



FRASER & NEAVE HOLDINGS BHD
196101000155 (4205-V)

D E L I V E R I N G



SUSTAINABILITY REPORT 2025

In FY2025, we continued to deliver more by strengthening our environmental, social and governance commitments. We advanced efforts to reduce our environmental impact, introduced more responsible product innovations, and deepened engagement with employees, communities and partners across our value chain. These collective actions reinforced our ambition to embed sustainability into every part of our operations and long-term strategy. The cover's bold colours and fluid, interconnected design reflect our commitment to progress, resilience and shared value — symbolising how Delivering More guides our approach to creating positive impact for people and the planet.



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Y.A.M. TENGKU
SYED BADARUDIN
JAMALULAIL
Chairman

LIM YEW HOE
Chief Executive
Officer

Joint Message from our Chairman & Chief Executive Officer

DELIVERING MORE — FOR BETTER BUSINESS, SOCIETY & PLANET

Dear Shareholders & Stakeholders,

Despite a challenging 2025 marked by regional and global geopolitical uncertainties that affected our operating landscape, we take pride that Fraser & Neave Holdings Bhd (F&NHB or the Group) has remained steadfast in fulfilling our purpose – to build a better business, contribute to a better society, and nurture a better planet. Guided by these principles, we continued to make purposeful progress, delivering more — more value, more impact and more progress for our people, our communities, and our planet.

With this same commitment, we are pleased to present F&NHB's Sustainability Report (SR) for the financial year ended 30 September 2025 (FY2025). This report outlines our continuing journey in building a sustainable and resilient organisation — one that goes beyond financial performance to deliver shared values across the Environmental, Social and Governance (ESG) pillars.

Our report has been prepared in accordance with the Global Reporting Initiative (GRI) Universal Standards 2021, with selected Safety, Health and Environmental (SHE) indicators independently verified by Lloyd's Register Quality Assurance (LRQA).

OVERVIEW OF F&NHB'S 2025 SUSTAINABILITY PERFORMANCE

As we conclude the year, we are pleased to have achieved 9 of the 12 sustainability goals set in 2020 for 2025. Although targets in Water Stewardship, Energy, and Employee Health, Safety & Wellbeing were not fully met, two of these areas showed measurable improvements over baseline levels. Environmental performance was influenced by operational expansion, which increased energy and water consumption intensity. Excluding these factors, our performance remained on track and demonstrated tangible progress, reaffirming our commitment to continuous improvement and operational efficiency.

- Reducing our Carbon Footprint**

Despite operational growth, overall greenhouse gas emissions intensity improved by 8% since 2020, reaffirming our commitment to climate action.
- Eliminating Waste**

We have cut solid waste sent to landfill by 95% since 2020, with all our beverage and dairy plants now producing zero waste to landfill, marking a significant step towards a circular and cleaner future.
- Advancing Circular Packaging**

We have increased the recycled content in our packaging to 29%, marking meaningful progress in our journey towards circular packaging solutions.
- Prioritising Workplace Safety**

Through proactive safety measures, our lost time injury frequency rate dropped from 1.97 in 2020 to 0.33, reflecting progress in protecting our employees.
- Encouraging Healthier Choices**

We surpassed our target of two thirds of our portfolio now carrying the Healthier Choice Logo (HCL), making it easier for consumers to make healthier choices every day.
- Innovating for Consumers**

Innovation remains at the heart of delivering "Pure Enjoyment, Pure Goodness" to our consumers. With one in nine products being new, we are offering more variety, better quality, and greater value.
- Partnering Responsibly**

All our key suppliers are now fully aligned with F&N's Supplier Code of Practice (SCOP), strengthening trust, ethics, and sustainability across our supply chain.

As we close this reporting cycle, we are now setting new, forward-looking targets to accelerate progress and drive greater impact towards our long-term sustainability ambitions.

JOINT MESSAGE FROM OUR CHAIRMAN & CHIEF EXECUTIVE OFFICER

BETTER BUSINESS



DRIVING SUSTAINABLE GROWTH THROUGH INNOVATION AND PARTNERSHIPS

Our Integrated Dairy Farm in Gemas, Negeri Sembilan — set to be Malaysia's largest — exemplifies our commitment to national food security and sustainable agriculture. Aligned with the *Malaysia Madani* framework, the farm incorporates circular practices such as feed-to-fertiliser and waste-to-energy systems to maximise resource efficiency and minimise environmental impact. We are also strengthening its sustainability roadmap through ongoing carbon projection and decarbonisation studies, alongside a biodiversity risk assessment now in progress.

We continue to advance Malaysia's Halal ecosystem through collaboration with the Halal Development Corporation Berhad (HDC) under the Halal Sourcing Partnership Programme. Across the region, we are also empowering over 2,000 dairy farmers in Thailand through our F&N Farming Excellence System, which promotes productivity, knowledge transfer and sustainable farming. Through initiatives such as the F&N Business Partner Award, we recognise and develop our suppliers, with three Malaysian partners honoured in FY2025 for their excellence and shared values.

As proud members of Roundtable on Sustainable Palm Oil (RSPO) and Supplier Ethical Data Exchange (SEDEX), we achieved 100% Certified Sustainable Palm Oil (CSPO) usage across all operations in FY2025, marking a key milestone in our responsible sourcing journey and distinguishing us as the only industry player to adopt this higher-cost but more sustainable standard.



STRENGTHENING TRANSPARENCY AND BUILDING CAPACITY FOR LONG-TERM IMPACT

In preparation of Bursa Malaysia's upcoming mandatory climate-related disclosure requirements under the National Sustainability Reporting Framework (NSRF), we have proactively aligned our reporting with the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB), ahead of schedule. This early adoption reinforces our commitment to transparency, accountability, and alignment with global best practices.

During the year, we also broadened our data collection and reporting scope to include our new Food pillar, reflecting our commitment to comprehensive and integrated ESG reporting across the Group.

To guide our next phase of growth, we embarked on a comprehensive refresh of our materiality assessment through a double materiality lens. This approach evaluates both the financial implications of sustainability-related risks and opportunities, and the broader environmental and social impacts of our operations. The refreshed matrix, to be unveiled next year, will serve as a foundation for our long-term sustainability strategy and decision-making.

Building on this, we are developing our 2030 sustainability targets, aligning them with emerging challenges, stakeholder expectations, and the broader ESG ambitions of our parent company, Fraser & Neave, Limited (F&N Group).

JOINT MESSAGE FROM OUR CHAIRMAN & CHIEF EXECUTIVE OFFICER

BETTER SOCIETY



PARTNERING WITH COMMUNITIES FOR SHARED VALUES

At F&NHB, we believe that building a better society begins with empowering people and nurturing shared values within the communities we serve. Across Malaysia, our social initiatives continue to drive empowerment and wellbeing, from festive outreach programmes for underprivileged communities to *Dapur Panas Digital*, a Ramadan collaboration with TV3 that supports B40 women entrepreneurs in growing their businesses.

Our partnership with Montfort Boys Town continues to empower youth through digital and culinary training, equipping them with practical and marketable skills for future employability. In parallel, our long-standing School Recycling Programme, now in its 18th year, continues to cultivate environmental consciousness among students nationwide. In collaboration with Solid Waste and Public Cleansing Management Corporation (SWCorp) and local councils, we engage schools through nationwide initiatives such as the *Pertandingan Kitar Semula Sekolah-Sekolah* (PerKISS) and interactive eco-themed roadshows.

In East Malaysia, we are proud to support the Bidayuh community in Bung Jagoi Heritage Village as part of our water stewardship and community development efforts. This project, which includes a new water pump system and restored storage infrastructure, helps secure over 5.5 million litres of clean water annually, while strengthening community resilience and preserving the ecological and cultural heritage of the Jagoi Bidayuh.

Through the Malaysian Ministry of Education's (MOE) *"Program Susu Sekolah"* (PSS), we are proud to supply UHT fresh milk to over 85,000 students from B40 families across Melaka, Negeri Sembilan, and Johor. We believe that this partnership with MOE enables us to play a meaningful role in enhancing nutrition and supporting the healthy development of Malaysia's next generation.

At Gemas, home to our Integrated Dairy Farm, we have deepened community engagement through programmes reaching over 5,000 members of the local community. These initiatives were delivered in collaboration with local authorities and agencies such as Majlis Daerah Tampin, Pejabat Daerah Kecil & Tanah Gemas, Federal Land Development Authority (FELDA), Federal Land Consolidation and Rehabilitation Development Authority (FELCRA) and local schools. Together, these efforts help foster community wellbeing and strengthen social resilience.

DELIVERING WELLNESS THROUGH INNOVATION

Delivering more also means offering healthier, more nutritious choices. We are proud that more than two thirds of our portfolio now consists of healthier options aligned with national nutritional guidelines, making it easier for consumers to enjoy better nutrition every day.

This year, we expanded our portfolio with new sugar-free options such as 100PLUS ZERO Peach and F&N Sparkling Zero, alongside nutritious additions like F&N Magnolia 100% Fresh UHT Milk and F&N NutriWell Plant-based Milk. These products offer refreshing choices that support healthy living and cater to diverse consumer preferences across Malaysia and Thailand.



In FY2025, we have achieved **100%** Certified Sustainable Palm Oil usage across all operations.



In East Malaysia, we are proud to support the Bidayuh community in Bung Jagoi Heritage Village, as part of our water stewardship and community development efforts.

JOINT MESSAGE FROM OUR CHAIRMAN & CHIEF EXECUTIVE OFFICER

BETTER PLANET



ACCELERATING THE TRANSITION TO RENEWABLE ENERGY

Through sustained investment in solar energy, our plants in Malaysia and Thailand now operate with a combined 19.38 Megawatt Peak (MWp) rooftop solar capacity, generating over 19 million kilowatt-hour (kWh) annually — equivalent to the carbon absorbed by approximately 88,000 trees. This represents a significant milestone in our decarbonisation journey and our commitment to supporting national renewable energy ambitions in both countries.

ENHANCING WATER EFFICIENCY AND CIRCULAR RESOURCE MANAGEMENT

Through initiatives such as rainwater harvesting, water reuse systems and process optimisation, we continue to enhance water efficiency across our operations. Circular innovations, which include converting sludge into fertiliser, repurposing okara by-products into animal feed, and turning waste into renewable energy, demonstrate our commitment to resource recovery and waste minimisation.

This year, we are pleased to introduce our fully Recycled PET (rPET) bottle for our new BORNEO SPRINGS series, made entirely from 100% recycled plastic, a testament to our commitment to sustainable packaging and eco-conscious innovation.

ADDRESSING FOOD WASTE AND FOOD SECURITY

To further reduce waste while supporting vulnerable communities, we have established long-term partnerships with Yayasan Bursa Malaysia, The Lost Food Project, Kechara Soup Kitchen and Kembara Kitchen, collectively contributing over 20,000 kg of surplus food products to those in need in FY2025.



RECOGNITION OF OUR PROGRESS

We are honoured that our continued pursuit of excellence in sustainability and responsible growth has been recognised by leading organisations and industry peers:

► Gold Award (Consumer Products & Services) at The Edge ESG Awards 2025, marking our third win for excellence in ESG performance.

► Ranked among the Top Six Global Beverage Companies in the S&P Global Corporate Sustainability Assessment (CSA) 2024, with an improved year-on-year ESG score.

► Inclusion for the seventh consecutive year in the FTSE4Good Bursa Malaysia (F4GBM) Index and the fifth straight year in the FTSE4Good Bursa Malaysia Shariah (F4GBMS) Index.

These achievements reaffirm our consistent performance and unwavering commitment to ESG excellence.

► Recipient of the Labour Management Excellent Award 2024 (National Level), alongside the Thailand Safety Award 2025 and Zero Accident Award 2025, underscoring our commitment to workplace safety and employee wellbeing.

► 1st Runner-Up in the Fast-Moving Consumer Goods category at the 2024 Graduates' Choice Award (GCA).

The complete list of our awards and recognitions is available in our Annual Report 2025, page 22.

JOINT MESSAGE FROM OUR CHAIRMAN & CHIEF EXECUTIVE OFFICER



LOOKING AHEAD — DELIVERING MORE TOGETHER

As we look to the future, we extend our sincere appreciation to our employees, partners and stakeholders for their continued trust and collaboration. Sustainability is not a destination but an ongoing journey that calls for perseverance, innovation, and partnership.

Together, we will continue to deliver more transparency, more innovation, and more shared value to shape a sustainable future where business growth aligns with the wellbeing of people and the planet.

Together, we are delivering more — for today, for tomorrow and for generations to come.

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

LIM YEW HOE
Chief Executive Officer

FY2025 ESG SCORECARD

BETTER BUSINESS



FTSE4GOOD 2025

Top 2 percent in the Global Food & Beverage Supersector

S&P GLOBAL ESG SCORE 2024


Global **Top 6** companies among Beverages sector

THE EDGE ESG AWARDS 2025

Third **Gold Award** in Consumer Products & Services

RESPONSIBLE PRODUCT STEWARDSHIP

 **100%** of our plants certified with Halal Standards

 **100%** of our beverage and dairy plants certified with FSSC22000 Scheme

 **17 new** products & packaging formats introduced

 **THB30 million** annual cost avoidance through **62** employee-driven innovation projects

RESPONSIBLE SUPPLY CHAIN

 **93%** of suppliers are local


 All our key suppliers are now **fully aligned** with F&N's SCOP

 Achieved **100%** physical certified sustainable palm oil in 2025

 Actively building the capacity of **> 2,000** farmers from **10 milk cooperatives** through the Farming Excellence System since 2013

 **90** Halal Training sessions participated by **1,223 employees**

 Building the **Halal ecosystem** through Halal Sourcing Partnership Programme

 **4 SMEs** onboarded as our vendor

6 SMEs currently being mentored by F&NHB



FY2025 ESG SCORECARD

BETTER SOCIETY



CREATING VALUE FOR SOCIETY

 **54%** reduction in sugar per ml of our total RTD beverages (2016 – 2025)

 **> 90%** of our ready-to-drink products have less than 5g of added sugar per 100ml

 **70%** of our RTD products portfolio now carry the HCL

 All our products are **free** from **artificial trans fatty acid**

 **Official partner** of the Malaysian Ministry of Education's School Milk Programme
Providing fresh milk to more than **85,000 students** across Melaka, Negeri Sembilan and Johor

 We support the Bidayuh community at Bung Jagoi through the Water Conservation & Distribution Project, securing over **5.5 million litres of clean water** annually

 **> 200,000 beneficiaries** reached through community investments of **> RM1.5 million**

EMPOWERING OUR PEOPLE

 **> 3,800 employees** including 910 new hires

Female Representation

Total workforce **28%**

Managerial positions **43%**

Executive Category

33.36 average training hours per employee

Non-executive Category

15.53 average training hours per employee

Maintained

0 work-related high consequence injury
work-related fatality

 Complimentary influenza vaccination provided to more than **1,600 employees** from Malaysia and Thailand



FY2025 ESG SCORECARD

BETTER PLANET



OPERATIONAL ECO-EFFICIENCY



Enhanced our climate-related disclosures by progressively incorporating requirements of IFRS S1 and S2



Our plants in Malaysia and Thailand operate with a combined **19.38MWp** rooftop solar capacity generating **> 19 million kWh** annually



Solid waste sent to landfill **reduced by 95%** against 2020 baseline



All our beverage & dairy plants have achieved **ZERO WASTE** to landfill



> 91% of solid waste reused, recycled



Converted waste to valuable resources 848 MT of waste into over **2.3 million kW** of electricity



> 7,000 MT of wastewater treatment sludge & liquid milk waste into organic fertiliser



> 295 MT of okara waste to organic feed for chicken farm



> 20,000 kg food surplus contributed to communities in need

VALUE CHAIN IMPACTS



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



Introduced **school recycling roadshows** reaching out to **> 3,000** students



Introduced our first **100% rPET** bottle for BORNEO SPRINGS range



All our carton packaged products carry the **FSC** or **PEFC** certification



29% recycled content in beverage & dairy packaging



98% of primary packaging is recyclable



COMPANY PROFILE

Fraser & Neave Holdings Bhd (F&NHB) is a subsidiary of Fraser and Neave, Limited (F&N Group), a heritage brand founded in 1883 by John Fraser and David Chalmers Neave with the pioneering vision of producing carbonated soft drinks. Today, the Group has grown into a household name synonymous with quality and trust, delivering on its brand promise of “Pure Enjoyment, Pure Goodness” through a wide-ranging portfolio of iconic products that continue to resonate across generations.

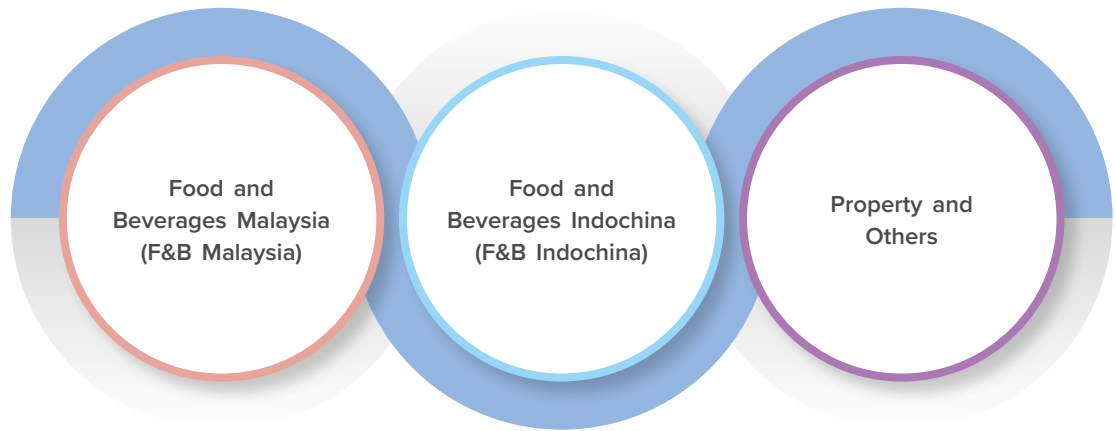
F&NHB is a Shariah-compliant entity listed on the Main Market of Bursa Malaysia. It generates approximately RM5 billion in annual revenue through its core business activities in the manufacturing, sales and marketing of food and beverage (F&B) products.

The company’s extensive brand portfolio holds leadership positions across multiple categories, reflecting its deep market presence and consumer loyalty. These includes 100PLUS, F&N Fun Flavours, F&N SEASONS, OYOSHI, F&N Magnolia, FARMHOUSE, F&N ICE MOUNTAIN, BORNEO and F&N NutriWell; Condensed and evaporated milk under the F&N, TEAPOT, GOLD COIN, Cap Junjung, Ideal, and Carnation brands; NONA brand of ketupat and sauces; as well as snacks and confectionery under Cocoland. Across Malaysia and Thailand, F&NHB offers a robust portfolio of over 200 products, catering to diverse consumer preferences and needs.

Regionally, F&NHB holds 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.



