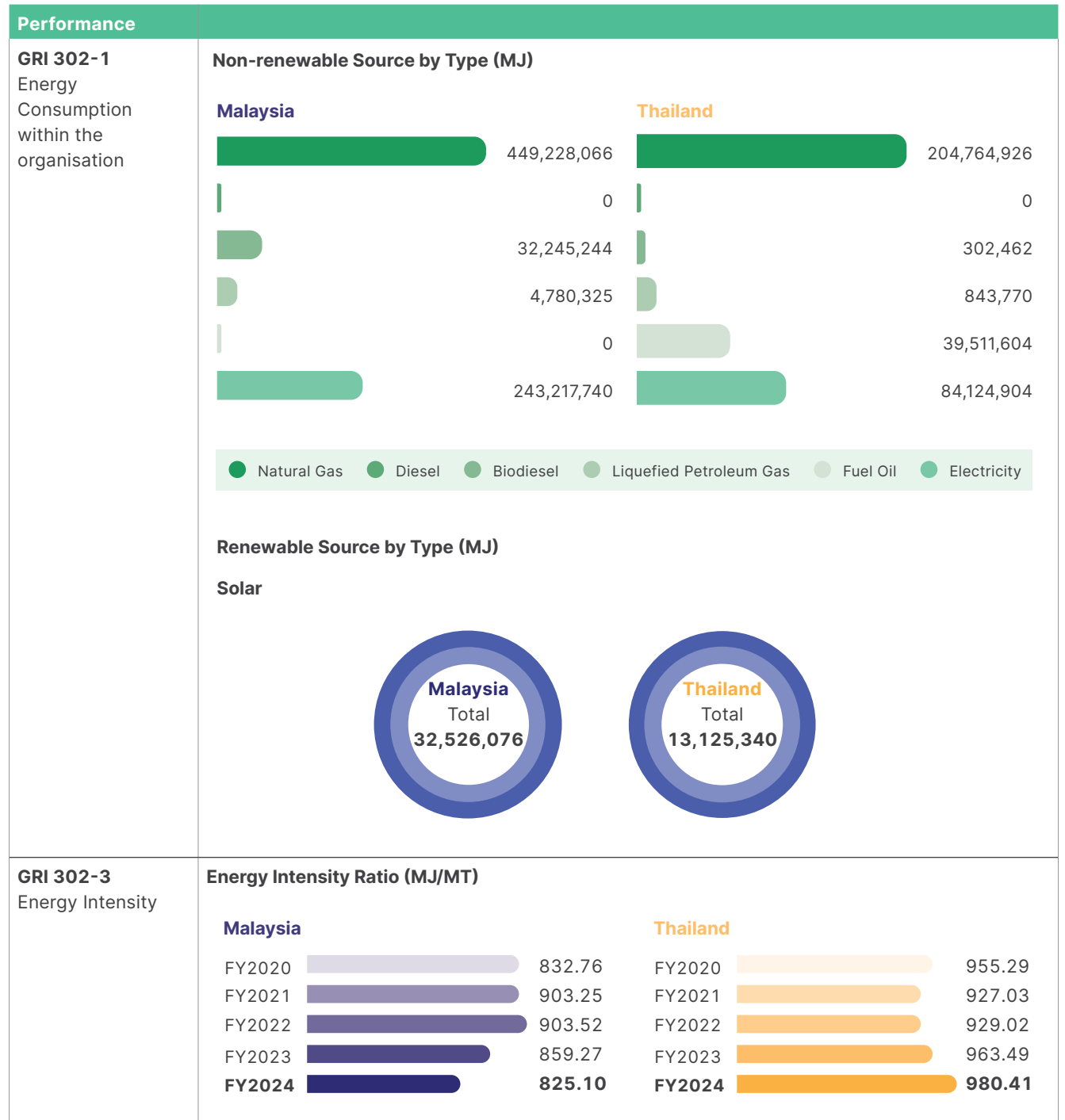
The increasingly evident impacts of climate change are causing widespread disruptions to societies and businesses globally, and F&N is no exception to the vulnerability posed by climate-related risks, such as extreme temperatures, floods, and droughts, have the potential to interrupt our operations and disrupt our supply chain.

To gain a deeper insight of our material climate-related risks through scenario analysis, we extended our efforts into quantifying material physical and transition risks that were identified in the previous FY. This analysis has allowed us to evaluate the potential financial impacts these risks may have on our business, providing us with actionable insights that inform our strategic planning.

We have integrated the findings of the assessment into F&N's ERM framework, enabling us to effectively monitor, manage and respond to climate risks and opportunities. This integration ensures that climate considerations are embedded within our decision-making processes, guiding us toward long-term resilience and adaptability. In line with our commitment to business continuity, we have also established robust incident escalation protocols and response plans, ensuring operational resilience amid climate-related disruptions.

Recognising specific threats — such as flooding, which may pose a risk to the purity of our mineral water source, we work closely with state authorities and local councils to proactively manage and minimise these potential impacts. For a comprehensive overview of our climate change risk assessment and management strategies.

 Please refer to the "TCFD & Climate Risk Management Updates" on pages 29 to 40 of this Report.



ENERGY & CLIMATE CHANGE

Performance																															
<p>GRI 305-1 Direct (Scope 1) GHG emissions (CO₂e)</p>	<p>Total Direct GHG Emissions (equivalent) (MTCO₂e)</p> <table border="1"> <caption>Direct GHG Emissions (MTCO₂e)</caption> <thead> <tr> <th>Country</th> <th>Natural gas</th> <th>Biodiesel</th> <th>Liquefied petroleum gas</th> <th>Fuel Oil</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Malaysia</td> <td>25,226</td> <td>2,397</td> <td>302</td> <td>0</td> <td>27,926</td> </tr> <tr> <td>Thailand</td> <td>11,498</td> <td>22</td> <td>53</td> <td>3,068</td> <td>14,642</td> </tr> </tbody> </table>	Country	Natural gas	Biodiesel	Liquefied petroleum gas	Fuel Oil	Total	Malaysia	25,226	2,397	302	0	27,926	Thailand	11,498	22	53	3,068	14,642												
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WATER STEWARDSHIP

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



Why It is Important

Water holds immense significance for F&N, playing a pivotal role as an essential resource in both our product development and operational processes. The success of our business hinges upon a dependable supply of water and the effective management of this invaluable resource.

Our climate change risk assessment has identified specific sites in Thailand and Malaysia that are moderately exposed to water stress, where the demand for clean water surpasses its availability. Given the anticipated escalation in severity of flooding and intensification of water stress, F&N is prioritising responsible water stewardship. We manage our water resource efficiently to safeguard continued access to clean water for local communities in the regions where we operate.

Our Commitment



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

Progress for FY2024

Our group water intensity ratio has increased by **3%** to 2.37 (compared to FY2020 baseline at 2.29). The increase in water ratio is due to various strategic expansion* in Malaysia and Thailand which elevated water demand in our production.

-3%

Comparing to FY2023, our group water intensity ratio has improved by **1%**, with both Malaysia and Thailand showing improvement.

Under business-as-usual conditions, we are progressing well towards our 2025 target, with Malaysia facilities achieving a **6%** reduction of water intensity ratio against baseline year.

* Refer to page 98 for more information.

Driven by the F&N ESH Policy and aligned with the principles of the circular economy, our water stewardship initiatives focus around enhancing water security and minimising water consumption.



Our Approach

We leverage a variety of assessments and water-related tools to identify and manage water-related risks and opportunities across our operations and supply chains. These findings influence our strategies and action plans implemented in all our production facilities.



WATER STEWARDSHIP

The non-exhaustive methods of monitoring water-related risks are part of the F&N ERM processes:



We 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.

This year, we continued to understand our material climate-related risks (including water-related risks) through the quantification of the identified risks in scenario analysis.



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.



In FY2024, there was no incident of non-compliance with water quality/quantity permits, standards and regulations.

Our Progress

Through collaborative partnerships with relevant stakeholders, F&N develops shared-value projects that effectively addresses the challenges of water-related risks. Guided by circular economy principles, we design water stewardship initiatives that not only protect water resources within our operations and supply chains but also support the local communities surrounding our facilities. This holistic approach extends to close collaboration with local government authorities and other stakeholders, fostering sustainable water management practices that ensure long-term water security and environmental sustainability for all parties involved.

CREATING SHARED VALUE WITH STAKEHOLDERS

Government Agencies

We uphold stringent water stewardship practices by fully adhering to local regulations of water consumption to relevant government agencies. Our production operations undergo routine inspections by these authorities to ensure compliance and alignment with best practices in sustainable water management. This proactive approach reinforces our commitment to responsible resource usage.

Local Communities

Ensuring ongoing access to high-quality water for the communities surrounding our operations and supply chains is vital for fostering strong relationships with these communities. Since F&N shares water sources with local residents, it is essential to maintain a conflict-free environment. Our careful management of groundwater withdrawals and reservoir usage has been effective in preventing any adverse impacts on nearby communities.

In addition, F&NHB has established a partnership with a local manufacturer of liquid sugar. This collaboration of over two years, has proven instrumental in addressing a critical challenge in the sugar production process, particularly the substantial water consumption during the crystallisation stage.

Dairy Farmers

As part of our Farmers Excellence Programme, we launched a project aimed at significantly improve the water supply for local farmers by providing solar-powered water pumps. These pumps were introduced to address the challenge of water scarcity in the region. An added advantage of the solar cell water pumps was that they enabled farmers to grow their own cattle feed, such as forage grass, providing further cost-savings and contributing to their economic well-being.



WATER STEWARDSHIP

WATER STEWARDSHIP IN OUR OPERATIONS

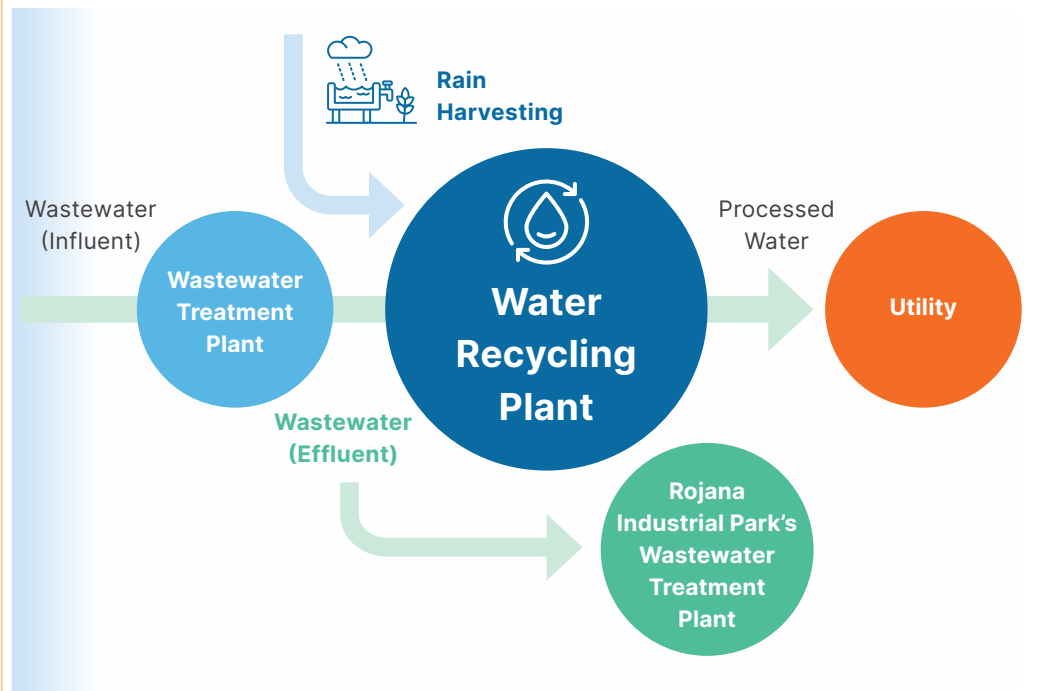
Water is a vital resource for our business operations, and we treat it with the highest priority. At F&N, we are committed to advancing our efforts to enhance water efficiency, reduction, and recovery initiatives across our production facilities. By building on our previous achievements, we continuously seek innovative strategies to optimise water usage, minimise waste, and promote sustainable practices, ensuring that our operations align with our environmental stewardship goals.

A range of initiatives have been implemented at our plants to increase water savings through optimising plant processes.

Malaysia	
Pulau Indah Plant	<ul style="list-style-type: none"> At the Pulau Indah plant, several initiatives were undertaken to improve water efficiency, including upgrading steam traps to condensate pump traps, converting water-cooled homogenisers to oil-air cooling units across four manufacturing lines, and implementing Phase 2 of the Rainwater Harvesting Tank. Additional measures included optimising the clean-in-place (CIP) process, recovering water through IETS RO membranes, and increasing operational efficiency with weekly CIP of hydration tanks. The Scanima hydration system's evaporation cycle was extended from 48 to 72 hours, and the CIP time for the pre-rinse evaporator was reduced. Collectively, these efforts resulted in an annual water savings of 20,000 m³.
Shah Alam Plant	<ul style="list-style-type: none"> The Shah Alam plant implemented several water saving projects, including reducing the CIP rinsing time on the aseptic and UHT line from 600 to 300 seconds and optimising the retort cooling tower. These improvements resulted in water savings of over 20,000 m³ per annum.
Bentong Plant	<ul style="list-style-type: none"> At Bentong plant, a rainwater harvesting system was installed, allowing the plant to harvest over 30,000 m³ of water per annum, reducing its reliance on external water sources.
Kuching, Kota Kinabalu & Matang Plants	<ul style="list-style-type: none"> The combined efforts of the East Malaysia's plants also contributed to water savings. In Kuching, the backwash cycle of wastewater treatment plant was extended from 24 to 36 hours, while the Kota Kinabalu plant focused on reducing and reusing backwash water. Additionally, the Matang plant upgraded its water management system by replacing polyethylene (PE) tubes with stainless steel tubes in its water tank system. Together, these measures saved almost 8,500 m³ of water per annum.

Thailand

The team at the Rojana plant developed a water recycling facility that processes effluent from the wastewater treatment plant and harvested rainwater to produce processed water for use in the plant's utility area, with a capacity of 400 m³/day. This innovative initiative replaces 30% of the purchased water sourced from the Rojana Industrial Park, significantly reducing the plant's reliance on external water sources and contributing to overall sustainability and water conservation efforts.



The diagram illustrates the water recycling process at the Rojana plant. It shows a central 'Water Recycling Plant' (blue circle) receiving 'Wastewater (Influent)' from a 'Wastewater Treatment Plant' (light blue circle) and 'Rain Harvesting' (light blue arrow). The 'Water Recycling Plant' produces 'Processed Water' (green arrow) which is sent to 'Utility' (orange circle). Additionally, 'Wastewater (Effluent)' (green arrow) from the 'Water Recycling Plant' is sent to 'Rojana Industrial Park's Wastewater Treatment Plant' (green circle).

In Thailand, since 2022, we have replaced the usage of cube sugar with liquid sugar in collaboration with local manufacturers by implementing a filtration resin method, effectively transforming the sugar into a liquid form. Without the need of dissolving cube sugar, the traditional need for large quantities of water has been significantly reduced with water savings of 32,030 m³ per annum. Other additional benefits include electricity savings of 275,956 kWh per annum and reduction of 238 tons of CO₂e emissions per annum.

WATER STEWARDSHIP

Performance																																												
<p>GRI 303-3 Water withdrawal by source</p>	<p>Total Volume of Water Withdrawal (m³)</p> <p>Malaysia Total 2,504,397</p> <p>Thailand Total 553,271</p> <ul style="list-style-type: none"> Ground water Rainwater collected directly and stored by F&N Municipal water supplies or other water utilities 																																											
<p>GRI 303-4 Water discharge</p>	<p>Total Water Discharge by Destination (m³)</p> <p>Malaysia Total 1,464,665</p> <p>Thailand Total 220,275</p> <ul style="list-style-type: none"> Surface water Ground water Seawater Third-party water treatment and usage 																																											
<p>GRI 303-5 Water consumption</p>	<p>Total Water Consumption (m³)</p> <table border="0"> <tr> <td data-bbox="449 1343 553 1372">Malaysia</td> <td data-bbox="682 1375 920 1466"> <p>Total 1,039,732</p> </td> <td data-bbox="1022 1312 1392 1341">Water Intensity Ratio (m³/MT)</td> <td data-bbox="1605 1361 1710 1390">Thailand</td> <td data-bbox="1605 1412 2054 1685"> <table border="0"> <tr> <td data-bbox="1022 1361 1127 1390">Malaysia</td> <td data-bbox="1127 1412 1505 1685"> <table border="0"> <tr> <td>FY2020</td> <td></td> <td>2.68</td> </tr> <tr> <td>FY2021</td> <td></td> <td>2.73</td> </tr> <tr> <td>FY2022</td> <td></td> <td>2.71</td> </tr> <tr> <td>FY2023</td> <td></td> <td>2.68</td> </tr> <tr> <td>FY2024</td> <td></td> <td>2.67</td> </tr> </table> </td> <td data-bbox="1605 1412 2054 1685"> <table border="0"> <tr> <td>FY2020</td> <td></td> <td>1.39</td> </tr> <tr> <td>FY2021</td> <td></td> <td>1.36</td> </tr> <tr> <td>FY2022</td> <td></td> <td>1.34</td> </tr> <tr> <td>FY2023</td> <td></td> <td>1.62</td> </tr> <tr> <td>FY2024</td> <td></td> <td>1.58</td> </tr> </table> </td> </tr> <tr> <td data-bbox="449 1536 553 1565">Thailand</td> <td data-bbox="682 1568 879 1659"> <p>Total 332,996</p> </td> <td></td> <td></td> <td></td> </tr> </table> </td> </tr> </table>	Malaysia	<p>Total 1,039,732</p>	Water Intensity Ratio (m³/MT)	Thailand	<table border="0"> <tr> <td data-bbox="1022 1361 1127 1390">Malaysia</td> <td data-bbox="1127 1412 1505 1685"> <table border="0"> <tr> <td>FY2020</td> <td></td> <td>2.68</td> </tr> <tr> <td>FY2021</td> <td></td> <td>2.73</td> </tr> <tr> <td>FY2022</td> <td></td> <td>2.71</td> </tr> <tr> <td>FY2023</td> <td></td> <td>2.68</td> </tr> <tr> <td>FY2024</td> <td></td> <td>2.67</td> </tr> </table> </td> <td data-bbox="1605 1412 2054 1685"> <table border="0"> <tr> <td>FY2020</td> <td></td> <td>1.39</td> </tr> <tr> <td>FY2021</td> <td></td> <td>1.36</td> </tr> <tr> <td>FY2022</td> <td></td> <td>1.34</td> </tr> <tr> <td>FY2023</td> <td></td> <td>1.62</td> </tr> <tr> <td>FY2024</td> <td></td> <td>1.58</td> </tr> </table> </td> </tr> <tr> <td data-bbox="449 1536 553 1565">Thailand</td> <td data-bbox="682 1568 879 1659"> <p>Total 332,996</p> </td> <td></td> <td></td> <td></td> </tr> </table>	Malaysia	<table border="0"> <tr> <td>FY2020</td> <td></td> <td>2.68</td> </tr> <tr> <td>FY2021</td> <td></td> <td>2.73</td> </tr> <tr> <td>FY2022</td> <td></td> <td>2.71</td> </tr> <tr> <td>FY2023</td> <td></td> <td>2.68</td> </tr> <tr> <td>FY2024</td> <td></td> <td>2.67</td> </tr> </table>	FY2020		2.68	FY2021		2.73	FY2022		2.71	FY2023		2.68	FY2024		2.67	<table border="0"> <tr> <td>FY2020</td> <td></td> <td>1.39</td> </tr> <tr> <td>FY2021</td> <td></td> <td>1.36</td> </tr> <tr> <td>FY2022</td> <td></td> <td>1.34</td> </tr> <tr> <td>FY2023</td> <td></td> <td>1.62</td> </tr> <tr> <td>FY2024</td> <td></td> <td>1.58</td> </tr> </table>	FY2020		1.39	FY2021		1.36	FY2022		1.34	FY2023		1.62	FY2024		1.58	Thailand	<p>Total 332,996</p>			
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FY2020		1.39																																										
FY2021		1.36																																										
FY2022		1.34																																										
FY2023		1.62																																										
FY2024		1.58																																										
Thailand	<p>Total 332,996</p>																																											



WASTE MANAGEMENT

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



Why It is Important

In a world of dwindling finite resources, we are committed to reducing our waste by adopting the circular economy principles. The concept of the circular economy regards waste as a valuable resource repurposed as an input for other processes. By implementing effective waste management strategies, we not only enhance our resource efficiency but also significantly reduce our environmental footprint. This commitment to sustainable waste management has the potential to yield substantial cost savings for our business while contributing to a more sustainable future for all.

Our Commitment



Reduce the solid waste sent to landfill has reduced by **54%** to 545 MT from a 2020 baseline.

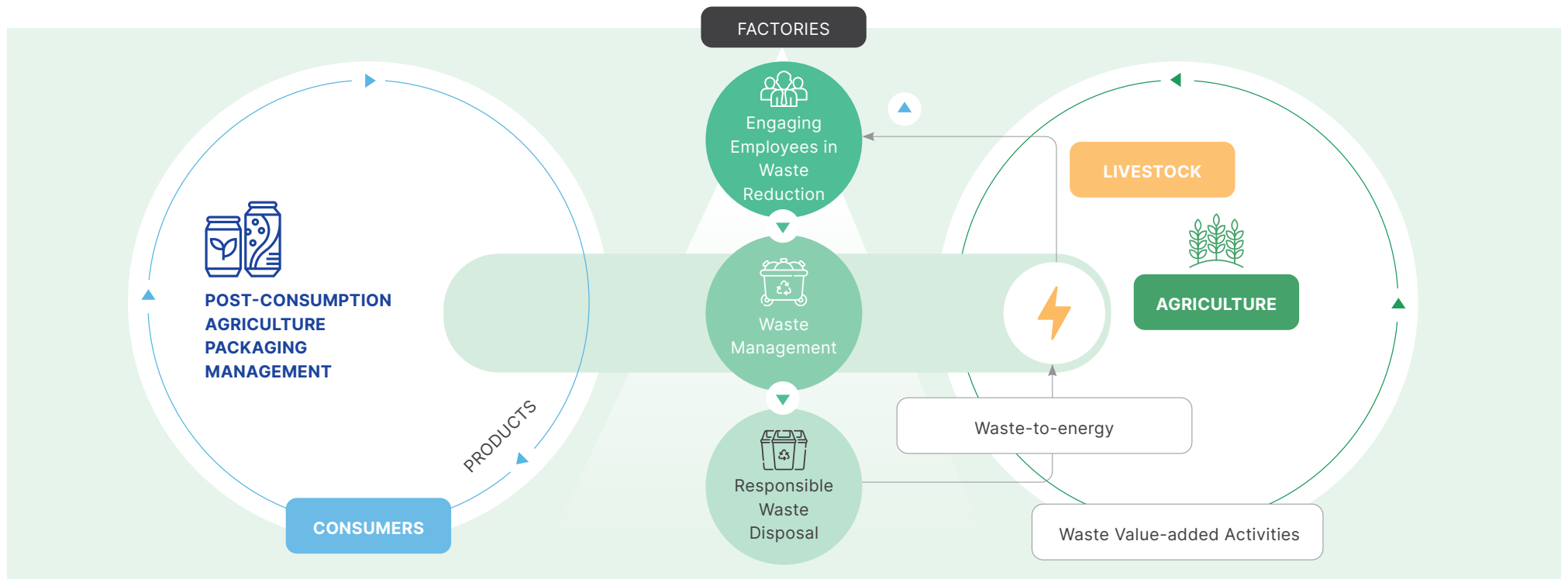
Progress for FY2024

Our total solid waste sent to landfill reduced by **49%** of to 524 MT (as at compared to FY2020 baseline at 1,122 MT), due to various initiatives in managing waste.



Our Approach

CIRCULAR ECONOMY & WASTE




Waste generation occurs at multiple stages throughout the production process, spanning the supply chain and our own operational activities. At F&N, we prioritise efficient waste management by minimising and redirecting our operational waste. Our goal is to achieve 'zero discharge, zero waste and zero landfill' across our operations.