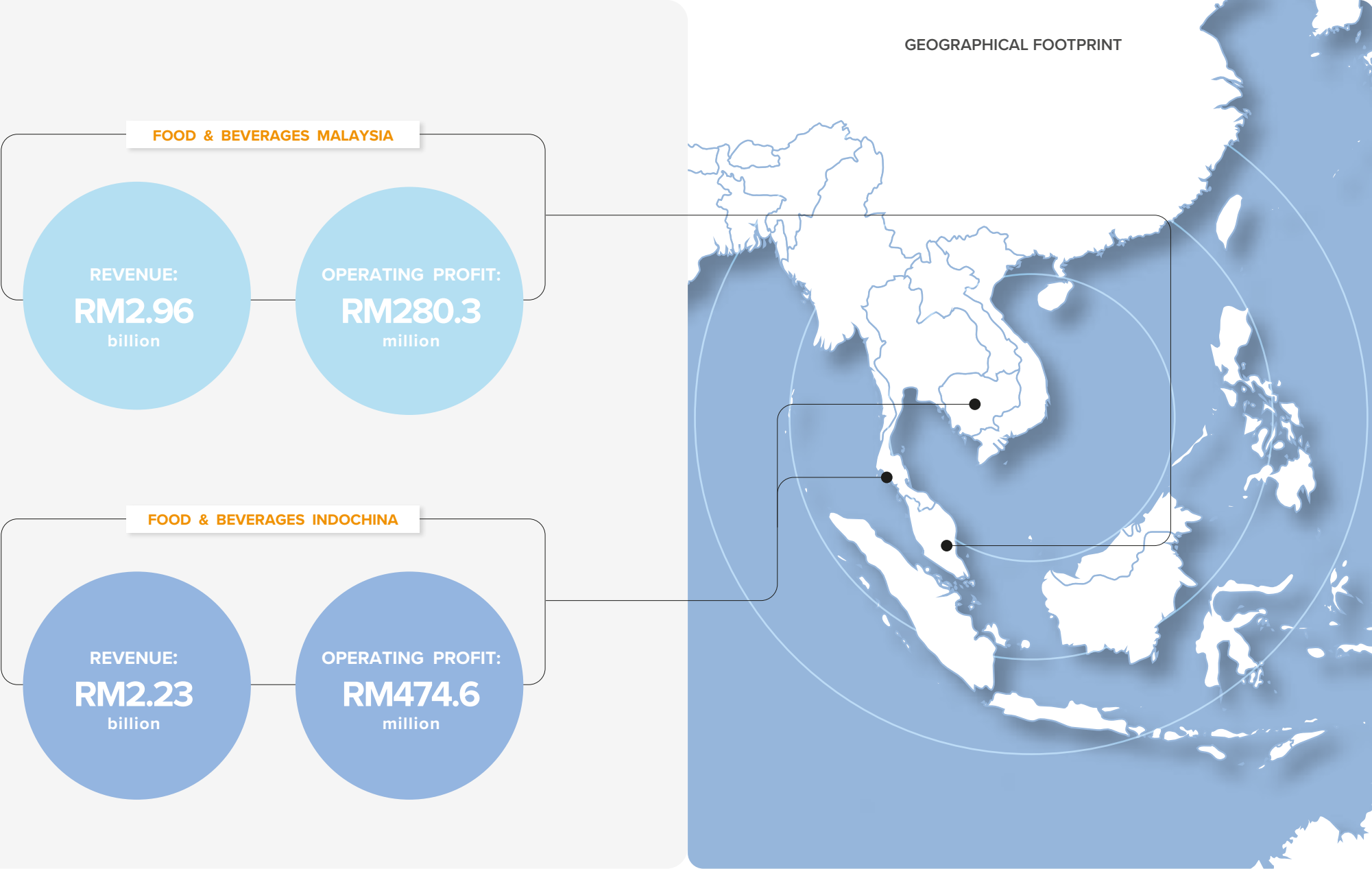
The Group’s operating businesses are organised according to products and services, namely:



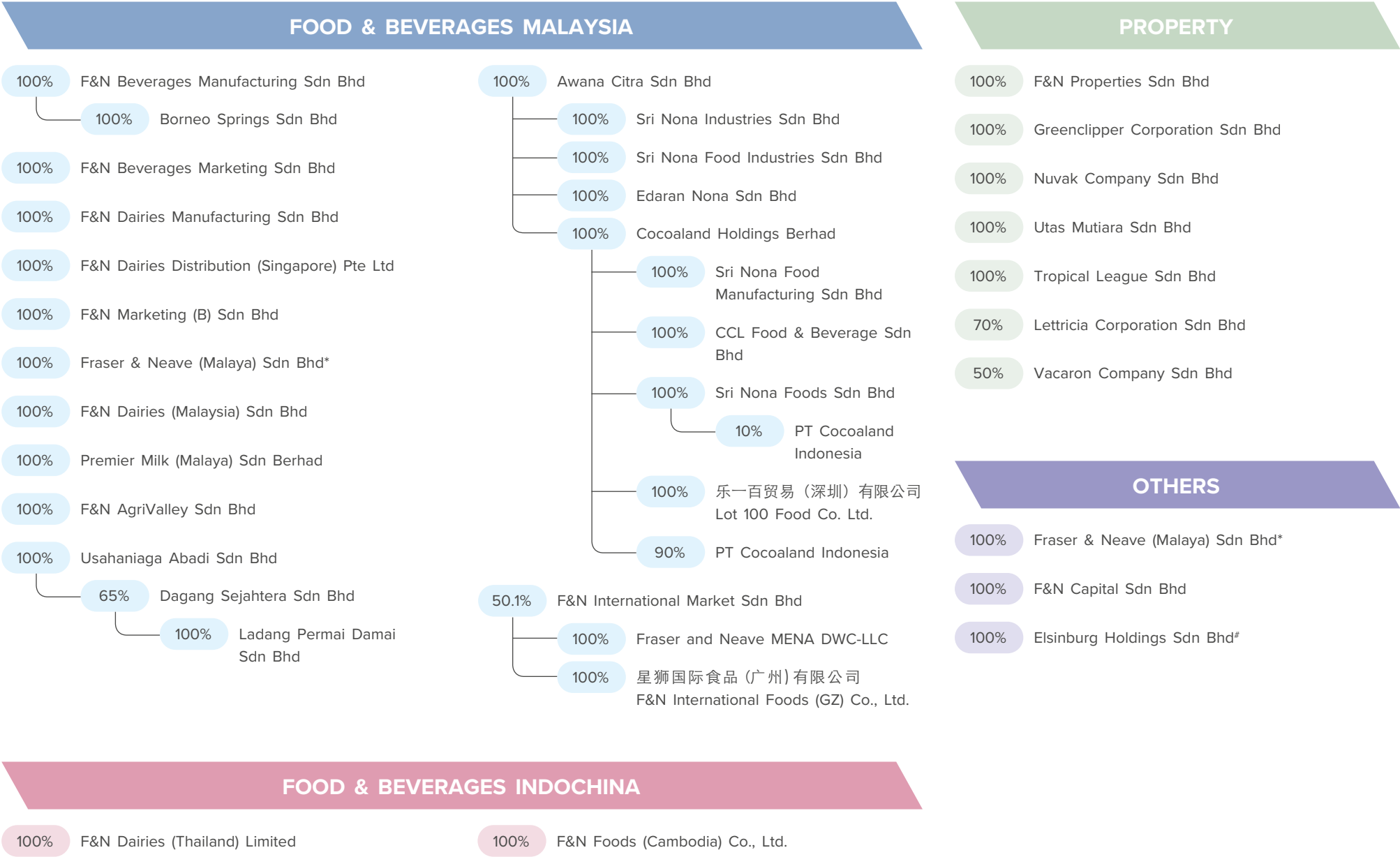


GEOGRAPHICAL FOOTPRINT AND FINANCIAL HIGHLIGHTS

F&NHB is headquartered in Shah Alam, Malaysia. We have 14 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.



CORPORATE STRUCTURE AS AT 14 NOVEMBER 2025



NOTES:
* Classified under Food & Beverages Malaysia and Others segments.
In the process of member's voluntary winding up.

OUR VALUE 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 FY2025, we partnered with over 3,300 global and local suppliers, ensuring a resilient and efficient supply chain. These partnerships span diverse business segments, including manufacturers, wholesalers, retailers, importers/merchants, contractors and professional services providers. Our strategic procurement efforts saw a total expenditure of almost RM4.7 billion.

SOURCING

We maintain close collaboration with our suppliers to ensure that the goods and services they provide not only meet our rigorous internal standards but also align with broader social, environmental and ethical expectations.

To safeguard the sustainability of our business, we uphold robust risk management frameworks that proactively address challenges associated with the key commodities we depend on.



Read more in *Supply Chain Stewardship* on pages 51 to 57 of this report.

Read more in *Product Quality and Safety* on page 45 of this report.



PRODUCTION

Our production processes are standardised across all operations in alignment with internationally recognised standards, ensuring consistency, quality and compliance.

We are committed to implementing eco-efficient practices that deliver value while actively minimising adverse environmental and social impacts.

Throughout every stage of production, we continuously seek to optimise resource utilisation and carefully manage the effects of water consumption, waste generation, effluent discharge, and emissions.

Read more in *Operational Eco-efficiency* on pages 92 to 122 of this report.

OUR VALUE CHAIN

DISTRIBUTION

We have fully integrated our distribution systems to enhance operational efficiency and deliver greater value to our customers.

Leveraging digital technologies, we continuously refine our logistics processes to ensure optimal energy management across our transportation network.

At the same time, we remain steadfast in prioritising the safety and wellbeing of our personnel and the communities in which we operate.



Read more in *Climate Change* on pages 93 to 103 of this report.

Read more in *Energy* on pages 104 to 109 of this report.



MARKETING & SALES

At F&NHB, responsible marketing and sales practices are a core priority. We actively engage with regulators and customers to continuously refine our marketing approach, particularly in how we communicate product value, such as providing clear and accurate nutritional information to consumers.

Through ongoing dialogue with our stakeholders, we gain valuable insights that drive innovation and enable us to develop healthier product offerings that meet evolving consumer expectations.

Read more in *Product & Service Labelling* on page 46 of this report.

POST-CONSUMPTION PACKAGING MANAGEMENT

We actively minimise the impact of post-consumer waste through ongoing research and development (R&D), focusing on innovative packaging solutions that are both sustainable and responsive to consumer needs.

In addition to embedding Circular Economy principles across F&NHB's operations, we champion environmental awareness within the communities where we operate, fostering shared responsibility and long-term stewardship.



Read more in *Waste Management* on pages 116 to 122 of this report.

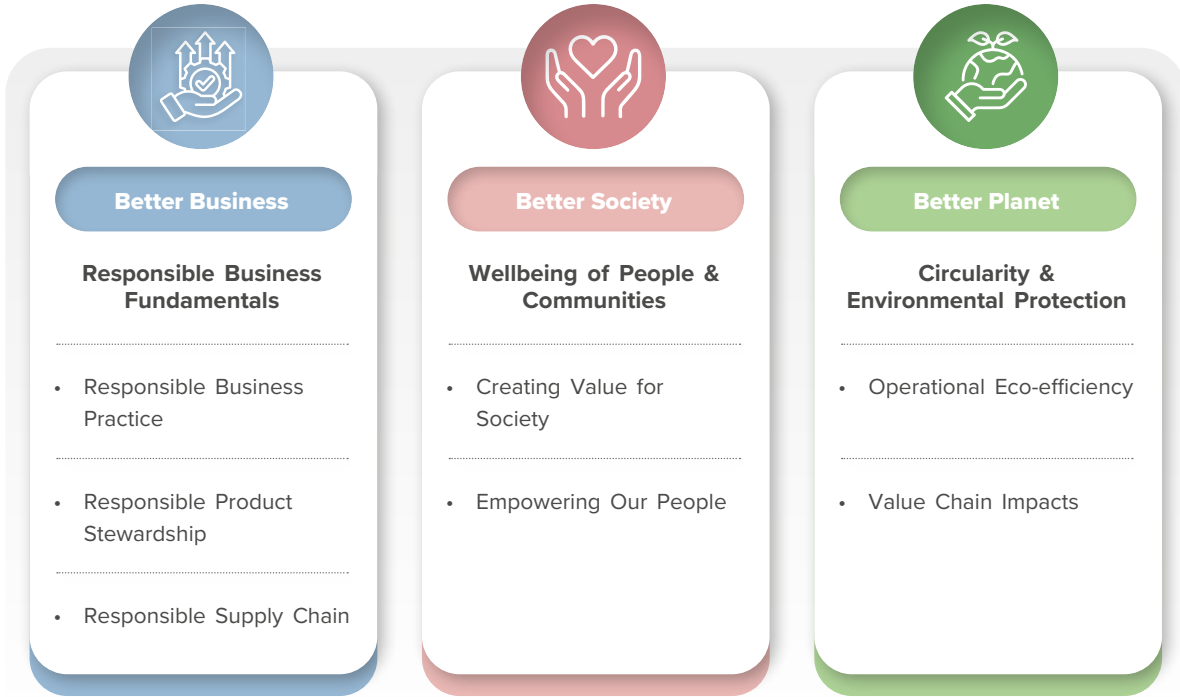
REPORTING SCOPE

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

IFRS S1 21, IFRS S1 22

The F&NHB SR 2025 offers stakeholders and shareholders a clear and concise assessment of our sustainability performance for FY2025. It showcases our strategic ESG priorities while reflecting on our 2025 sustainability targets. The report also provides a holistic view of the climate-related risks and opportunities shaping our business, alongside our forward-looking action plans to drive continued progress.

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



This SR is best read together with our FY2025 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 2025 AR, refer to the GRI Standards 2021 Content Index in pages 141 to 146 of this Report. We appreciate the opportunity to share our sustainability commitments and progress in long-term value generation for our stakeholders.

REPORTING FRAMEWORK AND INDICES

This report is our ninth standalone SR prepared in accordance with the GRI Universal Standards 2021. The report is prepared in alignment with the Bursa Malaysia Securities Berhad’s Main Market Listing Requirements.

We have enhanced our climate-related disclosures by progressively incorporating requirements from the IFRS Sustainability Disclosure Standards, specifically IFRS S2 and climate-relevant provisions in IFRS S1 into this year’s report. This enhancement has been implemented a year ahead of the mandatory reporting requirement by Bursa Malaysia.

We are one of the 160 constituents of the F4GBM for the seventh year running. In the latest assessment, we achieved an improved overall ESG rating of 4.7 out of 5.0, up from 4.5 in the previous year. Additionally, we remain as one of the 125 constituents of the F4GBMS Index for the fifth year.

For the fifth consecutive year, we took part in the S&P Global CSA. We were recognised among the top six beverage companies globally, with an improved year-on-year ESG score. (Score date: January 2025).

As we continuously seek to align with industry best practices and to drive continuous improvement on our sustainability performance, we conduct regular benchmarking of our sustainability processes and progress against industry leaders, including our parent company, Thai Beverage Public Company Limited (ThaiBev).

FORWARD-LOOKING STATEMENT

Certain statements in the report are “forward-looking statements” that reflect F&N’s current views regarding future events. These views inherently involve risks, uncertainties and assumptions which may cause actual future performance or achievements of F&N or the industry to be materially different from those expressed or implied by such forward-looking statements and financial information.

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

REPORTING SCOPE

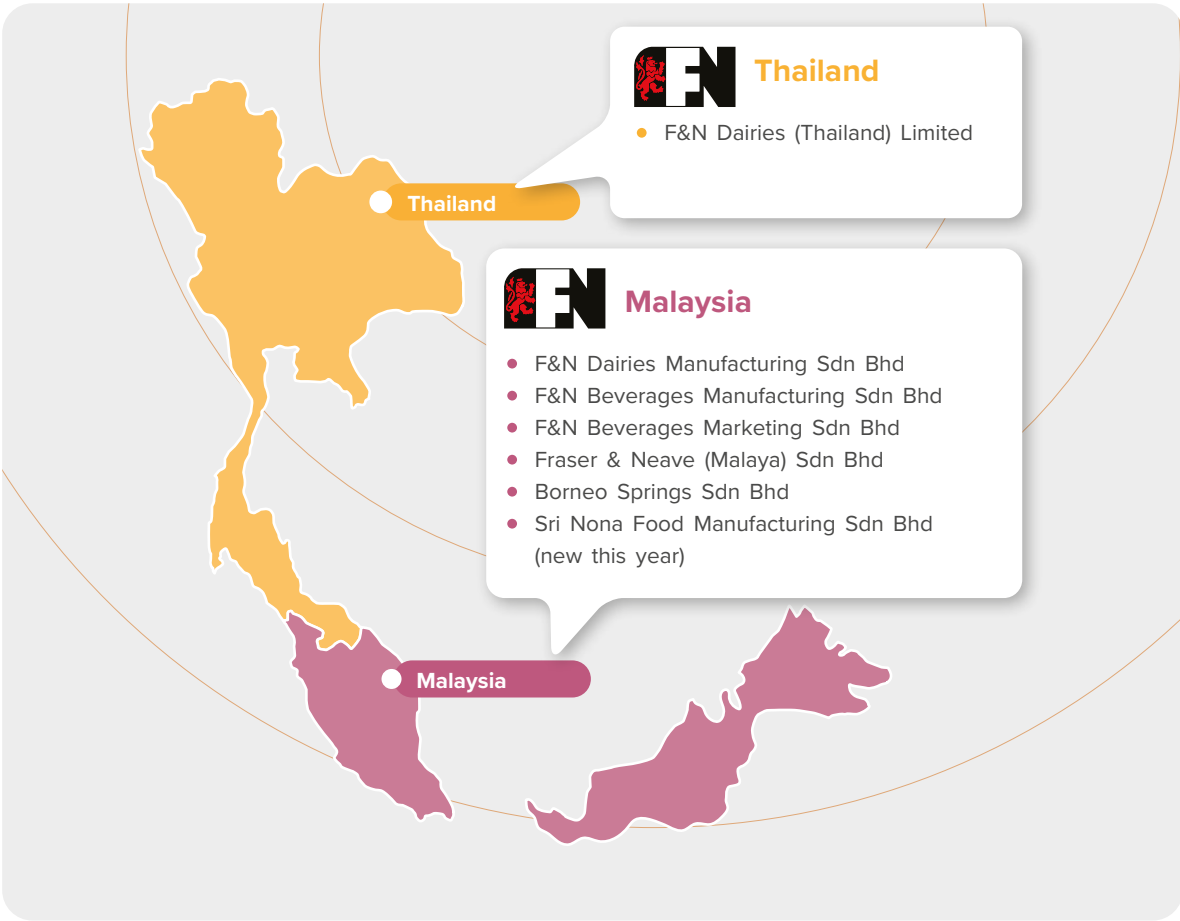
BOUNDARY AND SCOPE OF THIS REPORT

F&NHB publishes SR annually with the reporting period spanning from 1 October 2024 – 30 September 2025, which is aligned with our financial reporting period. The report is published on 24 December 2025.

Entities within the reporting scope disclose their sustainability performance across all material topics, encompassing both environmental and social dimensions. The operations featured in this Report are also included in our annual reporting. Data is collected using a unified methodology across all operations, ensuring consistency and equal weighting during consolidation.

This year, as part of our ongoing commitment to enhance our data collection efforts, we have expanded this year’s scope to include our new food pillar, Sri Nona Food Manufacturing Sdn Bhd.

This report encompasses environmental and social data across all operational sites of the Group in Malaysia and Thailand, as outlined below:



EXTERNAL ASSURANCE

Our policy ensures that the reporting of sustainability-related information aligns with the required latest international standards and protocols at the beginning of our FY. We are committed to reporting reliable data and continuously strive to improve the quality of sustainability-related information. Approved by the F&NHB Board Sustainability & Risk Management Committee (SRMC), selected sustainability data disclosed in this report have been externally assured by 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 F&N Group 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 FY2025, 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 Independent Assurance Statement on page 140 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 (CCAS) Department

- Fraser & Neave Holdings Bhd**
No. 1 Jalan Bukit Belimbing 26/38, Persiaran Kuala Selangor, Seksyen 26, 40400 Shah Alam, Selangor, Malaysia.
- +603-5101 4288
- <https://fn.com.my/sustainability>
- groupcomms@fn.com.my

OUR SUSTAINABILITY APPROACH

GRI 2-29, GRI 2-30

MATERIALITY ASSESSMENT METHODOLOGY

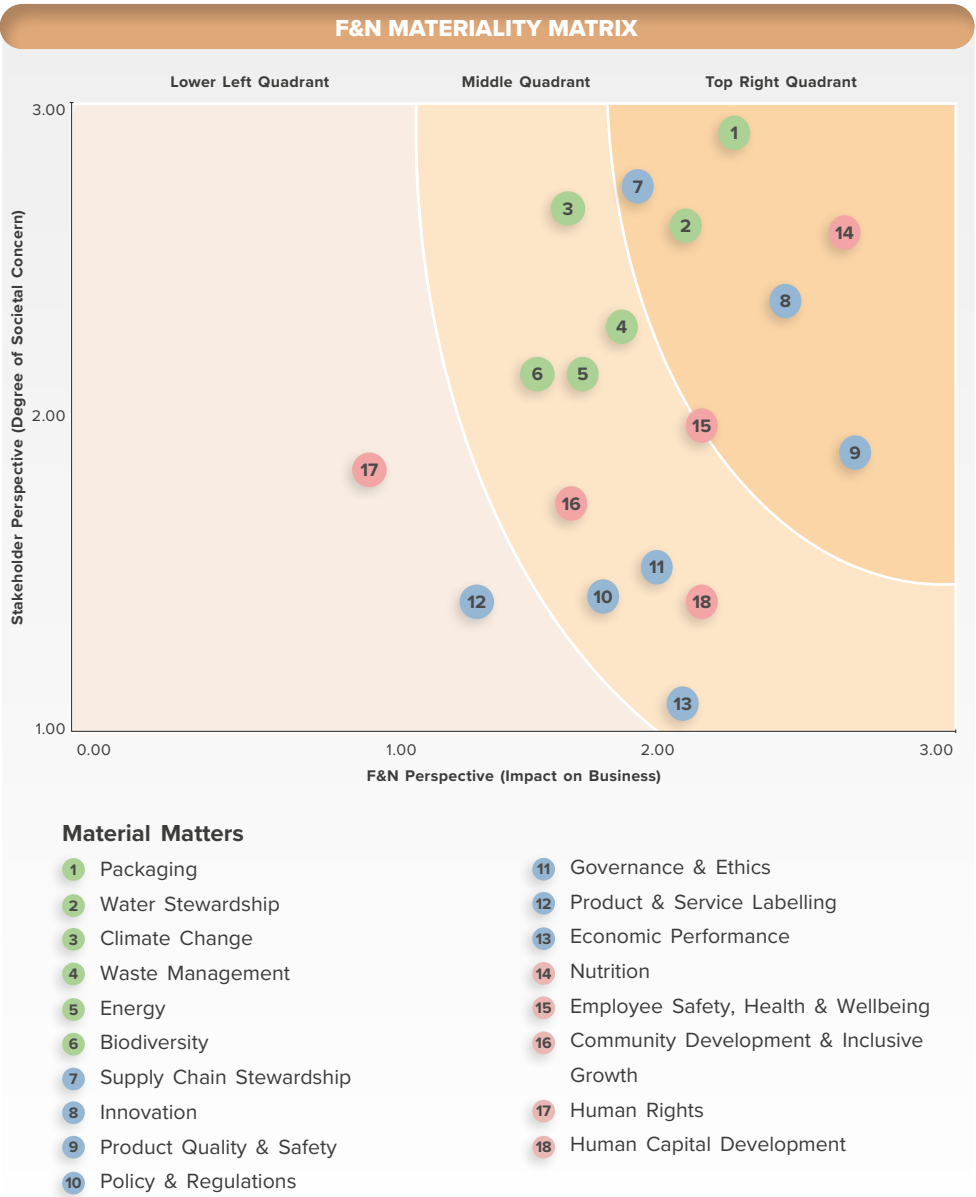
Our material topics are closely aligned with our sustainability strategy and related goals for 2025. Both our material topics and materiality matrix are reviewed annually to reflect updates in the sustainability landscape, regulatory requirements and the evolving needs of our stakeholders. Based on the 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:



This year, as we approach the conclusion of our 2025 sustainability targets, we have embarked on a comprehensive refresh of our materiality topics. This will be guided based on a double materiality lens, evaluating both the potential financial implications of sustainability-related risks and opportunities, and our broader environmental and social impacts.

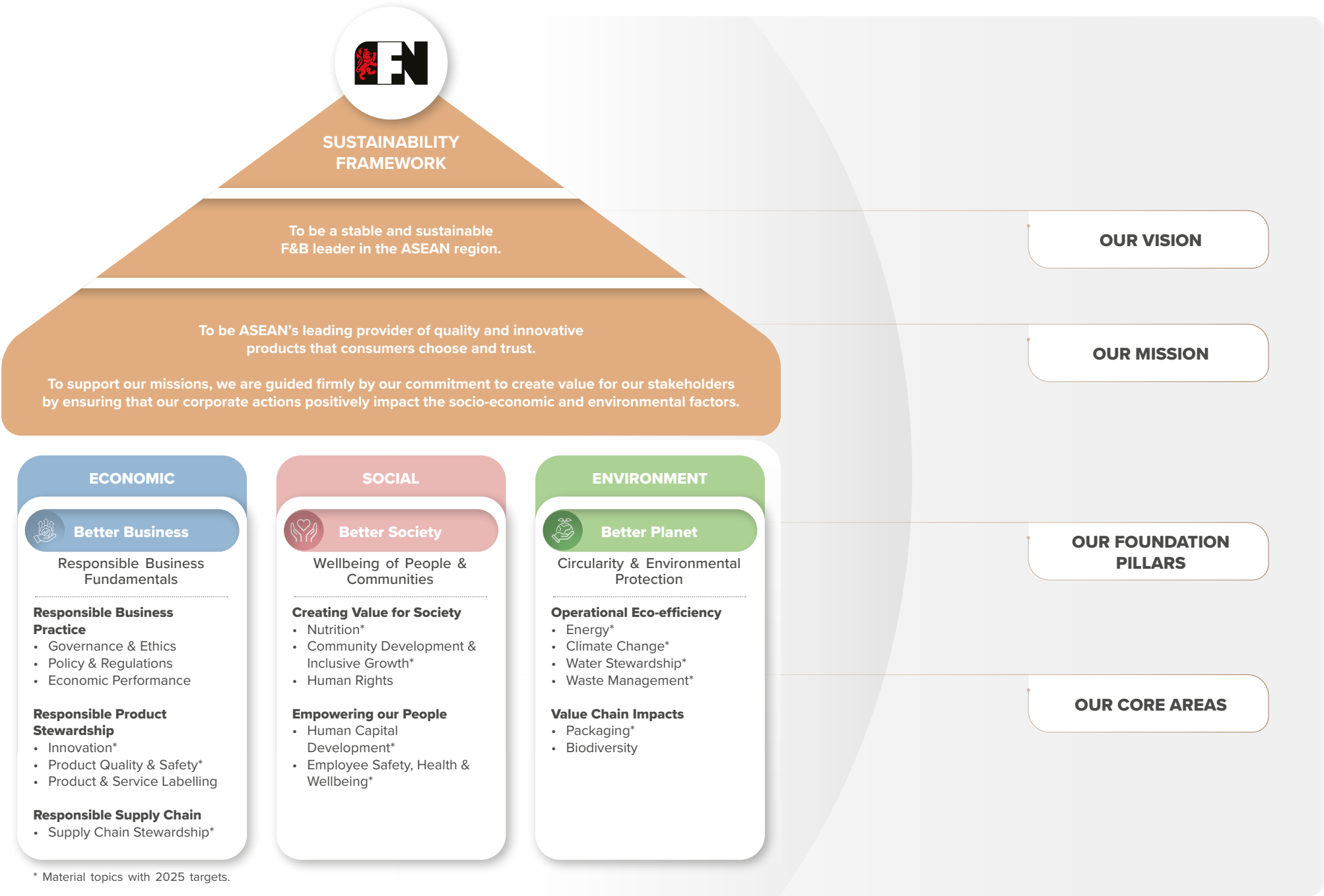
This exercise ensures alignment with evolving stakeholder expectations and emerging ESG priorities. The updated matrix is currently undergoing extensive stakeholder engagement and will be reviewed by F&N Group SDC and F&NHB SRMC. It will be unveiled next year as a cornerstone for guiding our long-term sustainability strategy and decision-making.

For the purposes of this year's report, the material topics remained unchanged from 2024 based on our annual high-level materiality assessment. “Packaging” and “Nutrition” remain as the top priorities, particularly for our customers and consumers, presenting opportunities for positive business impact.



OUR 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 AND 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&NHB's sustainability efforts, underscoring our commitment to creating meaningful, long-term value for our stakeholders.




As we conclude our 2025 sustainability targets, we are pleased to report that we have achieved nine out of the twelve targets set in 2020, with the majority surpassing their original targets. The remaining four targets - Water Stewardship, Energy and Employee Safety, Health and Wellbeing, were not fully achieved. However, two of these demonstrated significant progress compared to baseline performance.




The table below provides an overview of the targets and corresponding outcomes for each material topic:

MATERIAL ISSUE	2025 TARGET¹	2025 RESULTS	ACHIEVEMENT
Product Quality and 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)	All our plants and production processes are certified with the FSSC22000 scheme and Halal Standard.	
Innovation	Achieve 10% product innovation for commercialised products from 2020 baseline	11% of commercialised products in FY2025 were new innovations.	
Supply Chain Stewardship	100% of our active key suppliers to accept and comply with F&N's SCOP	All our active key suppliers have accepted and complied with F&N's SCOP.	
Nutrition	At least two thirds of beverage and dairy products comply with the Nutritional Guidelines	70% of our ready-to-drink beverage and dairy portfolio comply with the Nutritional Guidelines, through the HCL endorsement.	
Community Development and Inclusive Growth	Increase the number of annual community programmes to 11	A total of 12 community programmes were organised in the year.	
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	Executive-level employees received an average of 33.36 hours of training, while non-executive employees received an average of 15.53 hours.	
Employee Safety, Health and Wellbeing	Reduce the Lost Time Injury Frequency Rate (LTIFR) to 0	Our LTIFR stood dropped from 1.97 in 2020 to 0.33, through proactive safety measures.	

Legend:  Achieved  Unmet but demonstrated progress over baseline  Unmet

2025 TARGETS AND FOCUS AREAS

MATERIAL ISSUE	2025 TARGET¹	2025 RESULTS	ACHIEVEMENT
Climate Change	Reduce the Group's greenhouse gas (GHG) emissions intensity ratio at our plants by 8% from a 2020 baseline	The Group's GHG emissions intensity ratio at our plants improved by 8% from the 2020 baseline, due to the strategic investment in solar rooftop systems across facilities in Malaysia and Thailand.	
Energy	Reduce the Group's energy intensity ratio at our plants by 8% from a 2020 baseline	<p>We recorded a 1.8% increase in energy intensity ratio at our plants compared to the 2020 baseline, primarily due to the strategic expansion of our Malaysia facilities and the establishment of a new plant in Thailand, replacing the former Pak Chong plant.</p> <p>However, excluding these expansion projects between 2020 and 2025, our Malaysia operations achieved an 8% reduction in energy intensity ratio compared to the baseline.</p>	
Water Stewardship	Reduce the Group's water intensity ratio at our plants by 8% from a 2020 baseline	<p>Our water intensity ratio at our plants improved by 0.4% compared to the 2020 baseline.</p> <p>Performance was impacted by the strategic expansion of our Malaysia facilities and the establishment of a new plant in Thailand, which replaced the former Pak Chong plant.</p> <p>However, excluding these expansion projects undertaken between 2020 and 2025, our Malaysia operations achieved an 8% reduction in water intensity ratio compared to the baseline year.</p>	
Waste Management	Reduce the solid waste sent to landfill by 30% from a 2020 baseline	We achieved a 95% reduction in solid waste sent to landfill compared to the 2020 baseline, a significant milestone in our waste management journey.	
Product Packaging	Increase the recycled content in our beverage and dairy packaging to 25%	Our beverage and dairy packaging contain 29% recycled content.	

Legend:  Achieved  Unmet but demonstrated progress over baseline  Unmet

With the conclusion of our 2025 targets, we are in the midst of developing our 2030 sustainability targets to define the next chapter of our journey. These targets will position us to address emerging challenges, capture new opportunities, and remain responsive to stakeholder expectations. We will align these targets with the broader ESG ambitions set by our parent company, ThaiBev, reinforcing our commitment to responsible business practices and ensuring our sustainability journey continues to evolve, driving meaningful impact across our operations and value chain. We look forward to sharing these new ambitions next year as we continue to advance our commitment to create a sustainable future.

NOTE:

1. These targets were established in 2020, based on the Company's previous operational scope. The target performance excluded our packaged food business – Sri Nona Food Manufacturing Sdn Bhd and one factory in Kota Kinabalu Industrial Park.



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
BETTER BUSINESS										
Governance & Ethics										10.2 10.3
Policy & Regulations			3.9							
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		12.5
Supply Chain Stewardship		2.3 2.4				6.A		8.1 8.2 8.8	9.2 9.4	12.2

TARGETS MOST RELEVANT TO F&N					
●	1.4	Provide access to basic services for vulnerable groups			
●	2.1	Improve access to safe and nutritious food	2.2	Improve nutrition to society	2.3
●	3.4	Promote mental health and wellbeing 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

ALIGNMENT TO THE UN SDGS

F&N ALIGNMENT WITH SDG TARGETS (Cont'd)										
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
BETTER SOCIETY										
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 & Wellbeing			3.4 3.8					8.7 8.8		

TARGETS MOST RELEVANT TO F&N					
●	4.1	Equal access to free equitable education at primary and secondary education	4.4	Promote relevant skill development	4.7
●	5.5	Provide full and effective participation and equal opportunities for leadership			4.B
●	6.3	Improve water quality, reduce polution, enhance wastewater treatment and improve water circularity	6.4	Increase water-use efficiency and ensure sustainable use of freshwater	6.A

ALIGNMENT TO THE UN SDGs

F&N ALIGNMENT WITH SDG TARGETS (Cont'd)															
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
BETTER PLANET															
Energy & Climate Change								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											12.2 12.5				
Packaging		2.1									12.2 12.3 12.5				
Biodiversity													15.5		

TARGETS MOST RELEVANT TO F&N (Cont'd)			
7.2	Increase use of renewable energy	7.3	Improve energy efficiency
8.1 8.2 8.4	Sustain economic growth Diversity, innovate and upgrade for economic productivity Improve resource efficiency in consumption and production	8.6 8.7 8.8	Promote youth employment, in education and training End modern slavery, trafficking, and child labour 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 12.3	Sustainable management and use of natural resources Reduce food waste at production, supply chain, and retail and consumer levels	12.5 12.8	Substantial reduction waste generation 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, 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		

PARTNERSHIPS, MEMBERSHIPS AND CERTIFICATIONS

GRI 2-28

In today’s world, where collective action is essential to address complex environmental and societal challenges, F&NHB remains steadfast in actively managing and evaluating its impact on both the planet and society.

We align our sustainability efforts with globally recognised frameworks and standards, including the UN SDGs, GRI, International Integrated Reporting Council (IIRC), and ISSB. Our commitment to responsible business practices is further reinforced through collaboration with international organisations and memberships in key platforms such as the RSPO and SEDEX.

Locally, F&NHB plays a pioneering role in advancing sustainability. We co-founded the Malaysian Recycling Alliance (MAREA), a voluntary industry-led initiative aimed at improving packaging collection and recycling, with a strong focus on Extended Producer Responsibility (EPR). To-date, MAREA has launched pilot programme and initiatives in collaboration with local councils, as well as recycling partners. These initiatives promote waste separation at source and facilitate more effective recycling collection.

As an active member of the CEO Action Network (CAN), F&NHB contributes to capacity-building efforts that foster peer learning and knowledge exchange on critical topics such as Sustainability Reporting and Assurance, Employee Wellbeing and Mental Health in ESG, and Waste Resolution: Transforming Waste into Value.

Our journey toward sustainability excellence has been recognised through The Edge Malaysia ESG Award 2025 - Gold Award in Consumer Products and Services for the third time.

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

F&NHB emerged as one of the **top 6 Beverages** companies in our fourth S&P Global CSA, with an improved ESG score to 77 out of 100 in 2024, from 72 in 2023. Notably, F&NHB achieved **Top 10 in all 3 dimensions**, where we ranked 4th for the Social dimension, 5th for the Environmental dimension and 8th for the Governance & Economic dimension.

F&NHB remained as a constituent of the F4GBM for the **7th consecutive** year, with improved overall ESG rating. We also remain one of the constituents in the F4GBMS Index which reflects the investments made in ensuring all our products are Halal and our value chain is **Syariah-compliant**.








WORKING WITH OUR STAKEHOLDERS





GRI 2-29

F&NHB's stakeholders comprise individuals and groups who are either impacted by or have a vested interest in our operations. Building and maintaining strong relationships founded on trust and mutual respect is essential to our business, enabling us to effectively assess and mitigate potential impacts.

	ENGAGEMENT CHANNELS	KEY CONCERNS	HOW F&NHB CREATES VALUE FOR THIS STAKEHOLDER	RELATED SUSTAINABILITY MATTERS
<div>Investment Community</div> <div></div>	<ul style="list-style-type: none">General meetings of Shareholders (Annual General Meeting & Extraordinary General Meeting)Regular face-to-face meetings & conference callsOffice/plant visits, as and when requiredInvestor days/briefingsWebsite and Bursa Malaysia's announcements, presentations, press releasesAnnual reports	<ul style="list-style-type: none">Transparent and accurate disclosureReturn on investmentDisclosure on relevant information to shareholders	<ul style="list-style-type: none">Managing resources effectively to maximise profitsMaintaining a strong balance sheet	<ul style="list-style-type: none">Governance and EthicsEconomic Performance
<div>Employees</div> <div></div>	<ul style="list-style-type: none">Biennial employee engagement surveyRobust compensation and benefits frameworkAnnual CEO town hall/roadshowAnnual gatheringsSports tournamentsiConnect (intranet), F&NHB monthly email news highlights, digital TV, Fraserians Connect (mobile app), F&N Voice	<ul style="list-style-type: none">Engagement with employeesLearning and development opportunitiesEquitable rewards and recognitionSafe and healthy work environment	<ul style="list-style-type: none">Career advancement and ability to reach individual potentialBoosting earning potential of employees with training and developmentStrict hygiene practices and sanitary environment in the workplace	<ul style="list-style-type: none">Human Capital DevelopmentEmployee Safety, Health and WellbeingHuman Rights
<div>Distributors & Trade Customers</div> <div></div>	<ul style="list-style-type: none">Annual customer meetingsAnnual factory visitsAnnual business planningRegular business development activitiesJoint supply chain meetingsQuarterly business reviewsCustomer appreciation events	<ul style="list-style-type: none">Supply chains disruptionsLatest consumer and shopper trendsProduct innovationCustomer relationship managementShopper loyalty programmesBusiness practices and ethicsEfficient delivery systems	<ul style="list-style-type: none">Partnering with retailers on shared opportunitiesSource of income and job creation at our distributorsCase-to-case flexible payment method, if necessary	<ul style="list-style-type: none">InnovationNutritionProduct Quality and SafetyProduct and Service Labelling

WORKING WITH OUR STAKEHOLDERS

We identify stakeholder groups based on their level of interest and influence over our business, and tailor our engagement strategies to suit each group's unique needs and expectations. The summary below outlines our approach to engaging with different stakeholder categories, and we remain open to receiving feedback beyond formal engagement channels to continuously improve our practices.

	ENGAGEMENT CHANNELS	KEY CONCERNS	HOW F&NHB CREATES VALUE FOR THIS STAKEHOLDER	RELATED SUSTAINABILITY MATTERS
<div>Consumers</div> <div></div>	<ul style="list-style-type: none">Marketing & sales promotionsBrand communication through advertisingOngoing social media interactionsOn-ground events & activitiesDedicated consumer hotline	<ul style="list-style-type: none">Product quality and safetyConsumer health and safetyFair and reasonable product pricingSocial and community engagementEnvironmentally friendly packaging	<ul style="list-style-type: none">Launching innovative productsFulfilling consumers' demand for safe and quality productsProviding accessible products through an extensive distribution network coverage	<ul style="list-style-type: none">InnovationNutritionProduct Quality and SafetyProduct and Service Labelling
<div>Communities</div> <div></div>	<ul style="list-style-type: none">Collaborations & partnershipsOutreach programmesMeetings/dialogues with community representatives	<ul style="list-style-type: none">Social and environmental responsibilityJob opportunities for localsPromotion of good health and quality of lifeSkill development in sports and leadershipStimulating local economies	<ul style="list-style-type: none">Social investment in community projectsAdvocating active lifestyles via sports events and activitiesSupporting beneficiaries from vulnerable communities	<ul style="list-style-type: none">Community Development and Inclusive GrowthHuman Rights
<div>Regulators</div> <div></div>	<ul style="list-style-type: none">Active collaborationsMeetings with government agencies and statutory bodiesCollaboration & partnerships with local councils	<ul style="list-style-type: none">Good governanceFair labour practicesSafety at workCompliance with laws and regulationsWater and waste managementEnvironmentally friendly labelling and packagingGHG emissionsRecycling awareness	<ul style="list-style-type: none">Compliance with regulation to mitigate against systemic risksAdhering to sustainable practices to protect stakeholdersActive industry collaboration and knowledge exchange	<ul style="list-style-type: none">Policy and Regulations
<div>Suppliers</div> <div></div>	<ul style="list-style-type: none">Supplier meetingsAnnual auditsTender Management System	<ul style="list-style-type: none">Fair and robust procurement systemSupport of local businessesSocial and environmental responsibilityEthics - anti-bribery & corruption	<ul style="list-style-type: none">Working with local suppliersPartnering with suppliers on shared opportunities	<ul style="list-style-type: none">Supply Chain StewardshipBiodiversity

DELIVERING WELLNESS... FOR HEALTH & NUTRITION

At F&N, we're actively shaping a future where taste and wellness go hand-in-hand. Through continuous innovation, we create beverages that inspire better living. This commitment is evident across our portfolio, from the refreshing goodness of F&N NutriWell and 100PLUS ZERO Power Peach to the mindful indulgence of OYOSHI Chakulza Sparkling Green Tea and our F&N SEASONS Ramadan editions.

With more than two thirds of our portfolio now bearing the HCL, we are making it easier for consumers to choose smarter, more nutritious options every day. Our hydration awareness campaigns further support this commitment by promoting healthier habits and encouraging more active lifestyles for everyone.



Better Business

F&NHB'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 PRACTICE

- Governance and Ethics
- Policy and Regulations
- Economic Performance

RESPONSIBLE PRODUCT STEWARDSHIP

- Product Quality and Safety
- Product and Service Labelling
- Innovation

RESPONSIBLE SUPPLY CHAIN

- Supply Chain Stewardship

Contribution to SDGs

Primary



Secondary



Conclusion of 2025 Sustainability Targets & Focus Areas

Product Quality and Safety

FSSC scheme 22000 and Halal Standard (or equivalent) certification for all plants by 2025

All our plants and production processes are certified with the FSSC22000 scheme and Halal Standard.

Innovation

10% product innovation for commercialised products by 2025

11% of commercialised products in FY2025 were new innovations.

Supply Chain Stewardship

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

All our active key suppliers have accepted and complied with F&N's SCOP.