WASTE MANAGEMENT

Our dedication extends beyond our immediate operations; we collaborate closely with stakeholders throughout the supply chain to identify opportunities for integrating circular practices into their operations, enabling them to achieve cost savings through resource-efficient practices.


Our comprehensive waste management strategy employs environmentally responsible practices tailored to different waste categories, reinforcing our dedication to effective waste management across the board:



▶ Non-hazardous waste is primarily recycled, allowing us to maximise resource utilisation while minimising environmental impact.



▶ General waste, which includes materials that cannot be recycled, is directed towards power plant waste-to-energy facilities. This process not only contributes to energy production but also significantly reduces reliance on landfills.



▶ While the generation of hazardous waste is minimal, we ensure its proper disposal by entrusting licensed waste contractors to transport and incinerate it safely at specialised facilities, adhering to stringent regulatory standards.

In accordance with our ESH Policy, we uphold rigorous standards for the quality of effluent discharges from our manufacturing processes.

Our Progress

EMPLOYEE AWARENESS

The concept of the circular economy is embedded into the heart of our environmental awareness initiatives for our employees. We promote the continual reuse of what is conventionally considered “waste” as a valuable resource until it reaches the end of its lifecycle.

An ongoing programme that instils responsible waste management practices in our Thailand team has resulted in the elimination of plastic bags for waste collection, by repurposing bags originally used for packaging materials. This simple yet effective change has resulted in a reduction in plastic bag consumption, amounting to 10,000 kg.

We believe that progressing towards the 2025 waste target requires the involvement of our people throughout our operations. As such, we organise activities through communication platforms — the Intranet, email, and internal recycling programmes to raise employee awareness about responsible consumption.

In Malaysia, we organised a successful F&N Recycling Day to foster sustainability from workplace among our employees at our Shah Alam office. This engaging initiative not only encouraged participation but also rewarded employees with vouchers redeemable for food and household items. Through this programme, we collected and recycled over 160 kg of recyclable materials, demonstrating our collective effort to promote environmental responsibility within our organisation.

To further spread eco awareness, we hosted a KLEAN Reverse Vending Machine for six months at Shah Alam office. During this time, over 200 employees participated, collecting over 4,000 recyclables and helping to avoid 573 kg of carbon footprint.



Navigation icons: list, search, website, up, down

WASTE MANAGEMENT

INTEGRATING CIRCULAR ECONOMY WITHIN OUR OPERATIONS

We are dedicated to the goal of eliminating landfill waste. Among our eight plants, three have successfully reached zero waste to landfill status: Kota Kinabalu plant in Malaysia, and Rojana and Wang Muang plant in Thailand.

At Rojana, Wang Muang and Bentong plants, non-recyclable waste is transformed into electricity at a waste-to-energy plant, successfully converting more than 310 MT of waste into over 860,000 kW of electricity. Today, the Rojana and Wang Muang plants have 100% of its waste being effectively managed through methods like waste-to-energy conversion.

INTEGRATED DIGITAL SYSTEMS FOR DEMAND MANAGEMENT AND PRODUCTION PLANNING

A key principle in the circular economy is eliminating waste and pollution. At F&N, we actively embrace this principle by leveraging advanced digital systems to minimise upstream waste before production begins. Utilising AI-based technology, we analyse historical data to determine optimal production quantities and timing. This enhanced precision in demand forecasting enables us to adjust our production schedules accordingly, significantly reducing waste generated from unsold products.

Our system incorporates Stock Transfer Orders (STO) to accurately calculate the quantities delivered to distributors and their warehouses. By maintaining optimal stock levels at distributor locations — based on both forecasts and current inventory — we ensure that our supply chain operations are both efficient and precise. This strategic approach not only enhances the accuracy of our supply chain management but also reinforces our commitment to customer satisfaction, ensuring that we meet demand while minimising waste.

TURNING WASTE INTO VALUABLE RESOURCES





Our approach to liquid waste management focuses on the conversion of liquid waste into useful resource, including organic fertiliser for farmers and feed for chicken farm. This initiative not only minimises the environmental impact of liquid waste from our operations, but supported the sustainable agricultural practices within our community by turning waste into a valuable resources. Through this initiative, we have converted over 7,200 MT of wastewater treatment sludge and liquid milk waste into organic fertilizer.

Additionally, the Kuching plant has sent 486 MT of okara waste to a local chicken farm, where it is processed by soldier flies and transformed into high-quality chicken feed. This further highlights our dedication to innovative waste solutions that benefit both the environment and local industries.

WORKING WITH OUR VALUE CHAIN PARTNERS TO REDUCE FOOD LOSS & WASTE

Food loss and waste contributes to food shortage, water stress, biodiversity loss, and potentially emits GHG during the disposal stage. We actively engage with our upstream and downstream business partners to explore creative solutions aimed at reducing food loss and to redirect potential food waste. Together, we develop a comprehensive strategy on – prevention, optimisation, recycling, and recovery initiatives to address food loss and food waste at every stage of our value chain.

F&NHB has established a food loss and waste management framework referencing the Food and Drink Material Hierarchy provided by the Food and Agriculture Organisation (FAO) of UN. The framework guides our strategy in promoting food sustainability and responsible resource management.

RAW MATERIALS 	PRODUCTION PROCESSES 	COLLABORATION WITH PARTNERS 	MANAGING FOOD SURPLUS 
<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • To manage 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. 	<ul style="list-style-type: none"> • We team up with our 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. 	<ul style="list-style-type: none"> • To manage 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.

We have implemented a range of initiatives aimed at addressing food waste and supporting those in need, including 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, and we have continuously provided surplus F&B products to various communities in need. This year, we further solidified our commitment by forming long-term partnerships with Yayasan Bursa Malaysia and The Lost Food Project. As part of this efforts, we have contributed over 6,700 kg of F&B products to Yayasan Bursa Malaysia to be distributed to communities in need. These initiatives underscore our dedication to social responsibility and reflect our belief that no food should go to waste.

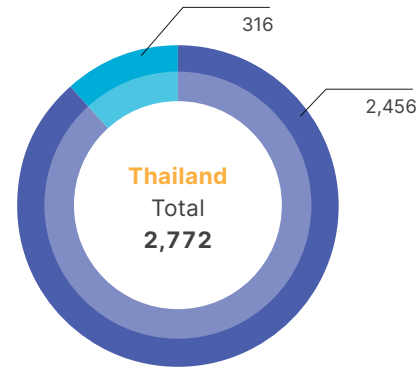
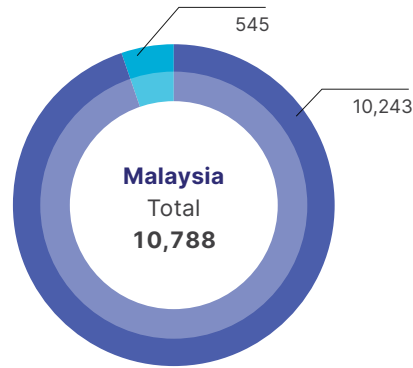


WASTE MANAGEMENT

Performance

GRI 306-3 (2020)
Waste generated

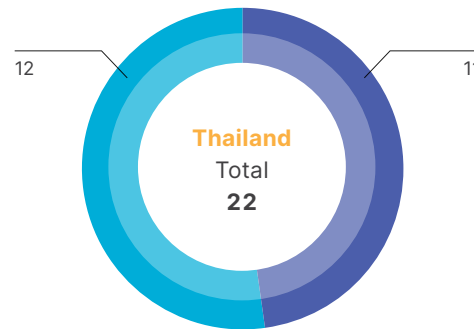
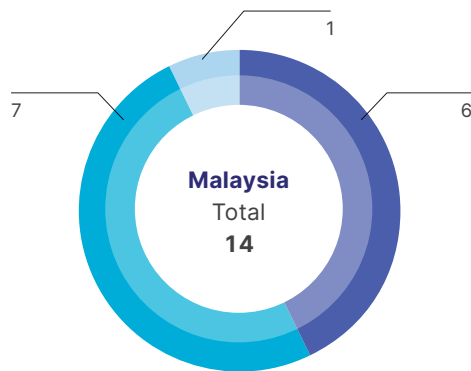
Total Waste Generated (MT)



- Waste diverted from disposal
- Waste directed to disposal

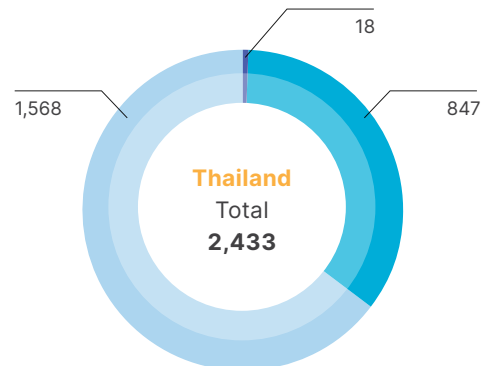
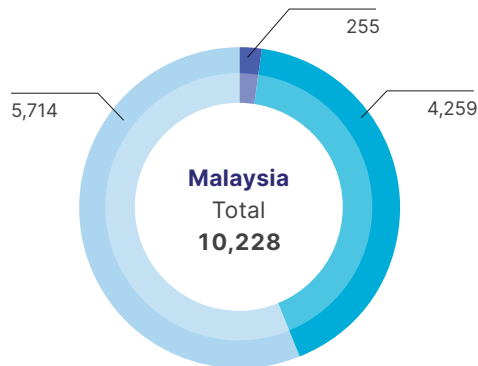
GRI 306-4 (2020)
Waste diverted from disposal

Total Hazardous waste (MT)

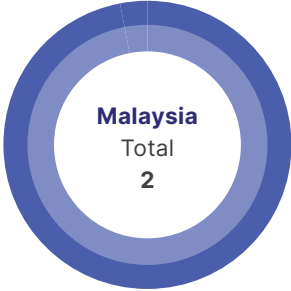

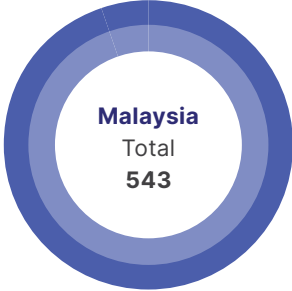









- Preparation for reuse
- Recycling
- Composting (self-fertiliser)

Total Non-hazardous Waste (MT)



WASTE MANAGEMENT

Performance					
GRI 306-5 (2020) Waste directed to disposal	Total Hazardous Waste (MT)		Total Non-hazardous Waste (MT)		
	 <p>Malaysia Total 2</p>		 <p>Thailand Total 5</p>		
		 <p>Malaysia Total 543</p>		 <p>Thailand Total 311</p>	
<p>● Landfill ● Incineration (with energy recovery)</p>					
Total Waste Generated (MT)		Solid Waste Reused, Recycled or Recovered (MT)		Percentage of Waste Reused, Recycled or Recovered (MT)	
Malaysia  <p>Total 10,788</p>		Malaysia  <p>Total 10,243</p>		Malaysia  <p>Total 94%</p>	
Thailand  <p>Total 2,772</p>		Thailand  <p>Total 2,456</p>		Thailand  <p>Total 89%</p>	
<p>Over 94% of solid waste was reused, recycled or recovered during the year.</p>					



VALUE CHAIN IMPACTS

The impacts of our products reaches far beyond our direct operations, influencing the environment and the communities in which we operate. The raw materials and ingredients we procure, including packaging materials, contribute to a wider environmental footprint. To address these challenges, we are committed to mitigating these impacts across our entire value chain by enhancing our packaging practices and sourcing raw materials more responsibly.

In the following sections, we will delve deeper into our approach and strategies aimed at minimising our environmental footprint and fostering positive social outcomes.

Packaging

Biodiversity



PACKAGING

GRI 301-1, GRI 301-2

Why It is Important

Excessive creation and improper management of packaging at the end of its life pose a significant and ongoing environmental issue. In countries where we operate, governments have introduced environmental policies aimed at encouraging companies to reconsider their packaging production methods – Thailand’s ‘Roadmap on Plastic Waste Management,’ and Malaysia’s ‘Roadmap towards Zero Single-use Plastics.’