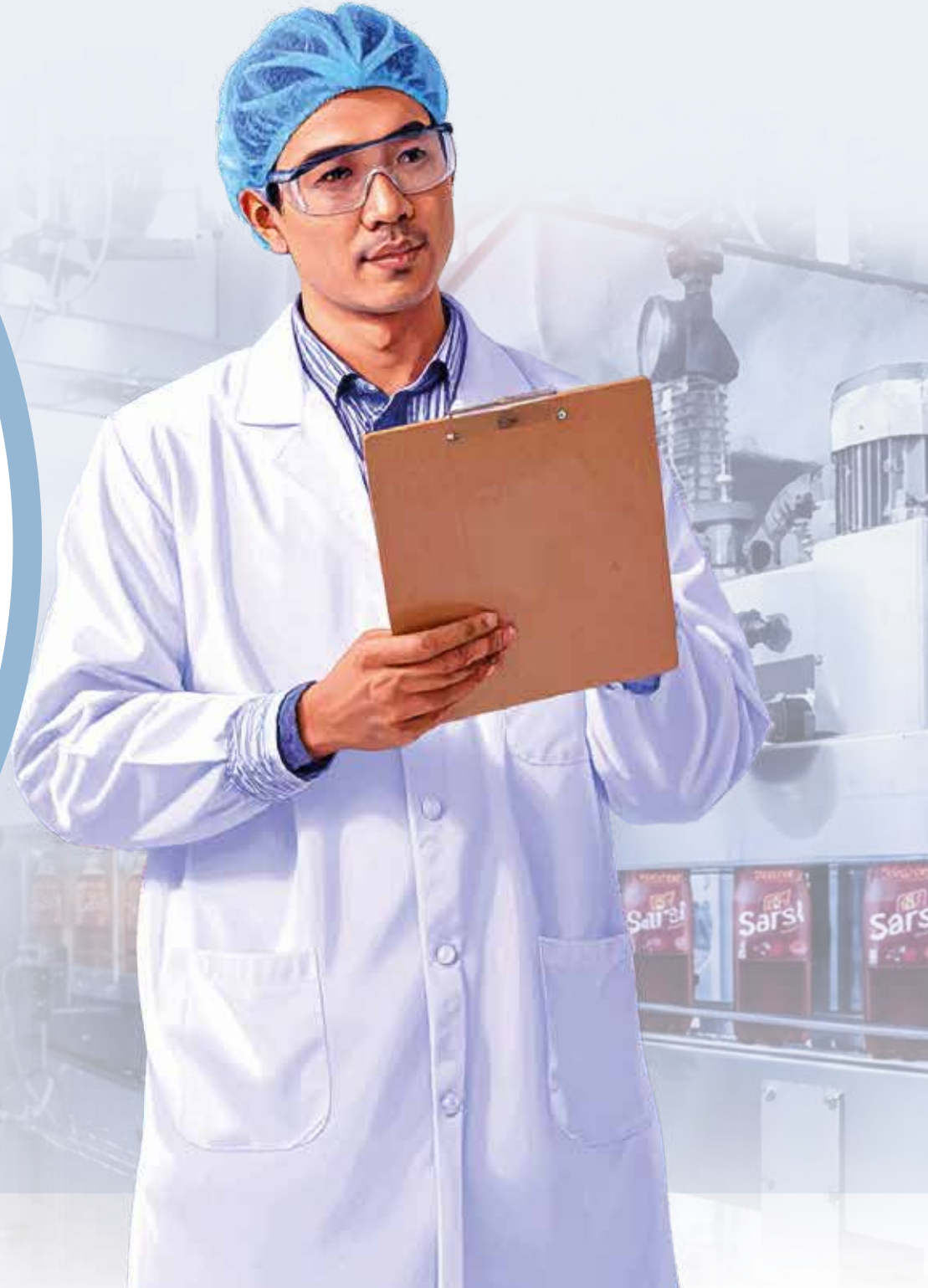
Better Business

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 and Ethics
- Policy and Regulations
- Economic Performance



GOVERNANCE AND ETHICS

GRI 2-12, GRI 2-13, GRI 2-14, GRI 2-17, GRI 2-23, GRI 2-24, GRI 2-25
IFRS S2 6, IFRS S2 29, IFRS S2 34

We ensure that sustainability considerations, including environmental and social factors, are embedded into the core of our business strategic formulation by incorporating them into 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. The Board also actively aligns our strategic planning process with our sustainability principles to cultivate a forward-looking approach that balances financial performance with sustainable growth and societal impact.

MANAGEMENT APPROACH

Sustainability is one of the Group's strategic priorities which are embedded into our strategy and financial planning process. As part of this commitment, we have integrated climate-related risks and opportunities into our core decision-making frameworks, including investment evaluation, and enterprise risk management.

Our updated investment policies require all business units to incorporate the potential impact of carbon pricing into the assessment of major acquisitions and capital expenditures. This ensures that long-term climate transition risks—such as regulatory changes, emissions costs and shifts in energy markets—are factored into the Group's growth strategy and investment decisions, such as prioritising sustainable investments over lower-cost options that could have greater negative environmental impacts.

The Board has ultimate oversight of sustainability issues, as it considers environmental and social factors as part of its strategic formulation. The Board also has oversight of significant climate-related investment decisions and considers the trade-offs involved in allocating capital to address climate-related risks and opportunities. When reviewing such investments, the Board takes into consideration factors such as upfront costs, long-term operational benefits and alignment with emerging regulations. These evaluations are supported by scenario analysis, financial assessments and input from management. This ensures that climate-related investments are considered within the broader context of the Group's strategy and resource planning.

At the Board level committee, the Board SRMC is responsible for steering the Group's ongoing sustainability efforts – approving all strategic initiatives and policies related to sustainability in F&NHB 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 (AC), 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 Board SRMC in overseeing F&NHB's sustainability agenda. The SMC monitors and reports the progress of the Group's sustainability strategies, projects, policies and goals. It is further supported by the Communications, Corporate Affairs & Sustainability (CCAS) Department, along with Sustainability

Development Working Team (SDWT) – a cross-functional group responsible for tracking the performance of designated goals, driving initiatives at the operational level and gathering data for reporting purposes.

F&NHB's Board of Directors is equipped with necessary sustainability-related skills and competencies, having completed Bursa Malaysia's prescribed training courses. The Board participated in sessions facilitated by consultants to deepen climate-related knowledge and strengthen oversight of the Group's sustainability risks and opportunities. Additionally, an annual joint meeting between the Audit Committee and the SRMC is held to foster cross-functional discussions on climate and sustainability matters, reinforcing integrated oversight at the Board level.

To ensure accountability, F&NHB links management and employee performance to Group's sustainability targets related to environment, energy and water stewardship, with 10% of their incentives linked to their sustainability-related performance.

We are currently setting the 2030 targets and will incorporate relevant sustainability or climate-related metrics into management's remuneration review, for implementation in next year.

A structure of these dedicated roles and responsibilities is described below:

F&NHB SUSTAINABILITY & RISK MANAGEMENT COMMITTEE (SRMC)

Madam Tan Fong Sang
Chairperson

Mr. Michael Chye Hin Fah
Member

Mr. Kosit Suksingha
Member

Dato' Ng Wan Peng
Member

Mrs. Tongjai Thanachanan
Member

F&NHB SUSTAINABILITY MANAGEMENT COMMITTEE (SMC)

- Lim Yew Hoe***
Chief Executive Officer
- Tiong Yean Yau**
Chief Financial Officer (CFO)
- Suchit Riewcharoon**
Managing Director, F&N Dairies (Thailand) Limited
- Dr. Yap Peng Kang**
Managing Director, Agriculture & Dairy Farm
- Lau Cheng Yew**
Managing Director, Domestic Commercial Operation (Malaysia)
- Dato' Raffiq Bin Md Ariff**
Managing Director, Foods & Industry Engagement
- Jordan Ng Boon Leong**
Senior Director, Manufacturing & Supply Chain
- Karen Tan Chui Chui^**
Director, Communications, Corporate Affairs & Sustainability
- Kelleigh Foo Chooi Kian**
Director, International Markets & Partnerships (Foods) & Risk Management
- Suhana Abdul Halim**
Director, Human Capital
- Waradej Patpitak***
Technical Director
- Darric Ong Seng Onn**
Director, Legal & Company Secretarial

* F&N Group SDC
^ F&N Group Sustainability Reporting Secretariat





GOVERNANCE AND ETHICS

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

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

Social

- Human Capital Development
- Employee Safety, Health and Wellbeing

Environment

- Energy
- Water Stewardship

F&NHB'S SUSTAINABILITY GOVERNANCE ROLES AND RESPONSIBILITIES

Board of Directors	Meeting Frequency: Quarterly basis
<ul style="list-style-type: none">▶ Oversees material sustainability-related topics, including environmental and climate-related risks and opportunities, as part of F&NHB Group's overall strategy planning and risk management.▶ Approves F&NHB 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.	
Board Committee: Sustainability and Risk Management Committee (SRMC)	Meeting Frequency: Quarterly basis
<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.	
Board Committee: Audit Committee (AC)	Meeting Frequency: Quarterly basis
<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.	

GOVERNANCE AND ETHICS

Sustainability Management Committee (SMC)	Meeting Frequency: Monthly
<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 various senior executives 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 the Taskforce on Climate-related Disclosures (TCFD) and IFRS S2 frameworks 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.	
Communications, Corporate Affairs & Sustainability (CCAS) Department	Meeting Frequency: Monthly
<ul style="list-style-type: none">▶ Drive and align the Group's sustainability strategies with corporate objectives, ESG priorities and global frameworks such as the UN SDGs.▶ Engage internal and external stakeholders to drive the implementation of sustainability and climate-related strategy at an operational level.▶ Cultivate sustainability awareness across the organisation through internal campaigns, training and knowledge sharing.▶ Take on the role of Sustainability Reporting Secretariat, to oversee data management, performance tracking and sustainability reporting in line with Bursa Malaysia and international standards.▶ Prepare quarterly reports on the progress of the Group's sustainability and climate related goals to F&NHB SRMC and SMC.	
Sustainability Development Working Team (SDWT)	Meeting Frequency: Bi-annual
<ul style="list-style-type: none">▶ Consist of cross-functional representatives from each Business Unit who take on the role of Pillar Heads and Sustainability Initiative Champions, and/or Data Owners.▶ Develop sustainability and climate-related projects and initiatives under the five pillars of F&NHB Climate Strategy - energy efficiency, renewable energy, carbon reduction, route planning and exposure to climate change risks).▶ Track progress towards the Group's sustainability and climate-related goals; and prepare periodic reports to F&N Group SDC and F&NHB SMC.	
Risk Management Team	Meeting Frequency: Quarterly basis
<ul style="list-style-type: none">▶ Risk discussion with internal and external stakeholders as part of the risk management system.	

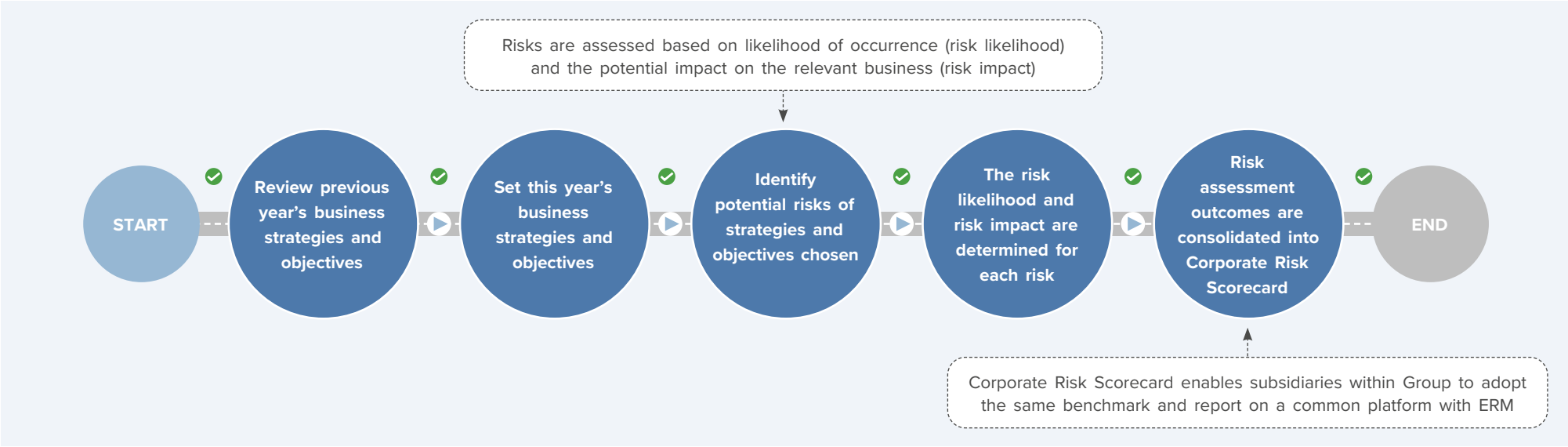


GOVERNANCE AND ETHICS

Risk Management

Each business division is responsible for embedding risk management into its daily operational activities. Risk owners are accountable for compiling and submitting the risk update to division heads, as well as conducting briefings on risk analyses, results, and mitigation practices. To ensure that risk appetite and risk tolerance statements are aligned with changing business priorities, these statements are reviewed by the Board SRMC and approved by the Board annually.

Based on our ERM Policy, risk identification and assessment are systematically carried out through the ERM process. Risks are evaluated based on the likelihood of occurrence and the potential impact of risks on relevant 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 impacts to business performance.



At the end of the FY, the Board receives assurance annually from the CEO and CFO on the adequacy and effectiveness of our risk management and internal controls system. The Board also considers potential or actual negative ESG issues raised by internal and external stakeholders. In FY2025, no such cases were reported.

To guide strategic decisions for the financial year, our risk management framework accounts for a comprehensive range of risk types:

Business operational risks

Material sustainability-related risks and opportunities

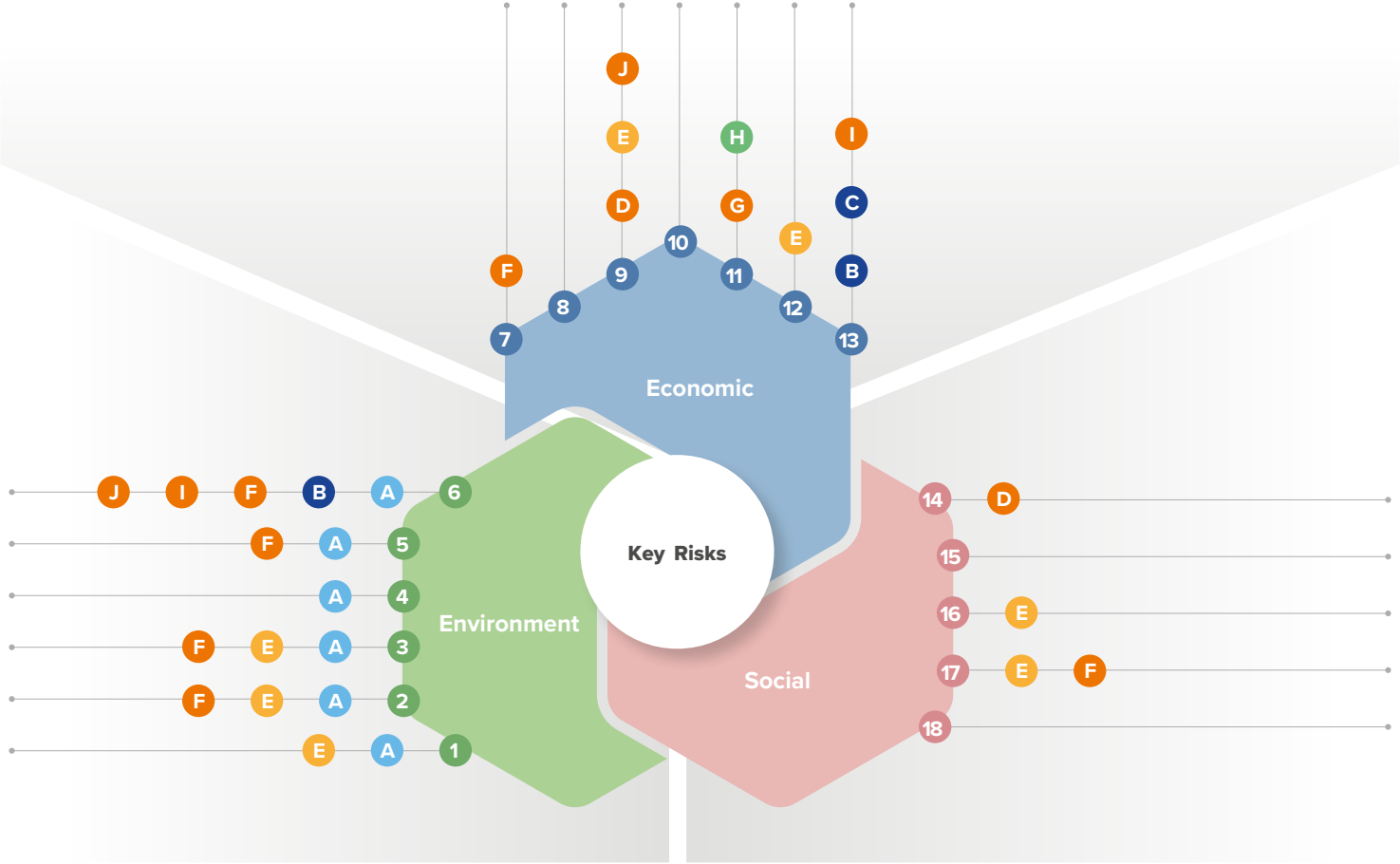
New and emerging risks that could affect the company's mid-term or long-term performance.

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 AND ETHICS

Material Issues

- 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 & Wellbeing
- 16 Community Development & Inclusive Growth
- 17 Human Rights
- 18 Human Capital Development



- A Extreme weather events and other environmental concerns
- B Significant increase in commodity prices
- C Exposure to fluctuations in exchange rates
- D Product quality and standards
- E Managing stakeholders' expectations and perceptions
- F Supply chain risks
- G Cyber threats and data security risks
- H Fraud and Corruption Risks
- I Biosecurity and Biosafety Threat/ Disease Outbreak
- J Health and Mortality
- Financial/ economic
- Strategic
- Governance & Ethics
- Reputational
- Operational



GOVERNANCE AND ETHICS

OUR PROGRESS

F&NHB's governance system is supported by a robust set of policies and frameworks to ensure relevant controls and processes are in place. The Group supports the UN Guiding Principles on Business and Human Rights, International Labour Organisation (ILO) guidelines, Thailand's Labour Protection Act and Malaysia Employment (Amendment) Act 2022, and has covered these guidelines and legal requirements in our internal policies.

F&NHB is supported by these policies:



Better Business

- Anti-Bribery & Anti-Corruption Policy*
- Code of Business Ethics & Conduct*
- Code of Business Practice (COBP)*
- Supplier Code of Practice (SCOP)*
- Digital & Social Media Policy
- Enterprise-wide Risk Management Policy
- Food Safety & Quality Policy
- Fraud Control Policy*
- Halal Policy*
- Information Security Policy*
- Procurement Policy
- Whistleblowing Policy*



Better Society

- Corporate Donation & Sponsorship Policy*
- ESH Policy*
- Human Rights Policy*
- Prohibiting Sexual Harassment Policy



Better Planet

- Energy Management Policy
- ESH Policy*

The F&NHB Code of Business Ethics & Conduct upholds our principles of integrity, respect and excellence. This Code is communicated through our corporate website, internal mobile app (Fraserians Connect App), intranet, training sessions and new employee on-boarding sessions. It is a requirement for all employees 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.