As a leading player in the F&B industry, F&N prioritises sustainable packaging solutions through cutting-edge R&D. Our focus lies in designing packaging that not only enhances reusability but also promotes recyclability, minimising negative environmental impacts. By selecting materials that facilitate the effective management of recovered waste, we aim to contribute to a more sustainable future while aligning with governmental objectives and societal expectations.



Our Commitments



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

Progress for FY2024

The average recycled content in our packaging maintained at **25%** this year.

25%



Achieve **100%** of our packaging recyclable by 2025.

Progress for FY2024

In 2024, **98%** of our packaging is recyclable. We are working towards increasing the recyclability of packaging used in our products.

98%

The sourcing of packaging materials and the handling of post-consumer packaging have emerged as significant concerns within society, prompting consumers and stakeholders to call for proactive measures from companies.

Our Approach

We are dedicated to designing packaging with a strong environmental focus and actively invests in innovations that integrate the circular economy principles.

We have established ambitious long-term goals to boost the proportion of recycled materials in our packaging and to ensure all our packaging is recyclable by 2025. Our approach involves substantial investments in innovation, adoption of circular economy principles, and collaborative efforts with stakeholders to develop sustainable packaging solutions.

F&N has established partnerships with local councils, recycling partners, and non-governmental organisations (NGO). Together, we are working to raise awareness about recycling and promote the 5R concept among school-going children and local community. F&N addresses post-consumer packaging waste through industry collaborations, such as our involvement in MAREA as part of voluntary EPR.



Refer to “Partnerships, Memberships & Certifications” on page 41 of this Report.



PACKAGING

Our Progress

REDUCING VOLUME OF MATERIALS USED IN OUR PACKAGING

F&N has made a Group-wide commitment to reduce the weight of our packaging materials. In other words, we are decreasing the volume of packaging materials used, relative to the product's size. Wherever possible, we actively reduce the use of materials that are less environmentally friendly – e.g. our product labels or the use of flexible packaging, by transitioning to PET and laminated paper packaging.

INCREASING THE USAGE OF SUSTAINABLE PACKAGING MATERIALS

We are actively working to incorporate a higher percentage of recycled content into our packaging materials without compromising our food safety and quality. In Thailand, we have successfully implemented the use of 100% recycled paper for corrugated cartons in our local products, and we look to increasing the proportion of recycled materials in our tinplate and plastic bottle packaging.

Our environmentally conscious packaging for F&N ICE MOUNTAIN Drinking Water and BORNEO SPRINGS Natural Mineral Water features FSC-certified paper packaging, which is fully recyclable, and is complemented by a bio-based bottle cap made from sugar cane. Looking ahead, we plan to roll out more products with sustainable packaging solutions, including the introduction of Recycled PET in the near future.

In addition, we are exploring new supplier and partner relationships to enhance our sourcing initiatives for renewable and bio-based packaging materials. By fostering these collaborations, we aim to further strengthen our commitment to sustainability and innovation in packaging.

DESIGNING PACKAGING TO BE RECYCLABLE

We are enhancing the recyclability of both primary and secondary packaging in our product lines. This effort involves finding solutions for challenging packaging materials, such as labels, and being adaptable in our approach to identify alternative solutions.

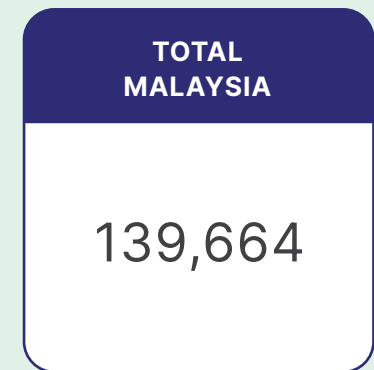
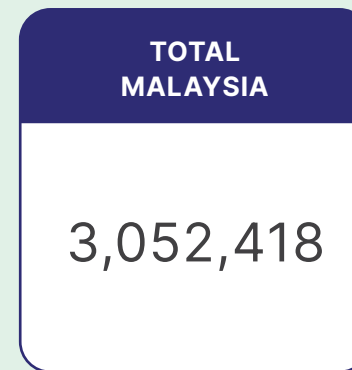
 Read more in "Waste Management" on page 109 of this Report.

Performance

GRI 301-1 Materials used by weight or volume

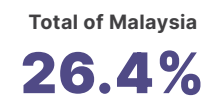
RENEWABLE MATERIALS (MT)

NON-RENEWABLE MATERIALS (MT)



GRI 301-2 Recycled input materials used

PERCENTAGE OF RECYCLED INPUT MATERIAL



BIODIVERSITY

GRI 304-1



Why It is Important

Thriving biodiversity and healthy ecosystems provide a multitude of essential benefits to humanity – the provision of nutrition, habitat, and medicinal resources. The well-being of billions of people is intricately connected to the prosperity of biodiversity-rich ecosystems, which play a crucial role in various aspects of our daily lives and livelihoods.

Unfortunately, recent decades have seen a troubling acceleration in biodiversity loss and ecosystem degradation, primarily driven by the overexploitation of resources. The conservation of these vital ecosystems is increasingly threatened by factors such as the intensifying impacts of climate change, the rising demand for finite resources, and rapid technological advancements.

At F&N, our operations are fundamentally reliant on the natural environment for key raw materials, including palm oil, sugar, and paper. The decline of biodiverse ecosystems not only endangers the environment but also poses significant risks to our business. Acknowledging these interconnected challenges, we are committed to expanding our efforts beyond sustainable sourcing. We actively collaborate with our suppliers to protect biodiversity and promote the restoration of natural ecosystems in the areas where we operate, ensuring a sustainable future for both our business and the communities we serve.

At F&NHB, our approach to biodiversity management is firmly anchored in our biodiversity statement.

Our Approach

At F&NHB, our approach to biodiversity management is firmly anchored in our biodiversity statement. This statement is crafted through collaborative discussions with both internal and external stakeholders, allowing us to cultivate a clear and actionable vision for biodiversity. By fostering open dialogue and leveraging diverse perspectives, we ensure that our strategies are not only effective but also aligned with the values and expectations of the communities we serve. This commitment underscores our dedication to preserving and enhancing biodiversity in all areas of our operations.

These commitments serve 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 depends upon areas of high biodiversity value, we will apply the following mitigation hierarchy:**

Avoidance	Minimisation	Restoring	Offset
Avoid operating and developing in areas of high biodiversity value.	Implement measures to monitor and minimise impacts on biodiversity, from our operations.	Seek to restore or rehabilitate areas where impacts cannot be prevented.	Consider biodiversity compensation/offsets measures, where there is residual impact.
- 4 **In managing potential biodiversity risk, we will engage necessary stakeholders – including local authorities and the communities nearby, to ensure appropriate mitigation strategy is developed to minimise impacts to as low as reasonably possible.**

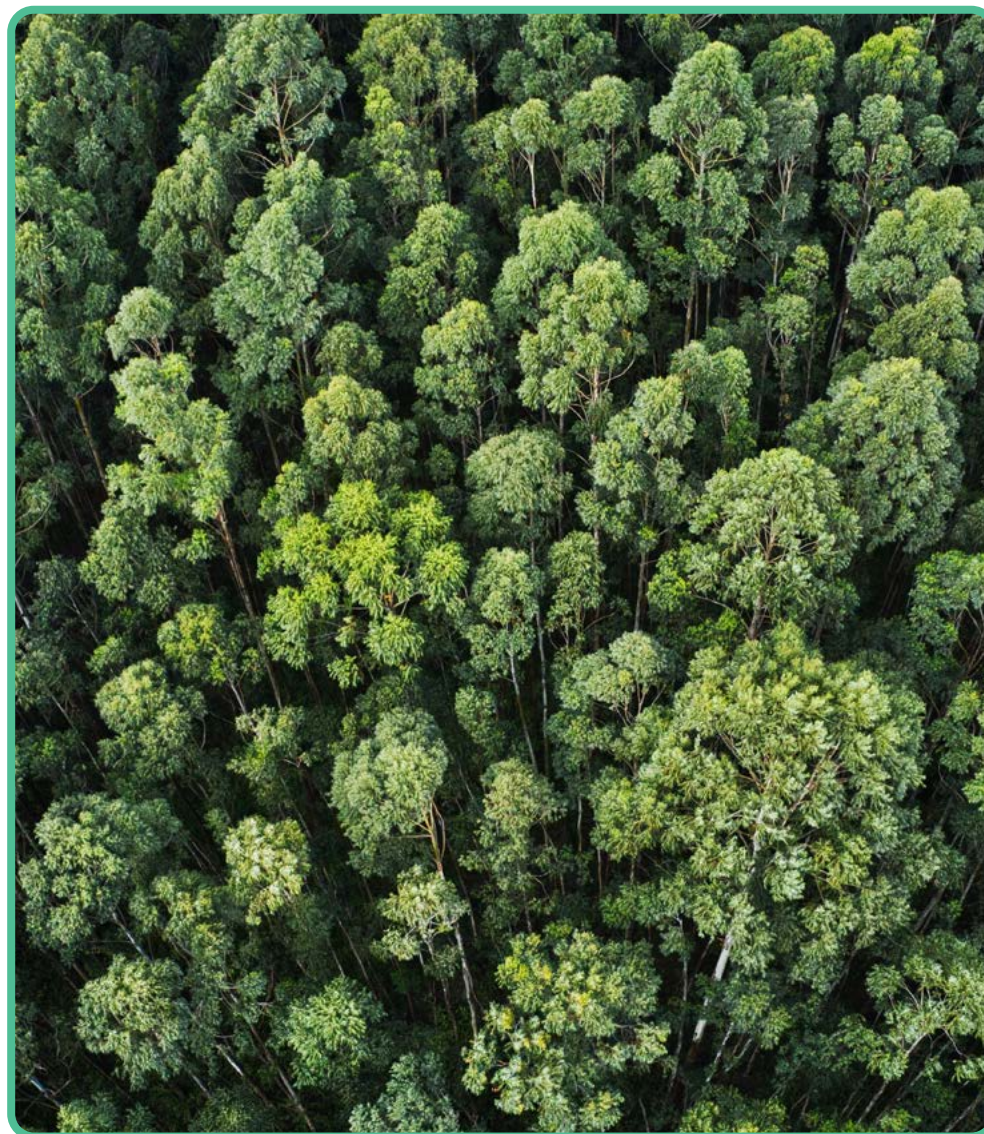
We are committed to collaborating with external partners, such as biodiversity experts, to support our biodiversity assessment and management process.



BIODIVERSITY

These commitments are binding for all our existing and future operational sites. All our operational sites located in Malaysia and Thailand will adhere to a comprehensive, Group-wide compliance framework concerning our biodiversity commitments. This will be achieved through the implementation of robust monitoring systems, which are integral to our company's environmental policy.

We also encourage our suppliers and business partners to commit protecting biodiversity and ecosystems within their operations. Through our Sustainable Agriculture Guideline, we engage and collaborate closely with our suppliers to develop an environmentally and socially responsible supply chain. This partnership not only strengthens our commitment to sustainability but also fosters a collective effort to safeguard our planet's invaluable natural resources.



Our Progress

F&N is dedicated to sourcing sustainable palm oil as part of our commitment to ecosystem conservation. As an ordinary member of RSPO, we adhere to the RSPO Principles and Criteria of 2018. Our pledge emphasizes the procurement of traceable palm oil that is sourced without contributing to deforestation and conversion activities.

We actively engage with palm oil suppliers to ensure that the palm oil we source is RSPO certified, sustainable, and traceable. Our current suppliers have adopted and publicly disclosed "No Deforestation, No Peat, No Exploitation" policies on their respective websites, underscoring our commitment to responsible and ethical palm oil sourcing practices.

We are proud to share that 100% of palm oil used at F&N is RSPO-certified, with 80% sourced through physical CSPO and the remaining 20% offset through RSPO credits. Looking ahead, we have set an ambitious target to procure 100% of palm oil as physical RSPO-certified. This commitment underscores our ongoing dedication to supporting sustainable and ethical palm oil sourcing practices, reinforcing our role as a responsible leader in the industry and ensuring that our supply chain contributes positively to environmental conservation.

Performance

<p>GRI 304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.</p>	<p>None of our operational sites are in or adjacent to protected areas and areas of high biodiversity value outside protected areas.</p>
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Navigation icons: list, search, website, up, down

Appendix

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



PERFORMANCE SUMMARY

			FY2020	FY2021	FY2022	FY2023	FY2024
RESPONSIBLE BUSINESS PRACTICE							
Material Topic: Governance & Ethics							
GRI 205-1 Confirmed incidents of corruption and actions taken [^]	Operations assessed for risks related to corruption	%	-	100.0	100.0	100.0	100.0
GRI 205-2 Communication and training about anti-corruption policies and procedures	Percentage of employees who have received training on anti-corruption by category	%			-		30.0%
	- Executive				-		97.7%
GRI 205-3 Confirmed incidents of corruption and actions taken [^]	Total number of confirmed incidents of corruption	Case	-	0	0	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	0	0
Material Topic: Economic Performance							
GRI 201-1 Direct economic value generated and distributed	Direct economic value generated	RM million		-		5,001.4	5,245.6
	Revenue					5,001.4	5,245.6
	Economic value distributed					4,684.6	4,996.3
	Operating costs					3,987.5	4,155.7
	Employee benefit expenses ⁽ⁱ⁾					372.4	383.2
	Net finance costs					22.0	11.3
	Income tax expenses					82.6	152.7
	Annual dividends					220.1	293.4
	Economic value retained⁽ⁱⁱ⁾					316.8	249.3

[^] New reporting scope since FY2021.

** Extended reporting scope in a accordance to Bursa Malaysia's Enhanced Sustainability Reporting Framework.

(i) Employee benefit expenses comprise wages, salaries, contributions to state plans, expenses related to defined benefit plans, share-based payment expense and other staff costs.

(ii) Economic value retained is calculated by direct economic value generated (revenue) - economic value distributed (operating costs, employee benefit expenses, net finance costs/(income), income tax expenses and annual dividends).

PERFORMANCE SUMMARY

● Malaysia

● Thailand

FY2020

FY2021

FY2022

FY2023

FY2024

MY

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MY

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RESPONSIBLE PRODUCT STEWARDSHIP

Material Topic: Product & Service Labelling

GRI	Description	Unit	FY2020		FY2021		FY2022		FY2023		FY2024		
			MY	TH	MY	TH	MY	TH	MY	TH	MY	TH	
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	Description	Unit	FY2020		FY2021		FY2022		FY2023		FY2024		
			MY	TH	MY	TH	MY	TH	MY	TH	MY	TH	
GRI 204-1	Proportion of spending on local suppliers	Percentage of local suppliers	%	92.4	96.2	91.8	95.0	91.8	95.5	92.0	95.7	91.4%	96.0%
		Percentage of purchase value spent on local suppliers		72.3	77.7	76.5	78.6	67.8	74.4	76.5	77.4	78.6%	77.7%
GRI 308-1	New suppliers that were screened using environmental criteria [^]	Number of new suppliers screened using environmental criteria	Company	-		211	84	186	159	389	192	252	90
GRI 414-1	New suppliers that were screened using social criteria [^]	Number of new suppliers screened using social criteria	Company			211	84	211	159	389	192	252	90

[^] New reporting scope since FY2021.

PERFORMANCE SUMMARY

● Malaysia ● Thailand

			FY2020		FY2021		FY2022		FY2023		FY2024		
			MY	TH	MY	TH	MY	TH	MY	TH	MY	TH	
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
Material Topic: Human Rights													
GRI 406-1	Incidents of discrimination and corrective actions taken*	Total number of incidents of discrimination during the reporting period	Case			-			0	0	0	0	0

* New reporting scope since FY2023.



PERFORMANCE SUMMARY

● Malaysia ● Thailand

FY2020 FY2021 FY2022 FY2023 FY2024
MY TH MY TH MY TH MY TH MY TH

EMPOWER OUR PEOPLE

Material Topic: Human Capital Development

		Person	FY2020 MY	FY2020 TH	FY2021 MY	FY2021 TH	FY2022 MY	FY2022 TH	FY2023 MY	FY2023 TH	FY2024 MY	FY2024 TH
GRI 401-1	Total new employee hires		156	48	182	54	218	111	603	93	286	96
New employee hires and employee turnover**	- Age under 30 years old		62	27	61	32	82	63	334	52	113	39
	- Age between 30 - 50 years old		77	20	105	22	125	48	244	41	155	57
	- Age over 50 years old		17	1	16	0	11	0	25	0	18	0
	- Male		112	33	119	34	149	74	433	65	159	64
	- Female		44	15	63	20	69	37	170	28	127	32
	Total employee turnover		135	48	442	54	272	108	436	119	502	80
	- Age under 30 years old		34	12	79	14	68	31	149	32	144	20
	- Age between 30 - 50 years old		61	30	232	32	150	61	218	72	287	50
	- Age over 50 years old		40	6	131	8	54	16	69	15	71	10
	- Male		86	28	268	34	174	67	305	79	367	60
	- Female		49	20	174	20	98	41	131	40	135	20
	- Executive Level										1	0
	- Middle Management										18	4
	- Department Head/Supervisor										53	13
	- Senior Officer										67	30
	- Officer										363	33

** Extended reporting scope in a accordance to Bursa Malaysia's Enhanced Sustainability Reporting Framework.

PERFORMANCE SUMMARY

● Malaysia ● Thailand

FY2020

FY2021

FY2022

FY2023

FY2024

MY

TH

MY

TH

MY

TH

MY

TH

MY

TH

EMPOWER OUR PEOPLE (CONT'D)

Material Topic: Human Capital Development (cont'd)

			FY2020	FY2021	FY2022	FY2023	FY2024					
			MY	TH	MY	TH	MY	TH	MY	TH	MY	TH
GRI 401-3 Parental Leave [^]	Total number of employees entitled to parental leave	Person	-	1,596	256	1,628	287	1,915	271	2,084	253	
	- Male			1,151	0	1,174	0	1,315	0	1,326	0	
	- Female			445	256	454	287	600	271	758	253	
	Total number of employees who took parental leave			55	3	55	9	69	7	49	5	
	- Male			31	0	38	0	43	0	31	0	
	- Female			24	3	17	9	26	7	18	5	
	Total number of employees who returned to work after parental leave ended			55	3	55	9	67	7	49	5	
	- Male			31	0	38	0	42	0	31	0	
	- Female			24	3	17	9	25	7	18	5	
	Total number of employees after returning to work were still employed after 12 months			46	3	55	9	67	7	49	5	
	- Male			30	0	38	0	42	0	31	0	
	- Female			16	3	17	9	25	7	18	5	
	Return to work rate	%		100	100	100	100	97	100	200	100	
	- Male			-	-	-	-	-	-	100	-	
	- Female			100	100	100	100	96	100	100	100	
Retention rate	%		84	100	100	100	97	100	100	100		
- Male			-	-	-	-	-	-	100	-		
- Female			67	100	100	100	96	100	100	100		
GRI 404-1												
Average hours of training per year per employee	Hours		36,317	13,376	33,184	9,201	27,585	11,705	37,921	13,215	40,211	17,082
- Male			18.89	20.68	18.01	12.42	15.07	16.32	17.09	19.08	16.20	25.02
- Female			24.42	18.49	24.57	15.62	20.27	18.79	29.72	22.56	29.08	26.27
- Executives			28.10	25.21	30.88	23.93	21.23	24.64	32.59	34.45	34.49	34.34
- Non-executives			14.87	16.08	12.63	6.33	13.39	12.20	11.59	12.44	10.66	21.1
Average hours of training per employee per year			18.70	19.85	19.86	13.63	16.49	17.23	20.78	25.18	19.39	25.57
Group average hours of training per employee per year			19.00		18.07		16.70		20.60		20.89	

[^] New reporting scope since FY2021.

^{**} Extended reporting scope in a accordance to Bursa Malaysia's Enhanced Sustainability Reporting Framework.

PERFORMANCE SUMMARY

			FY2020		FY2021		FY2022		FY2023		FY2024	
			MY	TH	MY	TH	MY	TH	MY	TH	MY	TH
EMPOWER OUR PEOPLE (CONT'D)												
Material Topic: Human Capital Development (cont'd)												
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	939	452	1,000	668
	- Executive Level				15	5	17	5	15	4	19	4
	- Middle Management				116	27	118	30	120	25	139	32
	- Department Head/Supervisor				214	81	207	89	234	77	247	100
	- Senior Officer				358	316	319	318	232	296	326	318
	- Officer				131	217	216	237	338	50	269	214
	- Male				505	398	560	427	585	234	615	415
	- Female				329	248	317	252	354	218	315	253
GRI 405-1 Diversity of governance bodies and employees ^{**}	Total directors	Person	11		11		11		11		11	
	- Age under 30 years old		0		0		0		0		0	
	- Age between 30 - 50 years old		1		1		0		0		0	
	- Age over 50 years old		10		10		11		11		11	
	- Male		8		8		7		7		7	
	- Female		3		3		4		4		4	
	- Independent Non-executive Director		6		6		6		6		6	
	- Non-independent Non-executive Director		5		5		5		5		5	
	Total employees		1,942	674	1,672	675	1,673	679	3,162	655	3,038	670
	- Age under 30 years old		304	154	201	144	226	152	838	141	733	129
- Age between 30 - 50 years old		1,258	429	1,156	437	1,120	441	1,962	430	1,884	448	
- Age over 50 years old		380	91	315	94	327	86	362	84	421	93	
- Male		1,374	428	1,204	419	1,217	427	2,367	414	2,253	415	
- Female		568	246	467	256	456	252	795	241	785	255	

[^] New reporting scope since FY2021.

^{**} Extended reporting scope in accordance to Bursa Malaysia's Enhanced Sustainability Reporting Framework. Data for GRI 405-1 is for total employees – including the workforce from our newly acquired food business.

PERFORMANCE SUMMARY

● Malaysia ● Thailand

			FY2020		FY2021		FY2022		FY2023		FY2024	
			MY	TH	MY	TH	MY	TH	MY	TH	MY	TH
EMPOWER OUR PEOPLE (CONT'D)												
Material Topic: Human Capital Development (cont'd)												
GRI 405-1 (cont'd) Diversity of governance bodies and employees**	Executive Level	Person	12	5	12	5	14	5	17	4	19	4
	- Age under 30 years old										0	0
	- Age between 30 - 50 years old										7	0
	- Age over 50 years old										12	4
	- Male										12	3
	- Female										7	1
	Middle Management		149	26	123	28	130	30	150	30	156	33
	- Age under 30 years old										0	0
	- Age between 30 - 50 years old										104	22
	- Age over 50 years old										52	11
	- Male										85	14
	- Female										71	19
	Department Head/Supervisor		250	92	222	85	212	89	293	86	303	100
	- Age under 30 years old										12	1
	- Age between 30 - 50 years old										246	92
	- Age over 50 years old										45	7
	- Male										170	46
	- Female										133	54
	Senior Officer		427	304	386	323	370	318	496	314	540	319
	- Age under 30 years old										87	34
	- Age between 30 - 50 years old										357	228
	- Age over 50 years old										96	57
	- Male										272	191
- Female										268	128	
Officer		1,104	247	928	234	947	237	2,206	221	2,020	214	
- Age under 30 years old										634	94	
- Age between 30 - 50 years old										1,170	106	
- Age over 50 years old										216	14	
- Male										1,714	161	
- Female										306	53	

** Extended reporting scope in accordance to Bursa Malaysia's Enhanced Sustainability Reporting Framework.

Notes:
 GRI 404-1 and GRI 404-3: Data coverage for full-time equivalent employees only
 We report employee data based on headcount at the end of the reporting period. Full-time equivalents are calculated by aggregating part-time employees into full-time units based on hours worked. Temporary and seasonal workers are excluded from FTE calculations but included in the overall headcount.
 GRI 405-1: Data coverage for all employees including our newly acquired food business



PERFORMANCE SUMMARY

● Malaysia ● Thailand

FY2020 FY2021 FY2022 FY2023 FY2024
MY TH MY TH MY TH MY TH MY TH

EMPOWER OUR PEOPLE (CONT'D)