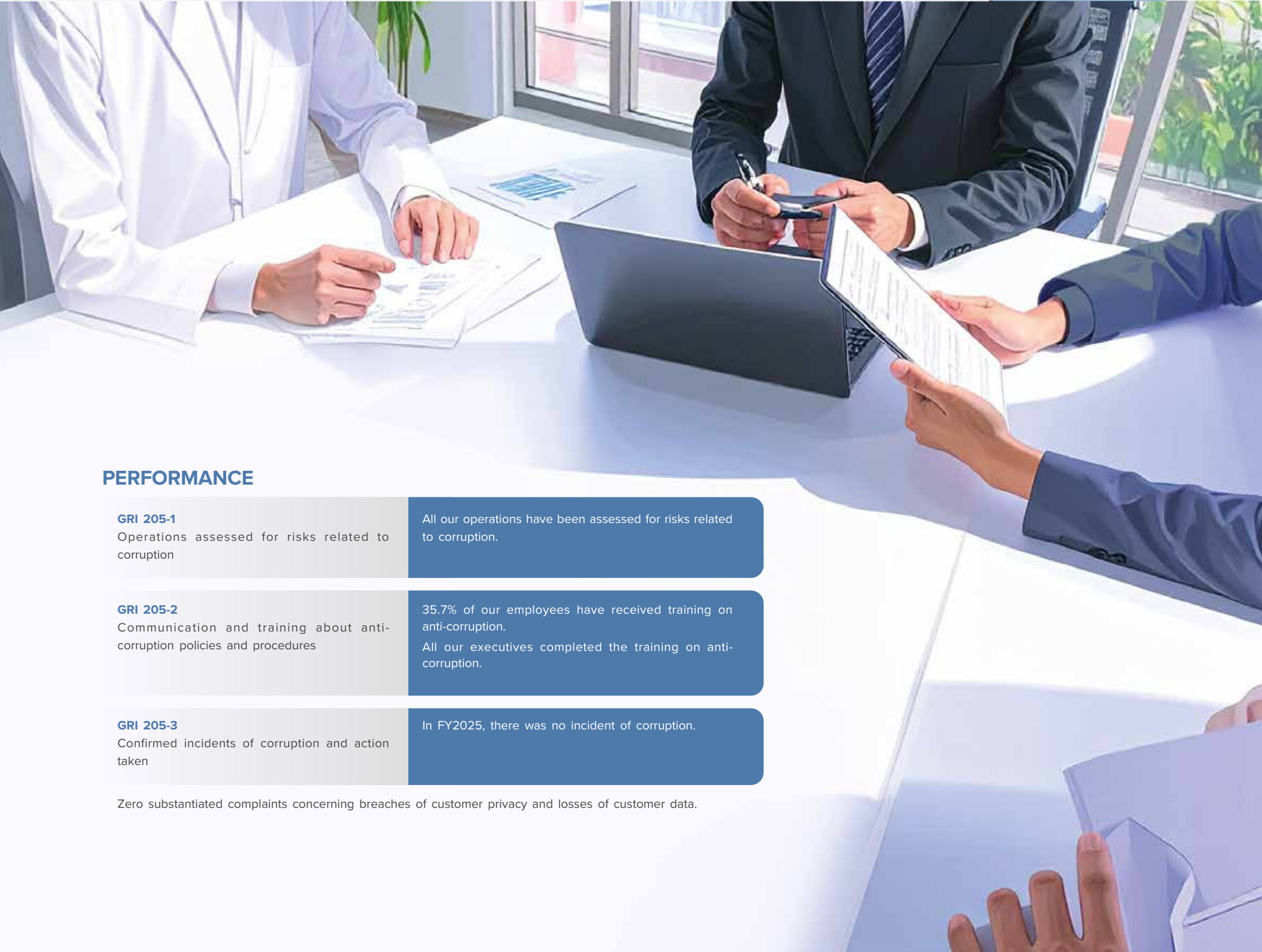
Any violation of Code can be reported via these mechanisms, managed internally by F&NHB:

- 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, fundamentals of risk management, Code of Conduct, bribery prevention and fraud prevention. All our executives successfully completed these mandatory training sessions. Additionally, an in-house training on materiality assessment and development of the ESG action plan for the Group's integrated farm was attended by all directors and senior management, as part of our ongoing efforts to enhance the Board's effectiveness in overseeing the Group's sustainability and its underlying ESG issues.



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



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

35.7% of our employees have received training on anti-corruption.
All our executives completed the training on anti-corruption.

GRI 205-3

Confirmed incidents of corruption and action taken

In FY2025, there was no incident of corruption.

Zero substantiated complaints concerning breaches of customer privacy and losses of customer data.

POLICY AND REGULATIONS

GRI 3-3, GRI 2-27

F&NHB places high importance on regulatory compliance across our operations and engages with policymakers in a responsible and transparent manner.

Ensuring Halal compliance and maintaining Halal integrity is of utmost importance in Malaysia, a pre-dominantly Muslim country. It is F&NHB’s imperative to ensure strict adherence and implementation of Halal standards throughout our supply chain, to provide confidence to our Muslim consumers.

MANAGEMENT APPROACH

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

Employee Safety, Health & Wellbeing

Safety is integrated across our operations through the implementation of ESH systems and monitoring processes. All employees, workers and activities are covered by our ESH systems and we provide workers with adequate safety training and appropriate personal safety equipment. We also align with international standards, such as ISO 14001 Environmental Management Systems (EMS) and ISO45001 Occupational Health and Safety (OH&S), at our major sites to enhance our safety practices.

Environmental Compliance & Management

Our manufacturing process involves generation of liquid and solid wastes. In alignment with our ESH Policy and circular economy principles, we apply strict standards to the quality of our effluent discharges and continuously explore ways to improve our solid waste management.

Product & Service Labelling

We ensure that our marketing and advertising activities do not violate any ethical standards. 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

We adhere to all health and safety regulations applicable to the F&B industry for the markets in which we operate. All products are manufactured under stringent international quality and food safety standards. Every stage of our production processes is subjected to rigorous quality control procedures. Our plants are certified with FSSC22000 scheme, Halal certifications and Hazard Analysis Critical Control Points (HACCP).



Halal Management

F&NHB maintains Halal integrity throughout our supply chain to meet the needs and provide confidence to our local and global Muslim consumers. We have adopted a two-tier Halal management structure to encompass the Halalan Toyyiban guidelines and the Halal assurance system requirements into our operations at the Group level:

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

A dedicated team of eight Halal Officers leads our Halal compliance efforts, supported by more than 20 certified Halal Executives stationed across all factories. Together, they ensure the highest standards of documentation, training and internal awareness is consistently upheld.

F&NHB is awarded with Halal product certifications by regulatory authorities including the Department of Islamic Development Malaysia (JAKIM) and other relevant Islamic certification authorities, such as *Badan Penyelenggara Jaminan Produk Halal* (BPJPH) 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 and *Jabatan Agama Islam Selangor* (JAIS), where Halal applications and approvals are expedited.

Malaysian Halal Management System (MHMS) version 2020 is implemented by a pool of qualified Halal Executives to maintain and ensure the sustainability of the Halal production processes. To meet the MHMS version 2020, we have updated our Halal Risk Management plan for all plants. We also conduct Internal Halal Audits for all of our plants.

POLICY AND REGULATIONS

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.

For our employees, we commit to adhering with the Halal standards and requirements by strengthening their Halal awareness and understanding through the following initiatives:



Apart from our employees, we also organise trainings and conduct regular audits on Halal awareness on all supply chain partners, including transporters and distributors, to ensure the downstream of our supply chain is Halal compliant.



POLICY AND REGULATIONS

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.

We facilitate collaborative engagement with Halal authorities such as JAKIM, Halal Development Corporation Berhad (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 Small Medium Enterprises (SMEs). 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.

We also actively collaborate with relevant authorities and universities to provide input on Halal regulations and industry standards. The company supports education and training programmes, which cover Halal research, Halal farming standards and talent development initiatives in partnership with universities and HDC. This year, we partnered with Universiti Kebangsaan Malaysia (UKM) in a joint project, which our Halal Affairs team contributed the technical know-how, connecting academic research with practical solutions for sustainable food packaging.

F&NHB’s participation in key industry events such as the Halal Sector Seminar, International Conference on Halal and Fatwa (ICCoHaf) and World Halal Business Conference reflects the growing global prominence of the Halal industry.



Through these platforms, we reinforce our commitment to remaining at the forefront of Halal developments—sharing best practices, exchanging insights and contributing to Malaysia’s aspiration to be a leading global Halal hub.

Extending its efforts beyond industry collaboration, we also work to nurture greater Halal awareness among the younger generation. In partnership with the International Institute of Halal Research & Training (INHART) of the International Islamic University Malaysia (IIUM) and the Kota Tinggi District Education Office. We organised a two-day Halal Smart Camp in Johor, introducing primary school students to the principles of Halalan Toyyiban and fostering understanding of Halal values from an early age. Building on this success, we plan to expand the school outreach programme to more regions in the coming years.

Read more about our Halal Highlights in our Annual Report 2025.

PERFORMANCE

GRI 2-27

Non-compliance with laws and regulations

In FY2025, to our best knowledge, there was no incident of material non-compliance with laws and regulations resulting in a fine, penalty or warning.



ECONOMIC PERFORMANCE

GRI 3-3, GRI 201-1

F&NHB’s business success is based upon long-term value creation for our stakeholders. This is achieved by maintaining leadership in our core markets, leveraging innovative technologies, engaging our employees’ expertise to meet consumers’ evolving demands, and 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 FY2025 Annual Report:

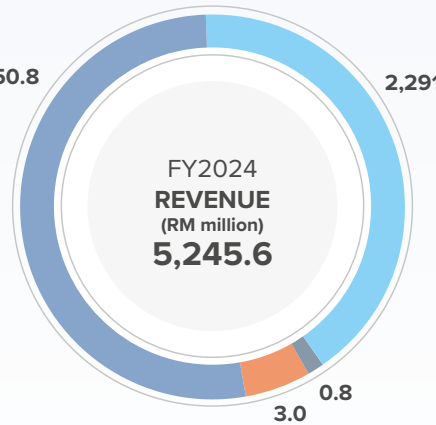
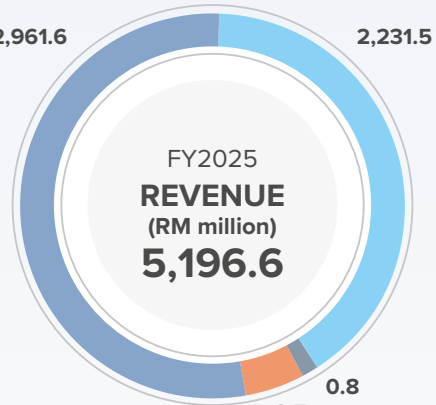
Group Financial Highlights, page 19.

Group Financial Statements, pages 156 to 258.

PERFORMANCE

GRI 201-1

Direct economic value generated and distributed



- F&B Malaysia
- F&B Indochina
- Property
- Others

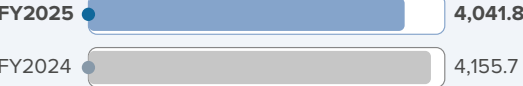
NOTES:

- (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, tax expense and annual dividends).



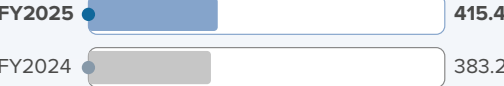
OPERATING COSTS

(RM million)



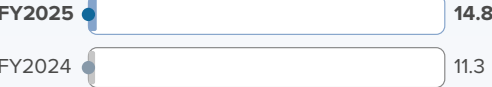
EMPLOYEE BENEFIT EXPENSES⁽ⁱ⁾

(RM million)



NET FINANCE COSTS

(RM million)



TAX EXPENSE

(RM million)



ANNUAL DIVIDENDS

(RM million)



ECONOMIC VALUE RETAINED⁽ⁱⁱ⁾

(RM million)





Responsible Product Stewardship

We are committed to delivering 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 and Safety
- Product and Service Labelling
- Innovation



PRODUCT QUALITY AND SAFETY

GRI 3-3

Product quality and safety is a core principle embedded in F&NHB's culture. Our 142 years of success is built on offering products that earned the trust, created the satisfaction and considered the wellbeing of our consumers. To ensure that we deliver high standards of excellence throughout our value chain, we commit to ensuring a holistic approach to achieve quality and safety in every step — from sourcing and production to distribution and consumer engagement.

OUR COMMITMENT



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

2025 Results



- All our plants and production processes are certified with the FSSC22000 scheme and Halal Standard.

MANAGEMENT APPROACH

Our production facilities are certified to meet international standards, including the FSSC22000 scheme and HACCP. All stages of our production processes undergo rigorous quality control procedures and comply with strict standard operating procedures, so that all our products are stored and transported under optimal conditions. These conditions include 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

- FSSC 22000 V6 Food Safety Management System
- GMP
- HACCP
- Halal Certifications (JAKIM + BPJPH)
- 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)
- ISO 22000: 2018 Food Safety Management System
- Quality Management System (SQMS)
- SMETA 7.0 (4-Pillar)
- ISO 14001:2015 Environmental Management System
- ISO 45001:2018 Occupational Health & Safety System

Thailand

- FSSC22000 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
- ISO 14001:2015 Environmental Management System
- ISO 45001:2018 Occupational Health & Safety System



OUR PROGRESS

All critical suppliers undergo thorough audits, where we assess their compliance to good manufacturing practices, use of protective clothing, implementation of food safety management systems and chemical management protocols.

Listening to and acting on our customers' feedback is critical to enhancing the F&NHB customer experience. We encourage customers to share their feedback via multiple communication channels, 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 AND SERVICE LABELLING

GRI 3-3, GRI 417-1, GRI 417-2

We communicate information about our product quality, nutrition, safety, and disposal methods through our packaging and labelling. It is important that our labels are comprehensive, accurate, and clear to allow our consumers to make informed purchasing decisions. Through our transparent labelling practices, we aim to help our customers understand the value and benefits of our products while promoting responsible consumption and disposal.

MANAGEMENT APPROACH

Our comprehensive processes and controls ensure our labelling adheres to the Food Act in Malaysia and all requirements of the Food and Drug Administration (FDA) in Thailand. Information disclosed on our labels are regularly reviewed by internal experts, and the labels are then submitted to government authorities for verification and endorsement.

F&NHB is committed to going beyond mandatory labelling requirements to provide customers with greater transparency in their purchasing decisions. We include comprehensive information on the front of our packaging, such as the calories per serving, the percentage of the Guideline Daily Amounts (GDA) that the calories represent. The HCL is also clearly displayed at the front-of-pack for our products certified as the healthier option in Malaysia and Thailand. 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

Additionally, the Halal logo is labelled on all our products, enabling 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.

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 Scientific & Regulatory Affairs (SRA) department to ensure that all nutritional information advertised is accurate.

To ensure that our employees are informed of our 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 them updated on best practices.

PERFORMANCE

GRI 417-1 All product categories comply with product labelling and other related requirements	All product categories comply with product labelling and other related 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 FY2025, 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

GRI 3-3

Innovation plays a pivotal role in F&NHB’s long-term business success and serves as a proactive approach to address growing concerns surrounding societal and environmental issues. F&NHB evolves to deliver new and innovative product offerings, catering to consumers’ changing needs and improving production efficiency, and is guided by the circular economy principles, driving us to innovate continually to extend product shelf life and enhance recyclability of our packaging to minimise waste.

OUR COMMITMENT



Achieve 10% product innovation for commercialised products from 2020 baseline.

2025 Results

Achieved



- 11% of commercialised products were new innovations.

MANAGEMENT APPROACH

We commit to aligning with the principles of circular economy through continuous innovation, where we aim to extend the shelf life of our products and significantly enhance 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 INNOVATION FRAMEWORK

▶ Priority Areas



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

▶ External Collaboration



- Collaboration with authorities such as MOH, 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.

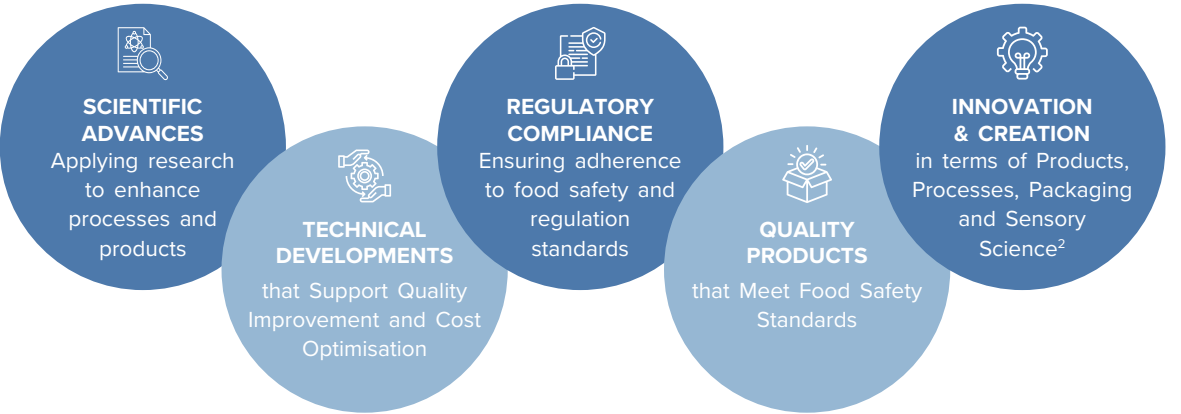


The Group Research and Development (R&D) unit spearheads the development of new product formulations and works closely with Malaysia and Thailand teams to drive the commercialisation process, adapt the recipes for local production, regulatory compliance and market applicability. This integrated, cross-regional R&D and commercialisation model supports our commitment to continuous improvement, innovation, and the delivery of products that meet evolving consumer expectations, while upholding quality, safety and sustainability standards.

Furthermore, F&NHB actively pursues research partnership opportunities with higher education institutions in the countries where we operate, including Malaysia and Thailand. This approach not only strengthens our ability to innovate but also promotes a culture of regional culture of research excellence.

F&N has engaged in a collaborative partnership with NTU through the F&N-NTU F&B 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.

R&D PRINCIPLES



NOTE:

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



INNOVATION


OUR PROGRESS

At F&NHB, we are committed to delivering on our promise of “Pure Enjoyment, Pure Goodness” by offering a wide variety of products across different categories. We focus on healthier and functional products without compromising on taste and convenience. Through differentiation in packaging, including sustainable options, we also aim to meet the changing needs of our consumers.


In FY2025, we introduced 17 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:

NEW PRODUCTS


 **Malaysia**

- 100PLUS ZERO Power Peach – 500ml
- F&N Sparkling Zero (Pink Grapefruit, Lemonade, Korean Peach) – 325ml and 500ml
- F&N SEASONS Soya Pudding Caramel – 1L
- F&N SEASONS Strawberry Flavoured Tea – 1.5L
- F&N Magnolia 100% Fresh Milk UHT – 200ml and 1L
- F&N Magnolia Banana Flavoured Milk – 200ml and 1L
- F&N Magnolia Chocolate Flavoured Milk (Made with Fresh Milk) – 200ml and 1L
- F&N NutriWell Plant-based Milk (Oat M!lk, Almond M!lk, Purple Rice Soy M!lk and Oats & Qunioa Soy M!lk) – 1L
- OYOSHI Chakulza Sparkling Green Tea (Honey Lemon, Kyoho Grape) – 240ml
- Sunkist Pulp Orange Fruit Drink – 350ml and 1.5L
- RANGER RIMAU Reduced Sugar – 240ml




 **Thailand**

- F&N NutriWell Soy Milk (Omega from Flaxseed and Oat & Quinoa) – 180ml
- TEAPOT Condensed Milk Strawberry Amaou Flavour – 180g



NEW PACKAGING FORMAT

- 100PLUS ZERO – 280ml and 1.1L
- BORNEO SPRINGS Natural Mineral Water in rPET – 500ml and 1.5L
- F&N SEASONS (Chrysanthemum, Winter Melon, Lychee, Soya Bean) – 380ml
- GOLD COIN Juara Sweetened Creamer – 1kg



INNOVATION

Differentiated Product Offerings

In FY2025, we continued to expand our portfolio to meet the growing demand for healthier beverage choices. We introduced two zero-sugar innovations: 100PLUS ZERO Power Peach in a 500ml pack, offering a refreshing and crisp peach flavour, and F&N Sparkling Zero in 325ml and 500ml packs, delivering vibrant sparkling flavours with zero calories. We also launched OYOSHI Chakulza Sparkling Green Tea, a fizzy and refreshing twist on traditional tea, now endorsed with the HCL. Additionally, our RANGER RIMAU energy drink is now available in a reduced-sugar variant, supporting healthier consumption habits.

We further strengthened our dairy portfolio with the introduction of F&N Magnolia 100% Fresh Milk UHT, along with Banana Flavoured Milk and Chocolate Flavoured Milk made with fresh milk—all creamy, nutritious options rich in calcium and protein for wholesome everyday nourishment.

In Malaysia, we introduced F&N NutriWell Plant-based Milk, a nutritious and wholesome range. This new lineup features four delicious variants: Almond M!lk, Oat M!lk, Oats & Quinoa Soy M!lk and Purple Rice Soy M!lk. As a healthier option, F&N NutriWell contains calcium and high in Vitamin D to support strong bones and muscle health growth, and it is naturally cholesterol-free.

We have also introduced F&N NutriWell in Thailand, a premium soya milk brand featuring UHT soya milk crafted through a patented Nutri-Extract fresh-squeezing process. The brand offers two variants: Flaxseed Oil and Oat & Quinoa. The Flaxseed variant is rich in Omega 369 and Vitamin B1, supporting a healthy nervous system and enhancing blood circulation. Meanwhile, the Oat & Quinoa variant combines high-quality Swedish oats with tri-coloured quinoa, delivering 6g of fibre—equivalent to that found in two oranges or 200g of strawberries.

This Ramadan, we brought special limited-edition beverages in our F&N SEASONS range, crafted to elevate our consumers’ iftar moment. The The F&N SEASONS Soya Pudding Caramel offers a creamy, silky-smooth pudding flavour that is a delightful treat for the occasion, while the The F&N SEASONS Strawberry Flavoured Tea combines the fruity sweetness of strawberry with a refreshing kick.

Differentiated Product Packaging and Pack Size

We continued to diversify our offerings with the introduction of 100PLUS ZERO in convenient 280ml and 1.1L packs, providing more choices for consumers seeking zero-sugar hydration throughout the day. We also expanded our dairy-based range with the new GOLD COIN Juara Sweetened Creamer (1kg), catering to both household and foodservice needs in East Malaysia.

In addition, F&N SEASONS introduced its best-selling flavours – Soya, Winter Melon, Lychee, Chrysanthemum in a new 380ml bottle format. This strategic expansion meets the growing demand for upsized, ready-to-drink options that suit busy, on-the-go lifestyles, offering consumers greater convenience and value in their everyday refreshment choices.

Sustainable Packaging

This year, we are introducing our first rPET bottle, made entirely from 100% recycled plastic, for our new BORNEO SPRINGS series. This underscores our dedication to ecofriendly solutions and meeting the growing demand for environmentally conscious products.

At F&NHB, 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.
- **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 2025, 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 THB30 million through 62 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 3-3, GRI 204-1, GRI 308-1, GRI 414-1
IFRS S2 FB-NB-430a.1, IFRS S2 FB-PF-430a.2

Maintaining supply chain stewardship is essential for achieving long-term sustainability, encouraging ethical practices, and maintaining operational resilience. Supply chain stewardship not only supports business growth but also aligns with broader sustainable development goals, helping companies stay competitive and responsible in a rapidly evolving global landscape.

OUR COMMITMENT



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

2025 Results

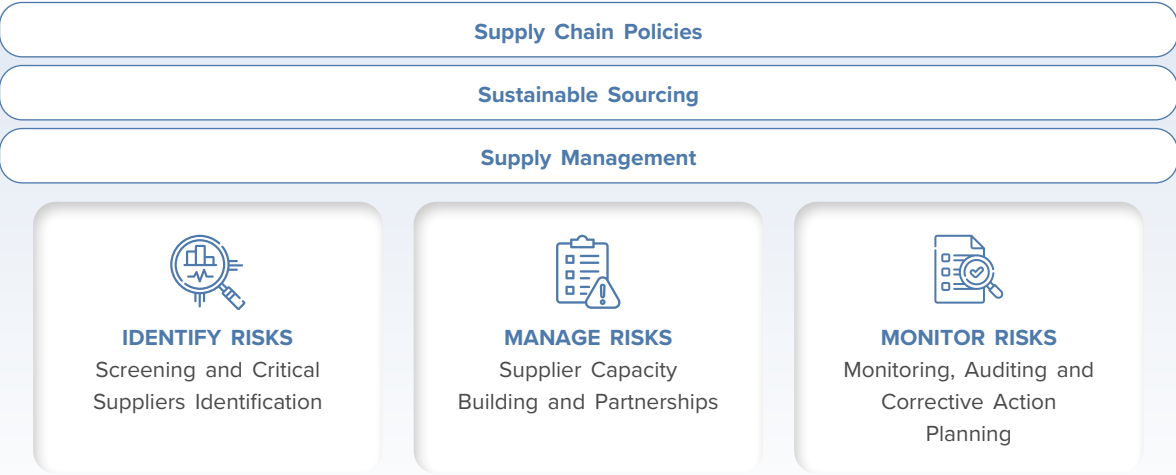


- All our active key suppliers have accepted and complied with F&N's SCOP.

MANAGEMENT APPROACH

As a prominent leader in the F&B industry, we maintain ongoing collaborations with our supply chain counterparts, including business partners, suppliers and vendors. Our engagements aim to understand their needs and challenges, and provide sustainable solutions to foster enduring value for all parties involved. We also actively encourage the improvement of sustainability performance among our stakeholders within the supply chain, whenever feasible, and lead by example through our own actions.

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



NOTE:

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

OUR PROGRESS

F&NHB is dedicated to upholding the UN Guiding Principles on Business and Human Rights. As part of our commitment to responsible sourcing, we are a member of the SEDEX, a global platform that promotes ethical practices in supply chain management. Our SCOP and COBP outline stringent requirements, including business ethics³, 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.

Additionally, our Sustainable Agriculture Commitments, which apply to all suppliers, outline clear expectations to promote responsible environmental stewardship and sustainable sourcing practices:

Energy and Emissions Management

- Suppliers are expected to optimise energy consumption throughout their operations and supply chains, actively reduce GHG emissions, and implement measures to mitigate any adverse impacts of GHG emissions on surrounding communities and the environment.

Conservation of Biodiversity

- Suppliers shall safeguard natural ecosystems to ensure the sustainable use of natural resources and, where possible, avoid any interference with biodiversity. Under no circumstances shall suppliers source agricultural raw materials from areas with high conservation value or those that are legally protected.

SUPPLY CHAIN STEWARDSHIP

Sustainable Sourcing

As a F&B business, we depend heavily on raw materials supplies to sustain production operations. As part of our sustainable supply chain strategy, we aim to source raw materials certified with eco-credentials, including RSPO, FSC and PEFC. This ensures that our procurement practices support environmental sustainability and social responsibility, aligning with our broader goals of ethical conduct and reducing our environmental impact.

► Sustainable Palm Oil

Palm oil is a significant raw material for F&NHB and plays a key role within our supply chain. We recognise the importance of our business practices in supporting sustainable palm oil production. From August 2017, F&NHB has become an ordinary member of the RSPO, underscoring our commitment to supporting for the use of CSPO in products. Since 2020, 100% of palm oil used by F&NHB is RSPO-certified, achieved through RSPO credits and CSPO. In 2025, the Group achieved 100% of our physical palm oil usage to be CSPO palm oil.

► 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.



Critical Suppliers:

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

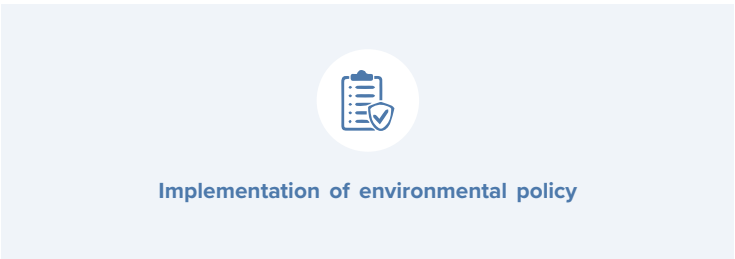
Direct Material Suppliers:

Those who supply packaging materials, raw ingredients and auxiliary materials.

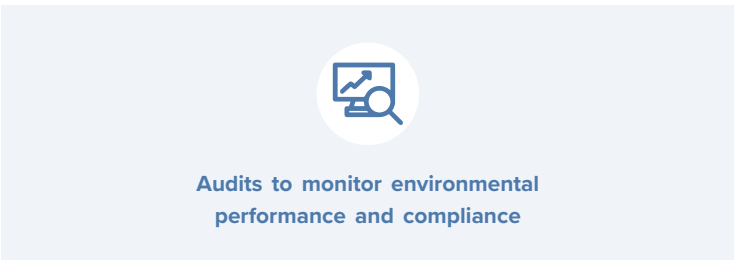
Supplier Management

► Risk Identification: Screening & Critical Suppliers

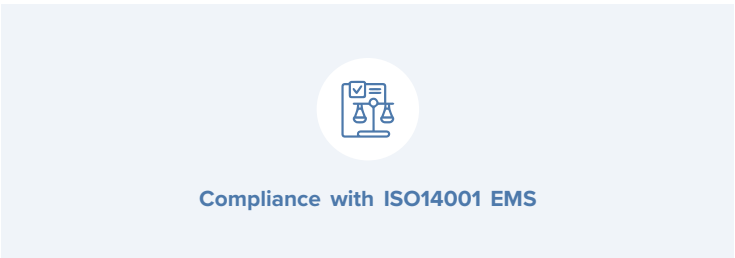
At F&NHB, all new suppliers will go through a screening process, which encompasses environmental and social criteria to ensure alignment with our sustainability commitments. These criteria emphasise reducing waste, pollution, water consumption, and adhering to human rights and ethical labour practices. 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

SUPPLY CHAIN STEWARDSHIP

During the pre-qualification screening stage, suppliers are assessed based on 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. For non-compliant or underperforming suppliers, they must demonstrate their commitment to necessary corrective actions within a predefined period, or risk having their contracts terminated.

In 2025, we have embarked on a structured approach to managing supplier sustainability risks, beginning with supplier screening. All active suppliers are screened using both economic and ESG criteria to preliminarily identify suppliers with high business impact or those that may pose potential negative ESG impacts within our supply chain.

Building on this, we have now advanced to the second stage – supplier assessment – which involves a comprehensive evaluation of both existing and potential suppliers to determine their risk levels and areas for improvement. This stage focuses on all our significant suppliers, including critical suppliers and those with potentially high ESG risks. The assessment covers governance, environmental practices, social responsibility and supplier management. The questionnaire has been developed with reference to the Together for Sustainability (TfS) Initiative, ensuring alignment with internationally recognised sustainability standards and best practices.

Moving forward, the next stage will focus on supplier development, where we will implement capacity-building programmes to enhance supplier knowledge and awareness of sustainable supply chain management. This will help ensure that our significant suppliers with high ESG risks are equipped with the necessary skills and capabilities to integrate sustainability into procurement processes and to better understand ESG impacts across the value chain, from upstream to downstream.

► Risks Management: Building Supplier Capacity and Forming Strategic Partnerships

In FY2025, we collaborated with over 3,300 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 introduced the F&N Business Partner Award Programme in 2022. The programme acknowledges the suppliers who demonstrate outstanding performance and strengthens our long-term 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 2025, 23 of our suppliers actively participated in the third edition of Business Partner Award Programme. Three of them emerged as winners, receiving the Platinum, Gold and Silver Awards respectively. The award winners were selected based on multiple criteria, including sustainability, financial returns, functionality and technology capabilities.

This programme underscores our commitment to nurturing the growth and success of our local partners – empowering them to helping them enhance their capabilities and expand into regional suppliers with broader business opportunities.

► Risk Monitoring: Monitoring, Auditing and Corrective Action Planning

F&NHB works closely with our suppliers and conducts regular audits to ensure standards and practices for food safety and the environmental and occupational health and safety, are maintained across the value chain. All suppliers undergo a monthly performance assessment, with medium and high-risk suppliers undergoing audits twice per year. In FY2025, all 244 critical suppliers were audited on food safety regulations and standards, and none were found to be non-compliant.

To protect the health and safety of consumers and employees, we assess our suppliers using a comprehensive set of quality assurance and food safety standards. 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&NHB is the process of enhancing its evaluation checklist to include additional ESG criteria, such as climate change resilience, corporate governance and human rights.

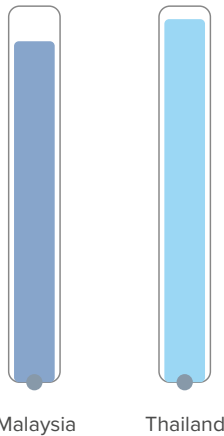
SUPPLY CHAIN STEWARDSHIP

PERFORMANCE

GRI 204-1
Proportion of spending on local suppliers⁴

F&NHB works with about 93% of local suppliers where possible, representing almost 74% of our purchase value expenditures.

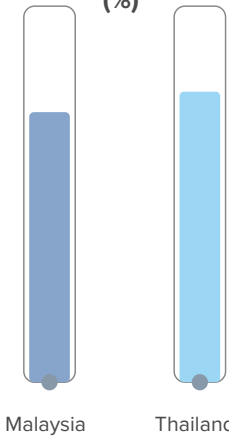
Percentage of local suppliers (%)



Malaysia:
91.4%

Thailand:
97.0%

Percentage of purchase value spent on local suppliers (%)



Malaysia:
72.8%

Thailand:
77.7%

GRI 308-1
New Suppliers that were screened using the environmental criteria

88
new suppliers screened using environmental criteria



Malaysia:
70



Thailand:
18

GRI 414-1
New Suppliers that were screened using the social criteria

88
new suppliers screened using social criteria



Malaysia:
70

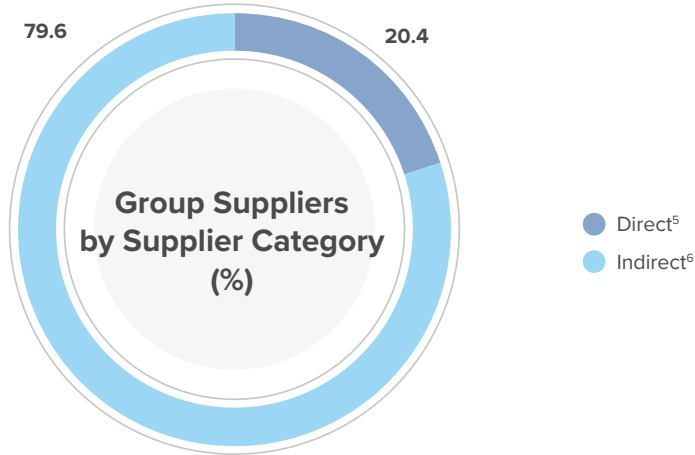


Thailand:
18

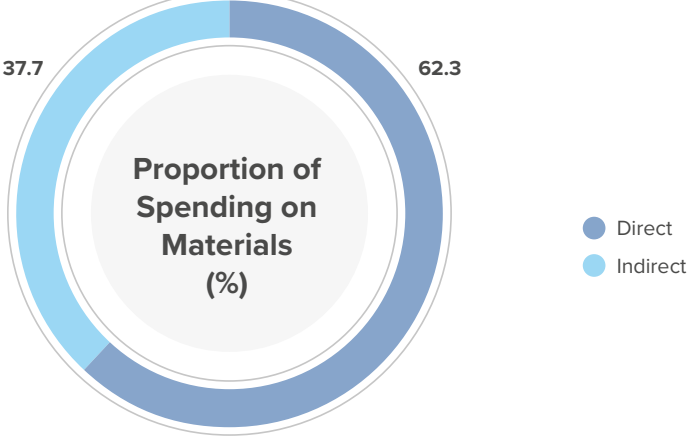
NOTE:
4. Local suppliers refer to suppliers who conduct their businesses within the respective countries where F&NHB's operations (as covered in this Report) are based, namely Malaysia and Thailand.

SUPPLY CHAIN STEWARDSHIP

Group Suppliers by Supplier Category



Proportion of Spending on Materials



NOTES:
5. Direct suppliers refer to suppliers who supply materials that are related to the production of finished goods.
6. 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 farmer cooperatives across Thailand to supply fresh milk. Through our Farming Excellence System, we continue to strengthen the capability of more than 2,000 farmers by focusing on three key areas:



TRAINING & RESOURCES FOR GOOD FARMING PRACTICES

- We provide booklets, guidelines, newsletters, and hands-on training to help farmers improve milk quality and adopt good agricultural practices.
- This year, our training focused on helping farmers improve milk quality, strengthen daily farm practices and reduce operating costs. We emphasised good milking hygiene, proper equipment care and simple checks to ensure cows stay healthy and produce better milk. Farmers also learned about balanced feeding, basic cleanliness testing and practical, on-the-job troubleshooting. Over the year, 90 training sessions were conducted, with a total of 542 participants benefiting from these initiatives.
- We have also established a learning centre at our manufacturing plant, enabling milk farmer cooperatives to gain first-hand insights into sustainable manufacturing practices.
- We also collaborate with Chulalongkorn University's Faculty of Veterinary Science to help milk cooperatives to improve cattle health management, breeding efficiency and milking processes – helping farmers reduce costs and boost productivity.



MOBILE APPLICATION FOR FARMER ENGAGEMENT & ASSESSMENT

- Our mobile application supports on-farm assessments and direct communication with farmers. It incorporates GMP assessments covering cleaning, antibiotics usage and physical properties of raw milk.
- An online Certificate of Analysis feature allows farmers to track waiting and delivery times to ensure quality of raw milk supplied to F&N.
- The Line Mobile App supports two-way communication, making it easier for farmers to raise issues, discuss challenges, and co-develop solutions and action plans.



SUPPLY CHAIN STEWARDSHIP



SUSTAINABILITY INITIATIVES

- Water storage solutions, including water champagne tanks, help farmers addressing recurring water shortages.
- Solar-powered water pumps support farmers in overcoming water scarcity, while enabling them to grow their own feed crops.
- We donated a Somatic Cell Counter to help improve milk quality.
- A GHG study across milk farms helps us identify key emission sources and develop long-term strategies to minimise carbon footprints.

Supporting Farmers through Improved Infrastructure & Engagement

At F&N, we believe in a ground-up and collaborative approach to supplier engagement. Understanding the logistic constraints faced by milk farmers in Thailand, we supported the Khao Yai Milk Cooperative in 2023 and 2024 to establish a Milk Collection Centre (MCC) in Nakhon Ratchasima for farmers in the Northeast region.

In 2024, we continued strengthening this MCC by providing:

- On-the-job training for MCC personnel
- Regular training on GMP and laboratory procedures
- Pre-audits aligned with GMP requirements
- Maintenance support for cooling systems

The MCC has been operational since August 2023, enabling the cooperative to supply fresh milk directly to us. Beginning FY2024, we established a Fresh Milk Quality Committee, which conducts monthly reviews with cooperatives to track progress and strengthen quality management.

Additionally, in 2024, we supported the Thai-Danish Lam Phaya Klang Dairy Cooperative in Saraburi Province by providing a Somatic Cell Counter to verify milk quality before delivery, further strengthening production standards and ensuring high-quality, safe products for consumers.

In June 2025, we further enhanced production efficiency by installing an automatic cleaning system at the production facility, consisting of three 2.5-tonne jacket tanks and a 5-tonne heating plate unit. By providing upgraded tools and machinery to dairy cooperatives, we continue to support farmers in delivering higher-quality milk with improved consistency and hygiene.

Driving Traceability & Environmental Efficiency through Digital Innovation

To uphold the highest standards of milk quality, we developed a digital platform that strengthens traceability from farm to factory. This system streamlines raw milk receiving time by 70%, optimises transportation routes to lower fuel use and emissions, and enables real-time monitoring of raw milk data—ensuring greater efficiency, consistency, and environmental performance across the supply chain.

This improved milk transportation system reduces CO₂ emissions by more than 200,000 kg annually.

Strengthening Climate Resilience in Local Communities

To help farmers manage climate-related water challenges, we installed a large water storage tank in Chaiyaphum Province. This initiative reduces the need for long-distance travel to collect water, provides > 1.6 million litres of water each month, and supports 180 households as well as 24 farms caring for a total of 955 cattle.

In 2023, we also supplied solar cell water pumps to farmers, enabling cost savings and allowing them to cultivate their own feed crops—improving both resilience and economic stability.



DELIVERING CARE... FOR BETTER COMMUNITIES

We believe that true progress is built on the strength of our people. Across the region, F&N is dedicated to enriching lives by championing education, nutrition, and social wellbeing through meaningful community initiatives.

Our efforts reach deeply into communities, from providing industry-relevant skills training at Montfort Boys Town and delivering nutritious milk to schoolchildren, to organising festive outreach, food banks, and pioneering *Dapur Panas Digital* programmes. These actions reflect our unwavering commitment to uplifting those in need.

By empowering youth, women, and families, we continue to nurture a stronger, more inclusive society, one where everyone has the opportunity to thrive and reach their full potential.



Better Society

F&NHB's 142-year legacy is a testament to the dedication of our people, the insights of our consumers, and the unwavering support of the communities we serve. At the heart of our continued success is a strong, collaborative relationship with our stakeholders, one that fosters trust, drives innovation and builds resilience. Sustaining this relationship requires ongoing commitment and adaptability to meet evolving needs.

We are steadfast in our mission to deliver high-quality, nutritious products, empower our employees and uplift vulnerable communities, all while upholding human rights across our operations. These values are not just guiding principles, they are the foundation of our long-term success and our efforts to create inclusive, rewarding workplaces.

In this section, we outline our approach to promoting the wellbeing of our key stakeholders, including:

CREATING VALUE FOR SOCIETY

- Nutrition
- Community Development and Inclusive Growth
- Human Rights

EMPOWERING OUR PEOPLE

- Human Capital Development
- Employee Safety, Health and Wellbeing

Contribution to SDGs

Primary



Secondary



Conclusion of 2025 Sustainability Targets & Focus Areas

Nutrition

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

70% of our ready-to-drink beverage and dairy portfolio comply with the Nutritional Guidelines, through the HCL endorsement.

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

Executive-level employees received an average of 33.36 hours of training, while non-executive employees received an average of 15.53 hours.

Community Development and Inclusive Growth

Increase the number of annual community programmes to 11

A total of 12 community programmes were organised in the year.

Employee Safety, Health and Wellbeing

Reduce the LTIFR to 0

Our LTIFR stood dropped from 1.97 in 2020 to 0.33, through proactive safety measures.



Creating Value for Society

F&NHB embraces its role as a responsible corporate citizen, committed to creating meaningful value for both our consumers and the communities we serve. As a leading player in the F&B industry, we actively contribute to societal wellbeing by offering healthier product choices, supporting impactful community initiatives, and championing human rights.

Our actions are guided by a core belief that sustainable business success is deeply connected to the health and prosperity of society. The positive impact we strive to make in people's lives is a reflection of this belief. The following sections provide a deeper look into our efforts and initiatives:

- Nutrition
- Community Development and Inclusive Growth
- Human Rights



NUTRITION

GRI 3-3, GRI 416-1, GRI 416-2

Our philosophy, “Pure Enjoyment, Pure Goodness,” reflects our unwavering commitment to delivering delicious, high-quality products enriched with nutritional benefits. We remain focused on making nutrition accessible and acordable, supporting the health and wellbeing of our consumers.