Material Topic: Employee Safety, Health & Well-being

			FY2020	FY2021	FY2022	FY2023	FY2024					
			MY	TH	MY	TH	MY	TH	MY	TH		
GRI 403-9 Work-related injuries	Employee recordable work-related injuries	Case	6	6	0	0	5	1	0	0	4	0
	- Fracture	Case	1	0	0	0	3	1	0	0	2	0
	- Burns	Case	0	0	0	0	0	0	0	0	0	0
	- Lacerations	Case	2	0	0	0	0	0	0	0	0	0
	- Others	Case	3	6	0	0	2	0	0	0	2	0
	High-consequence work-related injuries	Case	0	0	0	0	0	0	0	0	4	0
	Work-related Fatalities	Case	0	1	0	0	0	0	0	0	0	0
	Lost Time Injury Frequency Rate (LTIFR)	Case / million hours	1.27	4.30	0	0	1.53	0.72	0.00	0.00	0.89	0.00
	Group Lost Time Injury Frequency Rate (LTIFR)	Case / million hours	1.97		0		1.28		0		0.67	
	Non-employee recordable work-related injuries	Case	5	1	3	0	1	0	0	0	0	0
	- Fracture	Case	2	1	0	0	1	0	0	0	0	0
	- Burns	Case	1	0	0	0	0	0	0	0	0	0
	- Lacerations	Case	2	0	1	0	0	0	0	0	0	0
	- Others	Case	0	0	2	0	0	0	0	0	0	0
	High-consequence work-related injuries	Case	0	0	0	0	0	0	0	0	0	0
Work-related Fatalities	Case	0	0	0	0	0	0	0	0	0	0	
Lost Time Injury Frequency Rate (LTIFR)	Case / million hours	1.58	1.00	1.68	0	0.35	0	0	0	0	0	
Group Lost Time Injury Frequency Rate (LTIFR)	Case / million hours	1.44		1.06		0.25		0		0		
GRI 403-10 Work-related ill-health	Employee recordable work-related ill health	Case	0	1	0	0	0	0	0	0	0	0
	Work-related fatalities	Case	0	1	0	0	0	0	0	0	0	0
	Work-related ill health rate	Case	0	0	0	0	0	0	0	0	0	0
	Group Work-related Ill Health Rate	Case / million hours	0		0		0		0		0	
	Non-employee recordable work-related ill health	Case	0	0	0	0	0	0	0	0	0	0
	Work-related fatalities	Case	0	0	0	0	0	0	0	0	0	0
	Work-related ill health rate	Case	0	0	0	0	0	0	0	0	0	0
Group Work-related Ill Health Rate	Case / million hours	0		0		0		0		0		

PERFORMANCE SUMMARY

● Malaysia ● Thailand

			FY2020		FY2021		FY2022		FY2023		FY2024	
			MY	TH	MY	TH	MY	TH	MY	TH	MY	TH
OPERATIONAL ECO-EFFICIENCY												
Material Topic: Energy & Climate Change^^												
GRI 302-1 Energy consumption within the organisation	Total energy consumption within the organisation	MJ	633,775,631	313,845,400	694,025,080	332,199,960	723,986,962	315,827,985	689,316,675	332,794,196	761,997,451	342,673,006
	- Natural Gas	MJ	382,432,480	213,371,208	412,726,281	230,914,430	425,153,552	214,873,646	400,001,200	199,434,980	449,228,066	204,764,926
	- Diesel		2,777,147	185,859	251,855	0	0	0	0	0	0	0
	- Biodiesel		15,235,027	8,186	19,962,496	162,069	28,732,672	195,523	33,317,525	228,820	32,245,244	302,462
	- Liquefied Petroleum Gas		1,812,430	1,777,924	13,840,500	1,858,650	14,826,400	2,015,850	11,415,948	1,773,779	4,780,325	843,770
	- Solar		0	2,598,494	0	5,076,947	5,983,690	4,877,603	26,449,836	9,366,705	32,526,076	13,125,340
	- Fuel Oil		0	13,965,900	0	12,553,699	152,320	13,468,262	0	37,605,774	0	39,511,604
	- Electricity		231,518,547	83,909,797	247,243,948	81,634,165	249,138,328	80,397,101	218,132,165	84,384,137	243,217,740	84,124,904
GRI 302-3 Energy intensity	Group total energy intensity ratio	MJ/MT	865.38		911.00		860.29		890.63		867.74	
	Energy intensity ratio											
	- Natural Gas	MJ/MT	498.54	643.76	537.31	644.38	489.40	632.06	498.62	577.39	486.43	585.85
	- Diesel		3.69	0.56	0.33	0	0	0	0	0	0	0
	- Biodiesel		20.26	0.02	25.99	0.45	33.07	0.58	41.53	0.66	34.92	0.87
	- Liquefied Petroleum Gas		2.41	5.36	18.02	5.19	17.07	5.93	14.23	5.14	5.18	2.41
	- Solar		0	7.84	0	14.17	6.89	14.35	32.97	27.12	35.22	37.55
	- Fuel Oil		0	42.14	0	35.03	0.18	39.62	0	108.87	0	113.05
	- Electricity		307.86	253.16	321.88	227.81	286.79	236.49	271.91	244.30	263.36	240.69
GRI 305-1 Direct (Scope 1) GHG emissions (CO ₂ e)	Total Direct GHG emissions (equivalent)	MTCO₂e	21,213	13,177	24,046	14,043	24,798	13,224	25,030	14,224	27,926	14,642
	Direct GHG emissions											
	- Natural gas	MTCO ₂ e	20,893	11,970	23,154	12,954	23,851	12,054	22,440	11,188	25,226	11,498
	- Diesel		206	14	19	0	0	0	0	0	0	0
	- Biodiesel		106	1	1,479	12	1,612	11	1,869	13	2,397	22
	- Liquefied petroleum gas		114	112	873	117	936	127	720	112	302	53
	- Fuel oil		0	1,081	0	972	12	1,042	-	2,911	0	3,068
GRI 305-2 Energy indirect (Scope 2) GHG emissions (CO ₂ e)	Total Indirect GHG emissions (equivalent)	MTCO₂e	27,319	9,901	29,175	9,633	28,953	9,487	24,377	9,957	28,299	9,927
	Indirect GHG emissions											
	- Electricity	MTCO ₂ e	27,319	9,901	29,175	9,633	28,953	9,487	24,377	9,957	28,299	9,927

^^ Pak Chong plant ceased operating since September 2022. Wang Muang plant commenced operations since October 2022. Environmental data for Shah Alam exclude the trials and non-production consumption commissioning.

PERFORMANCE SUMMARY

		FY2020		FY2021		FY2022		FY2023		FY2024			
		MY	TH	MY	TH	MY	TH	MY	TH	MY	TH		
OPERATIONAL ECO-EFFICIENCY (CONT'D)													
Material Topic: Energy & Climate Change^^ (cont'd)													
GRI 305-3 Other indirect (Scope 3) GHG emissions (CO ₂ e)	Total other-indirect GHG emissions (equivalent)	MTCO₂e						377,835	616,625	310,964	414,289	824,948	224,409
	Category 1 – Purchased goods and services	MTCO ₂ e	-					360,563	610,947	292,442	215,009	804,667	206,451
	Category 3 – Fuel and energy-related activities							17,273	5,054	17,941	16,210	19,856	17,533
	Category 5 – Waste generated in operations							624	3	581	101	425	39
	Category 6 – Business travel											534	419
	Category 7 – Employee commuting											13,129	4,702
GRI 305-4 Greenhouse gas (GHG) emissions intensity	Total GHG emissions (equivalent)	MTCO ₂ e	48,532	23,078	53,221	23,676	53,751	22,711	49,407	24,181	56,224	24,569	
	Total GHG emissions intensity ratio	MTCO ₂ e /MT	0.065	0.070	0.069	0.066	0.062	0.067	0.062	0.070	0.061	0.070	
	Group total GHG emissions intensity ratio	MTCO₂e /MT	0.0661		0.0680		0.0633		0.0641		0.0635		
Material Topic: Water Stewardship													
GRI 303-3 Water withdrawal by source	Total volume of water withdrawal	m³	2,019,020	461,213	2,096,595	487,472	2,357,401	455,489	2,146,372	558,197	2,504,397	553,271	
	- Surface water	m ³	335	0	0	0	0	0	28,269	0	0	0	
	- Ground water		102,058	0	113,040	0	117,281	0	106,341	0	108,308	0	
	- Rainwater collected directly and stored by F&N		0	0	0	0	0	0	0	0	43,394	0	
	- Municipal water supplies or other water utilities		1,916,627	461,213	1,983,555	487,472	2,240,120	455,489	2,011,762	558,197	2,352,695	553,271	
GRI 303-4 Water discharge	Total water discharge by destination	m³	1,218,381	180,114	1,220,706	230,983	1,214,171	257,849	1,389,566	222,931	1,464,665	220,275	
	- Surface water	m ³	786,513	0	883,720	0	903,994	0	978,343	0	1,039,905	0	
	- Ground water		10,152	0	15,040	0	2,371	0	11,331	0	13,754	0	
	- Seawater		302,570	0	317,571	0	302,333	0	322,647	0	332,082	0	
	- Third-party water treatment and usage		119,147	180,114	4,375	230,983	5,472	257,849	77,245	222,931	78,924	220,275	
GRI 303-5 Water consumption	Total volume of water consumption	m³	800,639	281,099	875,889	256,489	1,143,230	197,640	756,806	335,266	1,039,732	332,996	

^^ Pak Chong plant ceased operating since September 2022. Wang Muang plant commenced operations since October 2022. Environmental data for Shah Alam exclude the trials and non-production consumption commissioning.

PERFORMANCE SUMMARY

			FY2020		FY2021		FY2022		FY2023		FY2024	
			MY	TH	MY	TH	MY	TH	MY	TH	MY	TH
OPERATIONAL ECO-EFFICIENCY (CONT'D)												
Material Topic: Energy & Climate Change^^ (cont'd)												
GRI 306-3 (2020)	Total waste generated	MT	10,882	1,605	10,704	1,293	10,524	898	9,064	2,840	10,788	2,772
Waste Generated	Waste diverted from disposal		9,842	1,498	9,631	1,180	9,187	764	8,068	2,438	10,243	2,456
	- Hazardous waste		27	0	22	0	25	0	26	36	14	22
	- Non-hazardous waste		9,816	1,498	9,609	1,180	9,161	764	8,042	2,402	10,228	2,433
	Waste directed to disposal		1,040	107	1,073	113	1,337	133	996	402	545	316
	- Hazardous waste		20	17	3	9	2	5	12	130	2	5
	- Non-hazardous waste		1,020	89	1,070	103	1,335	129	984	272	543	311
GRI 306-4 (2020)	Total hazardous waste	MT	27	0	22	0	25	0	26	36	14	22
Waste diverted from disposal	Offsite											
	- Preparation for reuse	MT	27	0	15	0	22	0	1	0	6	11
	- Recycling		0	0	4	0	1	0	25	35	7	12
	- Composting (self-fertiliser)		0	0	3	0	2	0	0	0	1	0
	Total non-hazardous waste	MT	9,816	1,498	9,609	1,179	9,161	764	8,042	2,402	10,228	2,433
	Offsite											
	- Preparation for reuse	MT	175	0	217	0	329	0	224	0	255	18
	- Recycling		4,507	1,446	4,346	635	3,896	202	3,848	744	4,259	847
	- Composting (self-fertiliser)		5,133	52	5,046	545	4,936	562	3,970	1,658	5,715	1,568
GRI 306-5 (2020)	Total hazardous waste	MT	20	17	3	9	2	5	12	130	2	5
Waste directed to disposal	Offsite											
	- Landfill	MT	3	7	2	1	2	1	7	0	2	0
	- Incineration (with energy recovery)		17	10	1	8	0	3	5	130	0	5
	- Incineration (without energy recovery)		0	0	0	0	0	1	0	0	0	0
	Total non-hazardous waste	MT	1,020	89	1,070	104	1,335	129	984	272	543	311
	Offsite											
	- Landfill	MT	1,020	20	1,070	18	1,335	6	984	136	543	0
	- Incineration (with energy recovery)		0	69	0	86	0	123	0	136	0	311

^^ Pak Chong plant ceased operating since September 2022. Wang Muang plant commenced operations since October 2022. Environmental data for Shah Alam exclude the trials and non-production consumption commissioning.