Guided by evolving market trends and regulatory standards, our R&D strategies are cantered on developing products that align with modern health and wellness expectations. By staying attuned to the changing needs and preferences of the communities we serve, we tailor our innovations to offer choices that truly resonate with our consumers. This approach not only keeps us agile in a dynamic marketplace but also reinforces our dedication to promoting healthier lifestyles and overall wellbeing.

OUR COMMITMENT



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

2025 Results



70% of our ready-to-drink beverage and dairy portfolio comply with the Nutritional Guidelines, through the HCL endorsement.

MANAGEMENT APPROACH

As consumer expectations continue to evolve, especially around affordability and nutrition, we remain committed to enhancing the nutritional value of our products. Through continuous innovation, thoughtful reformulation and strategic product launches, we ensure our portfolio not only meets but exceeds expectations, offering healthier choices that reflect the dynamic needs of our consumers.

F&N NUTRITION CHARTER

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

- 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.
- To actively self-regulate and ensure accountability via strong corporate governance.
- To provide safe, high quality and affordable products to all our consumers.
- To develop products based on proven scientific evidence and research, and consumer insights and tastes relevant to evolving Asian lifestyles.
- 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.

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

Free from artificial 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 RTD products have less than 5g of added sugar per 100ml.
- Eliminating Products with Partially Hydrogenated Oils (Artificial trans fatty acids)**
All our products are formulated without partially hydrogenated oils, ensuring they are free from artificial trans fatty acids. We remain committed to maintaining this standard across our portfolio, continuously reviewing and refining our formulations to support healthier consumption.
- Fortifying Our Products with Micronutrients**
Our product development team is actively focused on meeting growing consumer demand for healthier, immunity-boosting options. By fortifying our products with essential micronutrients, we aim to support overall wellness and deliver functional benefits that align with modern health priorities.
- Catering to Diverse Dietary Need**
Recognising the growing diversity in dietary preferences, we are committed to offering flexible product options. This includes developing items tailored for individuals with food intolerances and specific nutritional requirements, ensuring that our offerings are inclusive and responsive to a wide range of consumer need.
- Promoting Health and Wellbeing through Education**
F&NHB has a proud legacy of championing hydration and active lifestyles within the community. This commitment is reinforced through ongoing consumer education programmes that encourage healthier habits and informed choices.

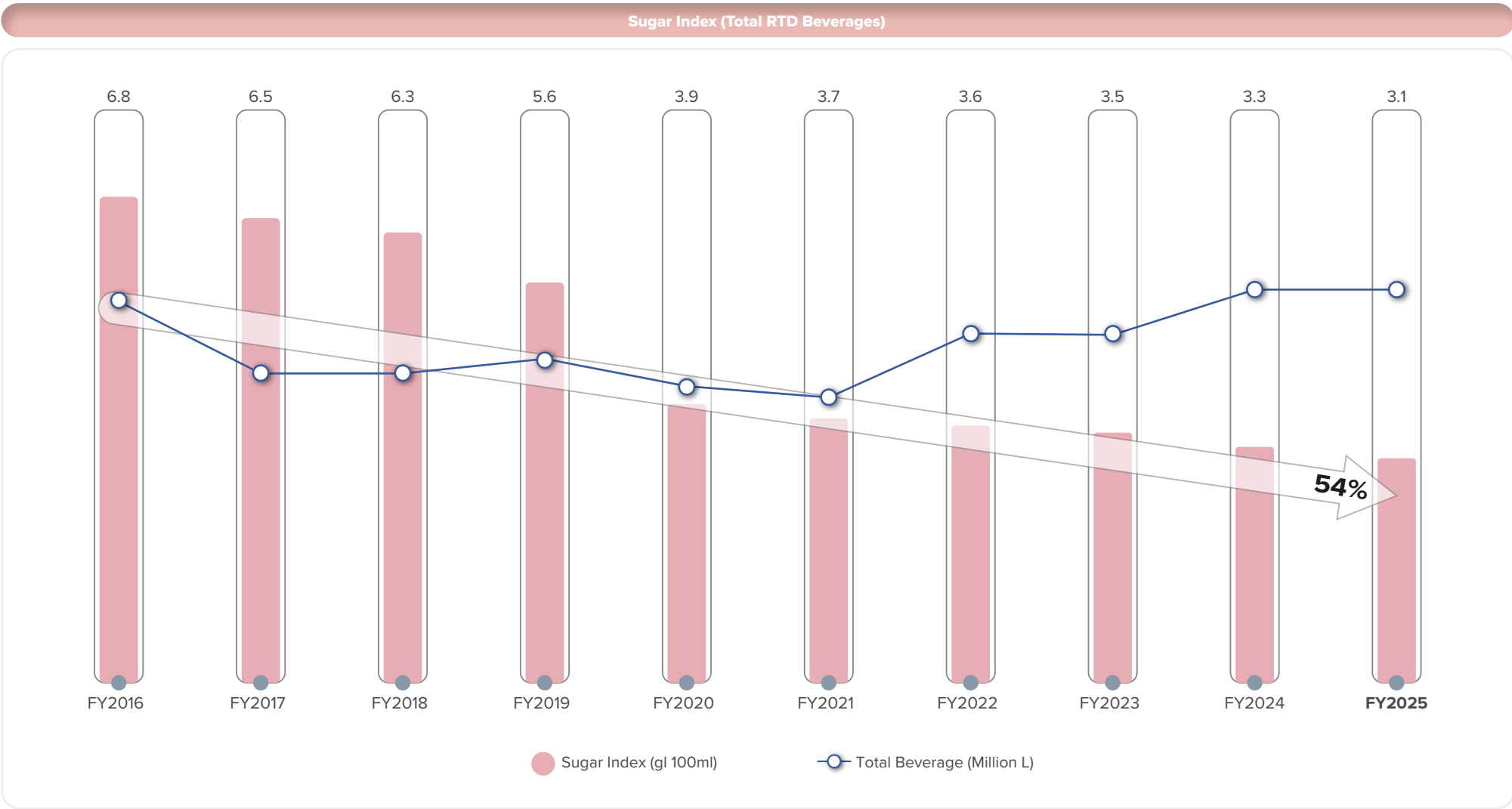
NUTRITION

OUR PROGRESS

Delivering healthier choices remains a top priority, and we ensure that taste and enjoyment are never compromised. Our product development team is dedicated to enhancing the nutritional profile of our offerings, with a strong focus on reducing sugar content while preserving the flavour and satisfaction our consumers expect.

Reducing Sugar Level

Reducing sugar content is a key pillar of our commitment to offering healthier choices. Since 2004, we have proactively taken steps to lower the sugar levels in our beverages, reflecting our long-standing dedication to supporting better nutrition and healthier lifestyles. Our efforts have resulted in a significant reduction in the sugar index (grammes of sugar per 100ml) across our entire RTD portfolio, with an impressive 54% decrease in sugar levels compared to 2016.



NUTRITION

Catering to Consumers with Dietary Restrictions and Preferences

Lactose-free

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

Zero-sugar

In response to growing consumer demand for zero-sugar options, we have broadened our product portfolio with innovative solutions designed to meet the needs of health-conscious individuals. F&N is now offering F&N Sparkling Zero, a carbonated soft drink that is zero-sugar and zero-calories. We are also excited to unveil our newest limited-edition flavour in our 100PLUS range: 100PLUS ZERO Power Peach, a zero-sugar, zero-calorie variant.

Advocating Healthier Lifestyle

Our focus on creating healthier products is validated by the regulatory authorities in Malaysia and Thailand. Many of our products carry the HCL. In 2025, we have achieved our ambition of obtaining HCL endorsement for over 70 products, representing more than two thirds of our total RTD portfolio.

Beyond product innovation, we are actively promoting hydration awareness and delivering targeted outreach to key groups across Malaysia. In line with this commitment, the 100PLUS Misi Hidrasi Truck embarked on a journey across the East Coast and Klang Valley in March, visiting 30 prominent locations and mosques to engage with the Muslim community during the fasting month. This initiative highlighted the importance of maintaining hydration and energy levels by consuming 100PLUS during “*sahur*” and “*berbuka*”.

Further strengthening this commitment, 100PLUS forged a pioneering partnership with Grab to support the hardworking e-hailing drivers and delivery riders who face Malaysia’s intense heat daily. This collaboration reflects 100PLUS’s ongoing commitment to promoting health and wellness, particularly for individuals working in demanding conditions.

Complementing these efforts, F&NHB is proud to be appointed as a partner in the Malaysian Ministry of Education’s “*Program Susu Sekolah*” (PSS), or School Milk Programme. This impactful programme serves over 85,000 students across Melaka, Negeri Sembilan and Johor. By addressing malnutrition and supporting the growth and wellbeing of Malaysia’s next generation, this initiative reaffirms our commitment to nourish communities and make a meaningful difference in young lives.

To further strengthen our commitment to promoting nutrition in Thailand, we conducted a three-month nationwide outreach programme from July to September 2025, reaching more than 300 schools and distributing milk to approximately 350,000 students. The initiative aimed to encourage healthier lifestyle habits among school children by providing nutritious product samples and creating engaging on-ground 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 <div>Malaysia: 100%</div> <div>Thailand: 100%</div>
GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services.	In FY2025, we maintained our health and safety standards with no significant incidents of non-compliance with regulations resulting in fine, penalty or warning.



COMMUNITY DEVELOPMENT AND INCLUSIVE GROWTH

GRI 3-3, GRI 413-1

Our operations extend beyond serving consumers, local communities are integral to our business success. We cultivate strong relationships within these communities, promoting social inclusion and fostering cross-cultural understanding. This community-centric approach is closely aligned with our business strategy and reinforces our commitment to sustainable growth.

Through these initiatives, we aim to create meaningful impact and support the holistic development of the communities we engage with, while advancing our business objectives and strengthening our brand's dedication to corporate social responsibility.

OUR COMMITMENT



Increase the number of community programmes to 11

2025 Results

Achieved

A total of 12 community programmes were organised in the year.

MANAGEMENT APPROACH

Our shared value creation model is driven by strong partnerships with the communities we serve. Across all our markets, we implement a mix of long-term and short-term programmes designed to promote social equity. These initiatives are anchored around four key focus areas:

Strengthening Vulnerable Groups

We focus on uplifting marginalised communities through education and providing support to those in need.

Promoting Environmental Consciousness

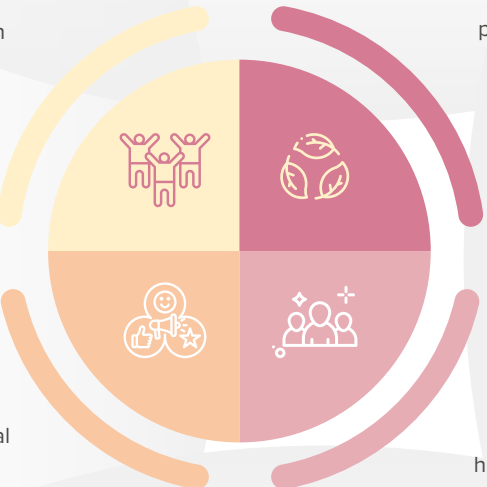
Our initiatives promote sustainability and responsible stewardship of the environment.

Spreading Festive Cheer

We celebrate cultural diversity and foster community spirit through festive activities and events.

Promoting Sports & Active Lifestyle

We advocate for health and wellbeing by promoting sports and physical activity among all age groups.



OUR PROGRESS

Strengthening Vulnerable Groups



Empowering Students from Montfort Boys Town, Malaysia

Recognising the importance of digital proficiency in today's technology-driven economy, F&NHB continues to empower underprivileged youths at Montfort Boys Town through the International Computer Driving Licence (ICDL) certification course.

Since 2011, this course has been a key part of the F&N IT Corner initiative, equipping students with practical digital skills that enhance their employability. In 2025, 16 students successfully earned their ICDL certification, reflecting F&NHB's ongoing commitment to bridging the digital divide and fostering youth development.



Expanding this partnership, F&NHB organised food application sharing session with Montfort Shah Alam's baking and hospitality students, led by our in-house chef, Chef Azmi Hamid. The hands-on session provided students with exposure to real-world culinary practices, ranging from mastering essential techniques to transforming raw ingredients into innovative creations. To further support their learning, F&NHB also supplied a variety of our products as ingredients for their classes, allowing students to experiment and refine their skills using quality, industry-standard materials. This initiative marks the beginning of a continuous programme designed to equip students with industry-relevant skills, enhance their creative confidence and inspire future talent in the dynamic F&B sector.

COMMUNITY DEVELOPMENT AND INCLUSIVE GROWTH



Scholarship for Elementary School Students in Rojana, Thailand

Earlier this year, we provided scholarships totaling THB 20,000 to 40 elementary school students in the community surrounding the Rojana factory, supporting their continued education and promoting educational development. This initiative reflects our ongoing commitment to empowering children by providing greater access to learning opportunities and helping build a stronger foundation for their future.



F&N School Milk Programme in Melaka, Negeri Sembilan and Johor, Malaysia

Through the Malaysian Ministry of Education's "Program Susu Sekolah" (PSS), we are proud to provide fresh milk to over 85,000 students across Melaka, Negeri Sembilan and Johor. By addressing malnutrition and supporting the growth and wellbeing of Malaysia's next generation, this initiative reaffirms our commitment to nourish communities and make a meaningful difference in young lives.

Promoting Environmental Consciousness



F&N School Recycling Programme, Malaysia

Since 2007, we have been actively championing the Rethink, Refuse, Reduce, Reuse and Recycle (5R) principles in schools nationwide through strategic partnerships with local councils and the Solid Waste and Public Cleansing Management Corporation (SWCorp), an agency under Malaysia's Ministry of Housing and Local Government (KPKT), via the PERKISS Inter-School Recycling Competition.

This year, we further expanded the programme by bringing eco-awareness to life for students through engaging educational talks, interactive exhibitions, eco-themed games such as the Eco Ladder, and hands-on workshops—reaching over 3,000 students and helping to instil lasting sustainable habits from a young age.



Nurturing **young eco warriors** through F&N School Recycling Programme



> 10 million kg of recyclables collected by **> 1,700 schools** through the programme



COMMUNITY DEVELOPMENT AND INCLUSIVE GROWTH

Vegetable Planting in Sabah, Malaysia



In Kota Kinabalu, we joined hands with Dewan Bandaraya Kota Kinabalu (DBKK) and KPKT to make a positive impact on the Sempelang community. Together, we planted 1,000 vegetable plants, bringing greenery and fresh produce to the neighborhood. The initiative also included a community cleanup, helping to create a cleaner, healthier, and more vibrant environment for everyone.

Improving the Reliability of Water Supply for Farmers in Thailand

In Chaiyaphum Province, Thailand, we have enhanced water security and agricultural resilience through the installation of a water storage tank, supplying > 1.6 million liters monthly to 180 households and supporting 24 dairy farms with 955 cattle — reducing reliance on long-distance water sourcing during droughts.

Additionally, we introduced solar-powered water pumps that improve access to irrigation, enabling farmers to cultivate their own forage grass, lower operational costs, and strengthen economic sustainability amid seasonal challenges.

Spreading Festive Cheer

F&NHB has long been a cherished part of festive celebrations for generations of Malaysians, reflecting our brand promise of “Pure Enjoyment, Pure Goodness.” Through community-focused initiatives, especially during festive seasons, we continue to foster meaningful connections and shared experiences, bringing people together to celebrate the joy, warmth and unity that define these special moments.



Deepavali

In October 2024, F&NHB hosted a special Deepavali shopping experience for children from *Pertubuhan Kebajikan Jayaa Sri* at a store in Semenyih. The store welcomed the children early, allowing them an exclusive opportunity to select clothing before the regular shoppers arrived.

The day concluded with a warm lunch before the children returned home with their new purchases. Recognising the needs of individuals with disabilities under the care of *Pertubuhan Kebajikan Jayaa Sri*, F&NHB also supplied lunch and donated clothing to those unable to participate in the outing.



Water Conservation and Distribution Project at Bung Jagoi Heritage Village in Sarawak, Malaysia



F&NHB is proud to support the Bidayuh community through the Water Conservation and Distribution Project at Bung Jagoi Heritage Village. In partnership with the Jagoi Heritage Association and the Jagoi Area Development Committee, the project includes the installation of a new water pump system and restoration of water storage infrastructure — expecting to secure over 5.5 million litres of clean water annually.

This initiative goes beyond water access. It strengthens community resilience, supports sustainable eco-tourism, and safeguards a site rich in ecological and cultural heritage. Nestled in the highlands of Bung Jagoi—meaning Jagoi Peak—was once the original settlement of the Jagoi Bidayuh community. The site has since been revived as a Heritage Village, with the surrounding 1,000-hectare Jagoi Heritage Forest conserved to preserve ecosystem services and cultural heritage for future generations.

COMMUNITY DEVELOPMENT AND INCLUSIVE GROWTH

Chinese New Year

This Chinese New Year, F&NHB continued our tradition of giving back to the community by organising celebration activities across all our regional offices.

The initiatives saw our regional offices reaching out to a total of 518 individuals from the following old folks' homes and underprivileged care centres nationwide, namely *Pertubuhan Rumah Sinar Bukit Mertajam Pulau Pinang* in Butterworth, Penang; *Pertubuhan Pengurusan Pusat Jagaan 1 Malaysia* in Ipoh, Perak; Guardian Angel Home in Klang, Selangor; *Pusat Jagaan Kanak-kanak Terencat Akal Kasih Sayang* in Bachang, Melaka; and *Persatuan Kebajikan Orang Kurang Upaya Xi Le Er* in Johor Bahru, Johor. Additionally, support was extended to *Pusat Jagaan Kanak-Kanak Terencat Akal Kuantan* and Mega Melodies Nursing Home in Kuantan, Pahang; *Pusat PPS Rantau Panjang (SK Gual Tok Deh)* and *Rumah Seri Kenangan* in Kota Bharu, Kelantan; Community Social Support Centre in Kuching, Sarawak; and Comfort Aged Care Center in Kota Kinabalu, Sabah.

F&N volunteers participated by distributing angpows, F&N products, groceries including frozen foods, packed meals and essential items like mattresses. These efforts help ease operational expenses at the homes, ensure recipients stayed well hydrated and nourished, and bring comfort to those in need, reflecting F&NHB's commitment to giving back to the community.



Christmas

In the spirit of Christmas giving, F&NHB hosted a memorable day of joy and excitement for 24 children from *Rumah Keluarga Kami* on December 2024 at Putrajaya. The day began with an exclusive Christmas shopping spree, where the children selected gifts of their choice before the mall officially open. F&NHB volunteers were present to assist, ensuring a delightful and stress-free shopping experience for every child. The fun continued with a visit to an indoor theme park, filled with engaging activities. The day concluded with a hearty lunch, providing a warm end to this special outing.

Our Kuching team supported 56 children from the Salvation Army residential home by donating essential supplies to prepare them for the new academic year. The back-to school supplies included stationeries, shoes and water tumblers, equipping the children with the tools they need. In addition, we also provided a variety of drinks and snacks as a special treat. Additionally, in the same month, our team from Kota Kinabalu office visited Stella Maris Convent for Senior Sisters to deliver F&N products and daily essentials in celebration of Christmas. This convent offers a home for retired sisters, and F&N is proud to contribute to brightening their holiday season through this meaningful gesture.





COMMUNITY DEVELOPMENT AND INCLUSIVE GROWTH

Ramadan

We partnered with Bursa Malaysia in their annual “*Rewang Ramadan*” programme for the second consecutive year to spread joy during this blessed month. Our 40 dedicated colleagues from various offices (even all the way from Gemas) came with enthusiasm and passion, to pack over 2,000 goodie bags for families at PPR Cochrane Perkasa, Cheras. Over two shifts, our team worked tirelessly to ensure that the festive spirit was shared with many others, showing our commitment towards impacting community wellbeing.

This year, F&NHB continued its annual tradition of community outreach by hosting a “*buka puasa*” dinner. The event brought together 76 children from *Pertubuhan Rumah Anak Yatim Miskin Daerah Kuala Langat* and *Rumah Baitul Sakinah As-Shariff* in Port Klang. Guests were treated to a delicious meal and a selection of F&N beverages, creating a warm and festive atmosphere. A highlight of the evening was the distribution of Hari Raya gifts by the F&NHB Chairman, Directors and Management, including new traditional clothing, “*songkok*”, “*selendang*” and “*duit raya*” for each child. The children also enjoyed engaging in creative craft activities with F&N volunteers, fostering interaction and joyful experiences throughout the event.

F&N Magnolia Malaysia is proud to collaborate with Gardenia Bakeries (KL) for the “*Program Cahaya Ramadan Gardenia*” 2025 initiative throughout March, bringing joy and blessings to the community during this sacred month. As part of this impactful programme, F&N Magnolia contributed 30,000 packs of F&N Magnolia 100% Fresh Milk UHT to congregants at 20 mosques.