PERFORMANCE SUMMARY

			FY2020		FY2021		FY2022		FY2023		FY2024	
			MY	TH	MY	TH	MY	TH	MY	TH	MY	TH
VALUE CHAIN IMPACTS												
Material Topic: Packaging												
GRI 301-1	Total materials	MT	-	2,254,308	651,955	2,525,145	623,443	2,527,773	747,909	3,192,083	787,472	
Materials used by weight or volume [^]	- Renewable materials	MT		2,123,069	560,374	2,376,804	540,950	2,401,637	670,907	3,052,418	709,083	
	- Non-renewable materials			131,240	91,582	148,341	82,493	126,136	77,003	139,664	78,389	
GRI 301-2	- Percentage of recycled input materials ^{^^}	%	-	24.8	19.8	28.2	20.3	26.5	23.9	26.4	23.8	
Recycled input materials used												
Material Topic: Biodiversity												
GRI 304-1	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	0	0	0	0	0
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas [^]												

[^] New reporting scope since FY2021.

^{^^} Data for packaging materials only.

Notes for GRI 302-1 and GRI 302-3:

1. There is no electricity, heating, cooling and steam sold.
2. The data on natural gas and electricity consumption is collected through meter readings and converted to MJ through standard conversion values.
3. Energy intensity ratio is calculated based on the total amount of energy consumed (in MJ) per metric tonne of product (MT).
4. Energy intensity ratio is for energy consumed within F&N only.
5. Natural Gas, Diesel, Biofuels, Liquefied Petroleum Gas, Solar, Fuel Oil and Electricity are included in the energy intensity ratio.

Notes for GRI 303-3:

1. Water withdrawal is not from areas with extremely high water stress.

Notes for GRI 305-1, GRI 305-2 and GRI 305-4:

1. CO₂e emissions estimated based on the conversion factors from 2006 IPCC Guidelines for National Greenhouse Gas Inventories and IGES List of Grid Emission Factors v10.12 and using the location-based method.
2. Only CO₂ is included in the calculation of the Direct (Scope 1) GHG emissions and Energy indirect (Scope 2) GHG emissions.
3. There is no biogenic CO₂ emissions generated from the combustion of biomass.
4. The Global Warming Potential ("GWP") value for a time horizon of 100 years based on the IPCC Fifth Assessment Report: Working Group I Report "Climate Change 2013: The Physical Science Basis" (chapter 8) is used in the calculation.
5. Operational control method is used for the consolidation approach of emissions.
6. GHG emissions intensity ratio is calculated based on the total amount of CO₂e generated (in metric tonne, MT) per metric tonne of product (MT).
7. Direct (scope 1) and energy indirect (scope 2) is included in the GHG emissions intensity ratio.
8. Only CO₂ is included in the calculation of the GHG emissions intensity ratio.



INDEPENDENT ASSURANCE STATEMENT



LRQA Independent Assurance Statement Relating to Fraser & Neave Holdings Bhd's data for selected GRI indicators for the fiscal year 2024 (1st October 2023 – 30th September 2024)

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 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 Workers covered by an occupational health and safety management system
 - GRI 403-9 and 10 Work-related injuries and 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:

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

¹ GHG quantification is subject to inherent uncertainty.



INDEPENDENT ASSURANCE STATEMENT



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 plant (Matang) in Malaysia and (Wang Muang) in Thailand 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 2024

Opart Charuratana
LRQA Lead Verifier

On behalf of LRQA (Thailand) Limited
No. 252/123 (C), Muang Thai – Phatra Complex Tower B.
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LRQA reference: BGK0001076/C

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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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UNIVERSAL STANDARDS				
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The organisation and its reporting practices	2-1	Organisational details	Company Profile	Page 11
	2-2	Entities included in the organisation's sustainability reporting	Reporting Scope	Page 19
	2-3	Reporting period, frequency and contact point	Reporting Scope	Page 19
	2-4	Restatements of information	No restatements were made in this report	-
	2-5	External assurance	Independent Assurance Statement	Pages 131 to 132
Activities and workers	2-6	Activities, value chain and other business relationships	Company Profile	Page 11
	2-7	Employees	<ul style="list-style-type: none"> • Geographical Footprint, Total Workforce & Financial Highlights • Human Capital Development • Performance Summary 	Page 12 Page 86 Page 126
	2-8	Workers who are not employees	Not disclosed due to information not complete	-
Governance	2-9	Governance structure and composition	Annual Report 2024	Page 88
	2-10	Nomination and selection of the highest governance body	Annual Report 2024	Pages 125 to 126
	2-11	Chair of the highest governance body	Annual Report 2024	Page 88
	2-12	Role of the highest governance body in overseeing the management of impacts	Annual Report 2024	Page 115
	2-13	Delegation of responsibility for managing impacts	Annual Report 2024	Page 115
	2-14	Role of the highest governance body in sustainability reporting	Governance & Ethics	Page 46
	2-15	Conflicts of interest	Annual Report 2024	Pages 129, 135
	2-16	Communication of critical concerns	Annual Report 2024	Page 135
	2-17	Collective knowledge of the highest governance body	Annual Report 2024	Page 121
	2-18	Evaluation of the performance of the highest governance body	Annual Report 2024	Page 121
	2-19	Remuneration policies	Annual Report 2024	Page 122
2-20	Process to determine remuneration	Annual Report 2024	Page 122	
2-21	Annual total compensation ratio	Not disclosed due to confidentiality constraints	-	



GRI STANDARDS 2021 CONTENT INDEX

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TOPIC	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	REFERENCE PAGE / REASONS FOR OMISSION	PAGE
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	2-23	Policy commitments	Governance & Ethics	Page 49
	2-24	Embedding policy commitments	Governance & Ethics	Page 49
	2-25	Processes to remediate negative impacts	Human Rights	Pages 82 to 83
	2-26	Mechanisms for seeking advice and raising concerns	Governance & Ethics	Page 49
	2-27	Compliance with laws and regulations	Policy & Regulations	Page 50
	2-28	Membership associations	Partnerships, Memberships & Certifications	Page 41
Stakeholder Engagement	2-29	Approach to stakeholder engagement	Working with Our Stakeholders	Pages 42 to 43
	2-30	Collective bargaining agreements	Human Rights	Page 79
GRI 3: MATERIAL TOPICS 2021				
Disclosures on material topics	3-1	Process to determine material topics	Materiality Assessment Approach	Page 20
	3-2	List of material topics	Materiality Assessment Approach	Page 21
BETTER BUSINESS: RESPONSIBLE BUSINESS FUNDAMENTALS				
RESPONSIBLE BUSINESS PRACTICES				
Governance & Ethics	3-3	Management of material topics	• Governance & Ethics	Page 46
	205-1	Operations assessed for risks related to corruption	• Governance & Ethics • Performance Summary	Page 49 Page 119
	205-2	Communication and training about anti-corruption policies and procedures	• Governance & Ethics • Performance Summary	Page 49 Page 119
	205-3	Confirmed incidents of corruption and actions taken	• Governance & Ethics • Performance Summary	Page 49 Page 119
	405-1	Diversity of governance bodies and employees	• Human Capital Management • Performance Summary	Page 92 Page 122
Policy & Regulations	3-3	Management of material topics	• Policy & Regulations	Pages 50 to 51
Economic Performance	3-3	Management of material topics	• Economic Performance	Page 52
	201-1	Direct economic value generated and distributed	• Economic Performance • Performance Summary	Page 52 Page 119



GRI STANDARDS 2021 CONTENT INDEX

UNIVERSAL STANDARDS (CONT'D)				
TOPIC	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	REFERENCE PAGE / REASONS FOR OMISSION	PAGE
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Product Quality & Safety	3-3	Management of material topics	• Product Quality & Safety	Page 54
Product & Service Labelling	3-3	Management of material topics	• Product & Service Labelling	Page 55
	417-1	Requirements for products and service information and labelling	• Product & Service Labelling • Performance Summary	Page 55 Page 120
	417-2	Incidents of non-compliance concerning product and service information and labelling	• Product & Service Labelling • Performance Summary	Page 55 Page 120
Innovation	3-3	Management of material topics	• Innovation	Page 56
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Supply Chain Stewardship	3-3	Management of material topics	• Supply Chain Stewardship	Page 60
	204-1	Proportion of spending on local suppliers	• Supply Chain Stewardship • Performance Summary	Page 63 Page 120
	308-1	New suppliers that were screened using environmental criteria	• Supply Chain Stewardship • Performance Summary	Page 63 Page 120
	414-1	New suppliers that were screened using social criteria	• Supply Chain Stewardship • Performance Summary	Page 63 Page 120
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CREATING VALUE FOR SOCIETY				
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	416-1	Assessment of health and safety impacts of product and service categories	• Nutrition • Performance Summary	Page 71
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	• Nutrition • Performance Summary	Page 71
Community Development & Inclusive Growth	3-3	Management of material topics	• Community Development & Inclusive Growth	Page 72
	413-1	Operations with local community engagement, impact assessments, and development programmes	• Community Development & Inclusive Growth • Performance Summary	Page 78 Page 121

GRI STANDARDS 2021 CONTENT INDEX

UNIVERSAL STANDARDS (CONT'D)				
TOPIC	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	REFERENCE PAGE / REASONS FOR OMISSION	PAGE
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	401-2	Benefits provided to full time employees that are not provided to temporary or part-time employees	• Human Capital Development	Page 87
	401-3	Parental Leave	• Human Capital Development • Performance Summaryw	Pages 90 to 91 Page 123
	404-1	Average hours of training per year per employee	• Human Capital Development • Performance Summary	Page 91 Page 123
	404-2	Programmes for upgrading employee skills and transition assistance programmes	• Human Capital Development	Page 88
	404-3	Percentage of employees receiving regular performance and career development reviews	• Human Capital Development • Performance Summary	Page 91 Page 124
	405-1	Diversity of governance bodies and employees	• Human Capital Development • Performance Summary	Page 92 Pages 124 to 125
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403-2 (2018)		Hazard identification, risk assessment, and incident investigation	• Employee Safety, Health & Well-being	Pages 93 to 94
403-3 (2018)		Occupational health services	• Employee Safety, Health & Well-being	Pages 93 to 94
403-4 (2018)		Worker participation, consultation, and communication on occupational health and safety	• Employee Safety, Health & Well-being	Pages 94 to 95
403-5 (2018)		Worker training on occupational health and safety	• Employee Safety, Health & Well-being	Pages 94 to 95
403-6 (2018)		Promotion of worker health	• Employee Safety, Health & Well-being	Pages 94 to 95
403-7 (2018)		Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	• Employee Safety, Health & Well-being	Pages 94 to 95
403-8 (2018)		Workers covered by an occupation health and safety management system	• Employee Safety, Health & Well-being	Page 95
403-9 (2018)		Work-related injuries	• Employee Safety, Health & Well-being • Performance Summary	Page 95 Page 126
403-10 (2018)		Work-related ill health	• Employee Safety, Health & Well-being • Performance Summary	Page 95 Page 126

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UNIVERSAL STANDARDS (CONT'D)				
TOPIC	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	REFERENCE PAGE / REASONS FOR OMISSION	PAGE
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OPERATIONAL ECO-EFFICIENCY				
Energy & Climate Change	3-3	Management of material topics	• Energy & Climate Change	Pages 98 to 99
	302-1	Energy consumption within the organisation	• Energy & Climate Change • Performance Summary	Page 102 Page 127
	302-3	Energy intensity	• Energy & Climate Change • Performance Summary	Page 102 Page 127
	305-1	Direct (Scope 1) GHG emissions (CO ₂ e)	• Energy & Climate Change • Performance Summary	Page 103 Page 127
	305-2	Energy indirect (Scope 2) GHG emissions (CO ₂ e)	• Energy & Climate Change • Performance Summary	Page 103 Page 127
	305-3	Other indirect GHG emissions (CO ₂ e)	• Energy & Climate Change • Performance Summary	Page 103 Page 128
	305-4	Greenhouse gas (GHG) emissions intensity	• Energy & Climate Change • Performance Summary	Page 103 Page 128
	Water Stewardship	3-3	Management of material topics	• Water Stewardship
303-1		Interactions with water as a shared resource	• Water Stewardship	Pages 104 to 106
303-2		Management of water discharge related impacts	• Water Stewardship	Pages 104 to 106
303-3		Water Withdrawal	• Water Stewardship • Performance Summary	Page 107 Page 128
303-4		Water discharged	• Water Stewardship • Performance Summary	Page 107 Page 128
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UNIVERSAL STANDARDS (CONT'D)				
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	306-1 (2020)	Waste generation and significant waste-related impacts	• Waste Management	Pages 108 to 110
	306-2 (2020)	Management of significant waste-related impacts	• Waste Management	Pages 108 to 110
	306-3 (2020)	Waste generated	• Waste Management • Performance Summary	Page 111 Page 129
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	301-1	Materials used by weight or volume	• Packaging • Performance Summary	Page 115 Page 130
	301-2	Recycled input materials used	• Packaging • Performance Summary	Page 115 Page 130
Biodiversity	3-3	Management of material topics	• Biodiversity	Page 116
	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	• Biodiversity • Performance Summary	Page 117 Page 130



UN GLOBAL COMPACT CONTENT INDEX

CORE VALUE	GLOBAL COMPACT PRINCIPLE	OUR CORRESPONDING WRITTEN COMMITMENT	REFERENCE
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	Human Rights Policy	Human Rights (Pages 79 to 83)
	Principle 2: Businesses should make sure that they are not complicit in human rights abuses		
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Human Rights Policy	Human Rights (Pages 79 to 83) Human Capital Development (Pages 85 to 89)
	Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour		
	Principle 5: Businesses should uphold the effective abolition of child labour		
	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation		
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges	Environment, Health & Safety Policy	Operational Eco-efficiency (Pages 97 to 112) Value Chain Impacts (Pages 113 to 117)
	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility		
	Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies		
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	Anti-bribery & Anti-corruption Policy	Governance & Ethics (Page 49)



TCFD CONTENT INDEX

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 30 to 31)
b) Describe the management's role in assessing and managing climate-related risks and opportunities.	TCFD Governance (Pages 30 to 31)
Strategy - Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term.	TCFD – Strategy (Pages 33 to 38)
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	TCFD – Strategy (Pages 33 to 38)
c) Describe the resilience of the organisation's strategy, taking into consideration different climate related scenarios, including a 2°C or Lower scenario.	TCFD – Strategy (Pages 33 to 38)
Risk Management - Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	
a) Describe the organisation's processes for identifying and assessing climate-related risks.	TCFD – Risk Management (Page 39)
b) Describe the organisation's processes for managing climate-related risks.	TCFD – Risk Management (Page 39)
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 39)
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.	TCFD – Metrics & Targets (Page 40) • Energy & Climate Change (Page 98)
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions and the related risks.	TCFD – Metrics & Targets (Page 40) • Energy & Climate Change (Page 103) • Performance Summary (Pages 127 to 128)
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	TCFD – Metrics & Targets (Page 40)



BURSA MALAYSIA'S METRIC INDEX

Performance Data Table - Bursa Malaysia's ESG Reporting Platform

As a Listed Issuer, F&NHB is required to provide mandatory ESG disclosures under the Main Market Listing Requirements, as guided by the enhanced Bursa Malaysia Sustainability Reporting Guide, 3rd Edition. The performance data table below, downloaded from Bursa Malaysia's ESG Reporting Platform (Standard Template) summarises key indicators aligned with our Material Matters. As this is the first year of our reporting to the platform in a consolidated manner, historical data performance data has been excluded. For additional and historical ESG performance data, refer to "Performance Summary" in pages 119 to 130.

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Executives	Percentage	97.70
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	1,500,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	1,000
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Executive Level Under 30	Percentage	0.00
Executive Level Between 30-50	Percentage	0.19
Executive Level Above 50	Percentage	0.43
Middle Management Under 30	Percentage	0.00
Middle Management Between 30-50	Percentage	3.40
Middle Management Above 50	Percentage	1.70
Department Head / Supervisor Under 30	Percentage	0.35
Department Head / Supervisor Between	Percentage	9.12

Internal assurance

External assurance

No assurance

(*)Restated

BURSA MALAYSIA'S METRIC INDEX

Indicator	Measurement Unit	2024
Bursa (Diversity)		
30-50		
Department Head / Supervisor Above 50	Percentage	1.40
Senior Officer Under 30	Percentage	3.26
Senior Officer Between 30-50	Percentage	15.78
Senior Officer Above 50	Percentage	4.13
Officer Under 30	Percentage	19.63
Officer Between 30-50	Percentage	34.41
Officer Above 50	Percentage	6.20
Gender Group by Employee Category		
Executive Level Male	Percentage	0.40
Executive Level Female	Percentage	0.22
Middle Management Male	Percentage	2.67
Middle Management Female	Percentage	2.43
Department Head / Supervisor Male	Percentage	5.83
Department Head / Supervisor Female	Percentage	5.04
Senior Officer Male	Percentage	12.49
Senior Officer Female	Percentage	10.68
Officer Male	Percentage	50.57
Officer Female	Percentage	9.68
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	63.64
Female	Percentage	36.36
Under 30	Percentage	0.00
Between 30-50	Percentage	0.00
Above 50	Percentage	100.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	306,852.90
Internal assurance	External assurance	No assurance
		(*)Restated



BURSA MALAYSIA'S METRIC INDEX

Indicator	Measurement Unit	2024
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.67
Bursa C5(c) Number of employees trained on health and safety standards	Number	65
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Executives	Hours	34
Non-executives	Hours	12
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	26.86
Bursa C6(c) Total number of employee turnover by employee category		
Executive Level	Number	1
Middle Management	Number	22
Department Head / Supervisor	Number	66
Senior Officer	Number	97
Officer	Number	396
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	78.32
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	1,373.000000

Internal assurance

External assurance

No assurance

(*)Restated

LIST OF ABBREVIATIONS

3R	Reduce, Reuse & Recycle	HCL	Healthier Choice Logo	NGO	Non-governmental Organisation
AC	Audit Committee	HDC	Halal Development Corporation Berhad	NDPE	No Deforestation, No Peat, No Exploitatio
AI	Artificial Intelligence	HP	High-pressure	NSC	National Sports Council
APS	Announced Pledges Scenario	HRDD	Human Rights Due Diligence	NSRF	National Sustainability Reporting Framework
AR	Annual Report	HRMS	Human Resource Management System	NRECC	Ministry of Natural Resources & Environmental Sustainability
AR6	Sixth Assessment Report	HRRA	Human Rights Risk Assessment	NTU	Nanyang Technological University
ASRS	Automated Storage & Retrieval System	HSE	Health, Safety & Environment	OH&S	Occupational Health & Safety
BAM	Badminton Association of Malaysia	ICDL	International Computer Driving License	PERKISS	Pertandingan Kitar Semula Sekolah-Sekolah
BCM	Business Continuity Management	ICP	Internal Carbon Pricing	PE	Polyethylene
CAPEX	Capital Expenditure	IDP	Individual Development Plans	PET	Polyethylene Terephthalate
CAN	CEO Action Network	IEA	International Energy Agency	PETC	Programme for the Endorsement of Forest Certification
CEO	Chief Executive Officer	IETS	Industrial Effluent Treatment System		
CO ₂	Carbon Dioxide	IFC	Intelligent Flow Control		
CICOT	Central Islamic Council of Thailand	IFRS	International Financial Reporting Standards	PPE	Personal Protective Equipment
CIP	Clean-in-place	IIRC	International Integrated Reporting Council	PV	Photovoltaic
CMS	Compressed Air Management System	ILO	International Labour Organisation	R&D	Research & Development
CNCA	China National Certification & Accreditation	IPCC	Intergovernmental Panel on Climate Change	RO	Research Osmosis
		ISSB	International Sustainability Standards Board	RSPO	Roundtable on Sustainable Palm Oil
CFO	Chief Financial Officer	IT	Information Technology	RVM	Reverse Vending Machine
COBP	Code of Business Practices for Third Parties	IUCN	International Union for Conservation of Nature	SAM	Sportswriters Association of Malaysia
		JADC	Jagoi Area Development Committee	SASPO	Support Asia for Sustainable Palm Oil
CSA	Corporate Sustainability Assessment	JAKIM	Department of Islamic Development Malaysia	SCOP	Supplier Code of Practice
CSPO	Certified Sustainable Palm Oil	KIC	Kota Kinabalu Industrial Park Investors Council	SDC	Sustainable Development Committee
e.g.	For Example	KKIP	Kota Kinabalu Industrial Park	SDG	Sustainable Development Goal
EAO	Excel as One	KDPN	Ministry of Domestic Trade and Costs of Living	SDWT	Sustainability Development Working Team
EMS	Environmental Management System	KPKT	Ministry of Housing and Local Government Development	SEDEX	Supplier Ethical Data Exchange
EPR	Extended Producer Responsibility			SHE	Safety, Health & Environmental
ERM	Enterprise-wide Risk Management	KPM	Kementerian Pendidikan Malaysia (Malaysian Ministry of Education)	SKU	Stock Keeping Unit
ERT	Emergency Response Teams			SMART	Specific, Measurable, Achievable, Relevant & Time-bound
ESG	Environmental, Social & Governance	kWh	Kilowatt per Hour		
EU JRC	European Union Joint Research Centre	LAMPU	Leadership and Management Potential Unleashed	SMC	Sustainability Management Committee
F4GBM	FTSE4Good Bursa Malaysia Index			SME	Small and Medium-sized Enterprise
F4GBMS	FTSE4Good Bursa Malaysia Shariah Index	LGBTQI+	Lesbian, Gay, Bisexual, Transgender, Queer, Intersex & Asexual	SQMS	Supplier Quality Management System
F&B	Food & Beverage			SR	Sustainability Report
F&B Malaysia	Food & Beverages Malaysia	LP	Low-pressure	SRA	Scientific & Regulatory Affairs
F&B Thailand	Food & Beverages Thailand	LRQA	Lloyd's Register Quality Assurance	SRMC	Sustainability & Risk Management Committee
F&N Group	Fraser and Neave, Limited	LTIFR	Lost Time Injury Frequency Rate	STEPS	Stated Policies
F&NHB	Fraser & Neave Holdings Bhd	m ³	Cubic Metre	STO	Stock Transfer Orders
F&NM	Fraser & Neave (Malaya) Sdn Bhd	MAREA	Malaysian Recycling Alliance	SWCorp	Solid Waste & Public Cleansing Management Corporation
F&NIM	F&N International Market Sdn Bhd	MCC	Milk Collection Centre		
F&N MENA	Fraser and Neave MENA DWC-LLC	MeSTI	Industry Responsibility of Food Certification Scheme	TCFD	Task Force on Climate-related Financial Disclosures
FAM	Football Association of Malaysia			TGO	Thailand Greenhouse Gas Management Organisation
FAO	Food and Agriculture Organisation	MITI	Ministry of Trade and Industry		
FC	Fraserians Connect	MHMS	Malaysian Halal Management System	TPMS	Total Performance Management System
FDA	Food & Drug Administration	MJ	Megajoule	TSCM	Total Supply Chain Management
FMCG	Fast-moving Consumer Goods	MNC	Multi-national Company	ThaiBev	Thai Beverage Public Company Limited
FMM	Federation of Malaysian Manufacturers	MOH	Ministry of Health	UHT	Ultra-high Temperature Processing
FSC	Forest Stewardship Council	MOU	Memorandum of Understanding	UN	United Nations
FSSC	Food Safety System Certification	MRANTI	Malaysian Research Accelerator for Technology & Innovation	VHM	Veterinary Health Mark
FY	Financial Year			VSD	Variable Speed Drive
g	gramme	MT	Metric Tonne	WEO	World Energy Outlook
GDA	Guideline Daily Amounts	MUI	Majelis Ulama Indonesia	WHO	World Health Organisation
GHG	Greenhouse gas	MWp	Megawatt Peak	WRI	World Resources Institute
GMP	Good Manufacturing Practices	NDC	Nationally Determined Contributions	WWF	World Wildlife Fund
GRI	Global Reporting Initiative	NACGSA	National Corporate Governance & Sustainability Awards		
GWP	Global Warming Potential				
HACCP	Hazard Analysis Critical Control Points	NGFS	Network for Greening the Financial System		







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