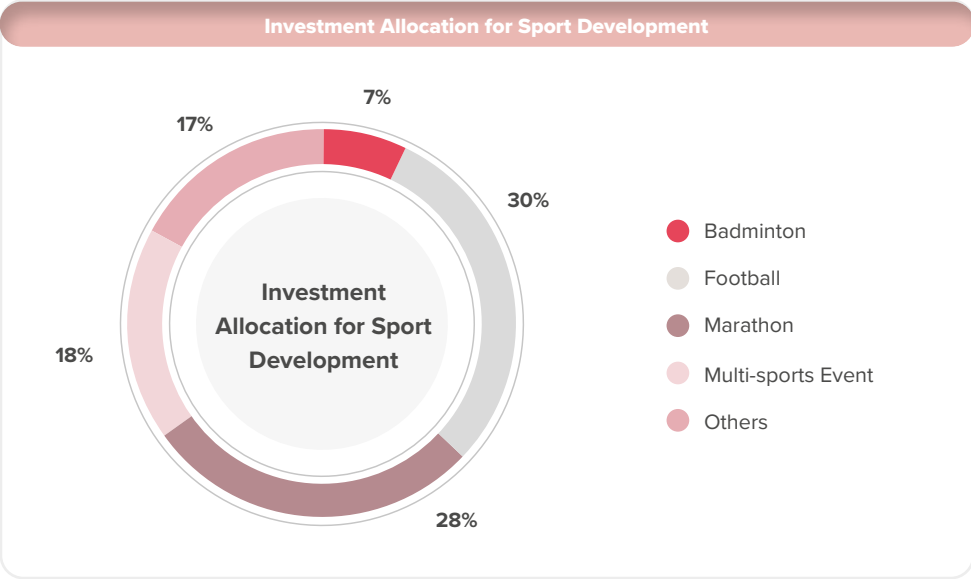


Promoting Sports & Active Lifestyle



F&NHB has a proud legacy of promoting sports and active lifestyles across Malaysia, from grassroots development to elite-level support. We view sports as a powerful catalyst for youth development, instilling values such as teamwork, respect, discipline and self-confidence. Through sustained investment in talent development and inclusive participation, we strive to ensure that young individuals have access to meaningful sporting opportunities.

Our flagship brand, 100PLUS, plays a central role in this commitment—supporting key national sports bodies 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 Johor Darul Ta’zim and Selangor Football Club, and the primary sponsor of the annual SAM-100PLUS Awards with the Sportswriters Association of Malaysia, we remain deeply embedded in the local sports ecosystem, celebrating both athletic and journalistic excellence.



Grassroot Badminton Programmes

Since 2003, 100PLUS has proudly partnered with BAM to promote grassroots development in badminton. A key initiative under this collaboration is the 100PLUS Junior Elite Tour—a premier youth competition that nurtures emerging talent and inspires young athletes to pursue excellence. This platform has played a pivotal role in shaping the careers of many of Malaysia’s national badminton stars, including Tan Wee Kiong, Goh V Shem, Chan Peng Soon, Goh Liu Ying, and Goh Jin Wei, who all competed in the tournament during their formative years.

COMMUNITY DEVELOPMENT AND INCLUSIVE GROWTH

Supporting Football Development

Demonstrating our commitment to supporting the sports community, we proudly continue as the official hydration partner for premier football and futsal events across the nation. Central to our efforts is the development of young athletes through the *Liga Bola Sepak Kementerian Pendidikan Malaysia 100PLUS*, a flagship annual competition held from June to November that nurtures emerging talent and promotes a healthy, active lifestyle among the youth.

Recognising Local Sports & Sports Media Practitioners

As committed advocates of local sports development, we proudly celebrate the achievements of athletes and sports media professionals through the annual Sportswriters Association of Malaysia (SAM) – 100PLUS Awards, which we have supported as the main partner since 2006. This platform continues to spotlight excellence across Malaysia’s sporting landscape, with notable milestones such as national women’s lawn bowls duo Nur Ain Nabilah Tarmizi and Aleena Ahmad Nawawi becoming the first lawn bowlers to receive the prestigious Best Athlete award. Additionally, Paralympic gold medallist Cheah Liek Hou successfully defended his title as Best Para Athlete, underscoring the remarkable talent, resilience, and dedication that define Malaysia’s sporting community.

Commitment to Community Wellness & Sports Partnerships

F&NHB continues to champion mass sports as a platform to promote active, healthy, and sustainable lifestyles. In 2024, F&NHB proudly supported the Bursa Bull Charge for the eighth consecutive year as the official hydration partner, providing 100PLUS and BORNEO SPRINGS Natural Mineral Water to participants. The charity run brought together corporate and capital market players, raising RM1 million for six impactful beneficiaries.

100PLUS also served as the Official Isotonic Partner for the Standard Chartered Kuala Lumpur Marathon, one of Malaysia’s most prestigious endurance events attracting over 40,000 runners. Hydration stations along the route helped runners stay energised, while interactive booths fostered engagement and community spirit.

Additionally, 100PLUS proudly supports the KL Car Free Morning, a weekly initiative transforming Kuala Lumpur’s Golden Triangle into a car-free zone every Sunday, encouraging walking, jogging, cycling and other family-friendly activities. As the official hydration sponsor on the first and third Sundays each month, 100PLUS provides refreshments to thousands of participants. Through these ongoing efforts, F&NHB and 100PLUS reaffirm their commitment to public health and community by encouraging active lifestyles and fostering a culture of wellness.

Impact Story

Flood Relief

F&N AgriValley, in collaboration with the Village Development and Security Committees of Kampung Pasir Besar, Gemas, promptly responded to the needs of flood victims on 10 January 2025 by providing essential disaster relief. As part of supporting our neighbours, F&N distributed rice cookers and goodie bags to families affected by the floods.

In a parallel effort, F&NHB partnered with entrepreneur Khairul Aming to deliver 400 cartons of drinking water to flood victims in Kelantan. This contribution, though modest, offered vital relief to those facing hardship during this difficult period.



PERFORMANCE

GRI 413-1

Operations with local community engagement, impact assessments and development programmes

All 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

> **200,000**

of beneficiaries of the investment in communities

COMMUNITY DEVELOPMENT AND INCLUSIVE GROWTH

GRI 413-1 : 100% of our operations⁷ have implemented local community engagement, impact assessments and development programmes

Programme	Location	Timeline	Ongoing
Strengthening Vulnerable Groups			
1. Empowering Students from Montfort Boys Town, Malaysia	Selangor & Melaka	2011	
2. Scholarship for Elementary School Students in Rojana, Thailand	Ayutthaya Province	Annual	
3. F&N School Milk Programme in Melaka, Negeri Sembilan and Johor, Malaysia	Melaka, Negeri Sembilan & Johor	2025	
Promoting Environmental Consciousness			
4. Partnership with SWCorp on F&N School Recycling Programme, Malaysia	Various cities in Malaysia	2008	
5. Vegetable Planting in Sabah, Malaysia	Sabah	2025	–
6. Improving the Reliability of Water Supply for Farmers in Thailand	Chaiyaphum Province	Annual	
7. Water Conservation and Distribution Project at Bung Jagoi Heritage Village in Sarawak, Malaysia	Sarawak	2024	
Spreading Festive Cheer			
8. Deepavali	Klang Valley	Annual	
9. Christmas	Klang Valley Sabah Sarawak	Annual	
10. Chinese New Year	Various cities in Malaysia	Annual	
11. Ramadan	Klang Valley	Annual	
Promoting Sports & Active Lifestyle			
12. Grassroot Badminton Programmes	Various cities in Malaysia	2003	
13. Supporting Football Development	Various cities in Malaysia	2008	
14. Recognising Local Sports & Sports Media Practitioners	Various cities in Malaysia	2006	
15. Commitment to Community Wellness and Sports Partnerships	Various cities in Malaysia and Thailand	1983	

NOTE:
7. Refer to all our major operating sites in Malaysia and Thailand, which include major offices and plants.

HUMAN RIGHTS

GRI 2-25, GRI 2-30, GRI 3-3, GRI 406-1

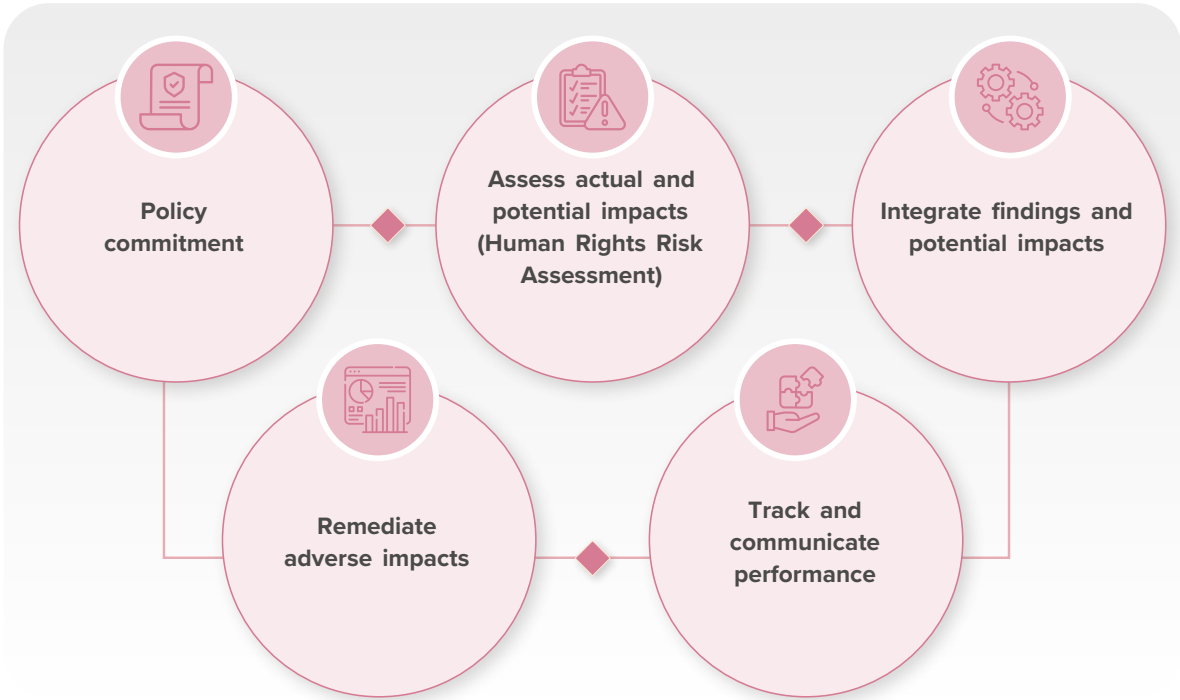
At F&NHB, our operations are anchored in a strong commitment to good governance and the protection of human rights across our business and supply chain. We are dedicated to enhancing the health and wellbeing of our stakeholders, ensuring they are treated with dignity, respect and fairness. This approach reflects our belief that responsible business practices not only build trust but also drive sustainable growth and create enduring value for our communities and partners.

MANAGEMENT APPROACH

Human Rights Due Diligence Process

F&NHB is deeply committed to safeguarding and advancing human rights across all stakeholder groups. In 2021, we launched a comprehensive Human Rights Due Diligence (HRDD) process to proactively identify and address actual and potential human rights risks within our operations and supply chain. This rigorous approach enhances our understanding of stakeholder needs and helps foster environments that uphold dignity, fairness, and respect, reinforcing our dedication to responsible and ethical business practices.

We fully support freedom of association and actively collaborate with several employee unions, ensuring balanced collective bargaining agreements that cover more than 30% of our employees. Employees covered by this agreement are informed that F&NHB 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, non-discrimination and harassment.
- Respecting and promoting fairness, diversity, the right to freedom of association, collective bargaining, fair remuneration and safe working conditions.
- Respecting and promoting health, safety, data privacy and the environment of stakeholders.

F&N's Human Rights Policy is firmly rooted in internationally recognised frameworks, including the UN Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, UN Global Compact, the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. Aligned with both domestic and international laws and regulations, the policy is applied consistently across all entities within the F&NHB Group.

We remain committed to strengthening the capacity of internal and external stakeholders on human rights issues, including conducting targeted training for employees and senior management to foster a culture of respect, fairness and accountability throughout our operations.

HUMAN RIGHTS

OUR PROGRESS

Human Rights Risk Assessment

Scope of HRRA

The Human Rights Risk Assessment (HRRA) at F&NHB 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
- Retaining



Production

- Dairies
- Beverages
- Food



Distribution & Logistics

- Distribution centre & warehousing
- Logistics



Marketing & Sales

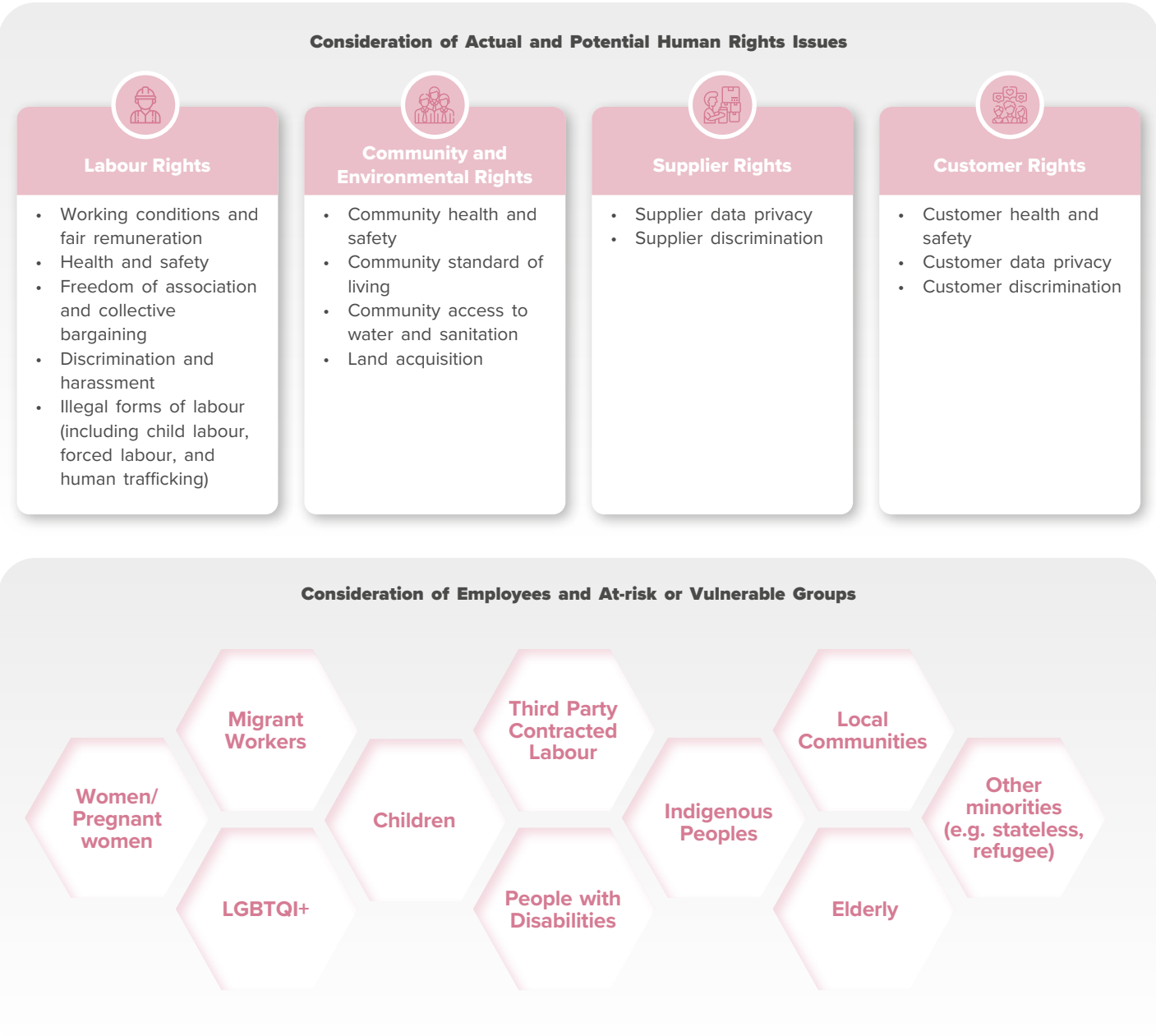
- Marketing
- Sales



Supporting Unit

- 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.



HUMAN RIGHTS

Methodology of HRRA

Human Rights Issues Identification

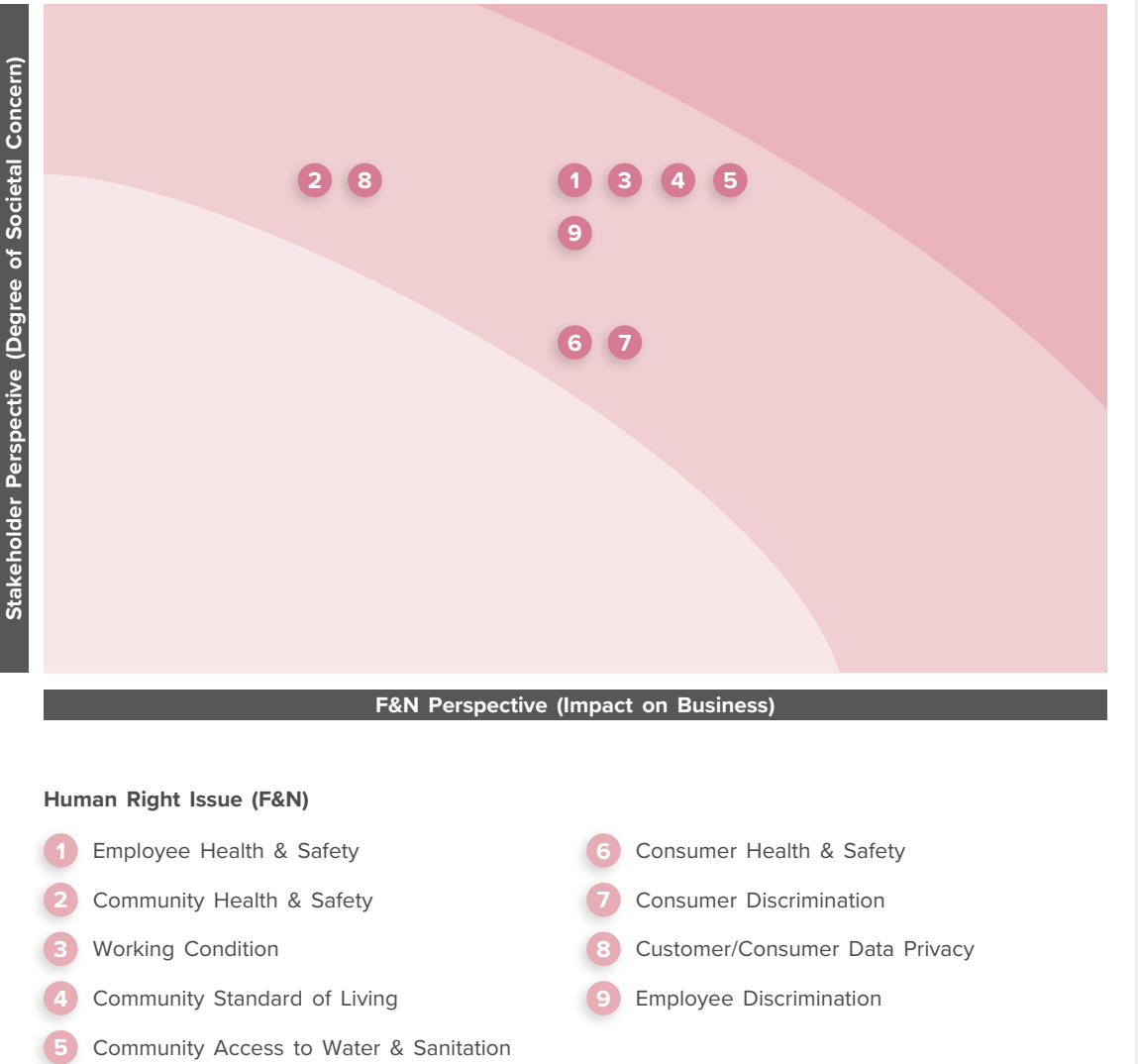
We identified human rights risks across F&NHB’s internal operations, value chain, and emerging business partnerships. To deepen our understanding of both actual and potential issues, we conducted benchmarking against industry peers in the dairy and beverage sectors and analysed global human rights trends. This approach enables us to stay ahead of evolving challenges and reinforces our commitment to responsible, ethical business practices.

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



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 RIGHTS

Integrate Findings and Potential Impacts

F&NHB designs and implements targeted mitigation strategies, incorporating both preventive and corrective actions to address and reduce actual and potential human rights impacts across its operations

Examples of Salient Human Rights Issues and Mitigating Measures

	ACTUAL ISSUES	MITIGATION MEASURES
Employee Health & Safety	<div><div>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)</div><div>2. Production + Human Capital: Minor work injuries and accidents</div><div>3. Logistics: Road accidents during transportation, minor vehicle malfunction (e.g. flat tires)</div></div>	<div><div>1. Compliance with Public Health Regulations on COVID-19 measures (e.g. self test, face masks, hand sanitisers, temperature checks)</div><div>2. Approved paid leaves for vaccinations & launched vaccination programme for employees</div><div>3. Tracking employees’ vaccination progress</div><div>4. Offer doctor consultations and in-house panel clinics in large-scale production plants</div><div>5. Increased safety training and safety briefing to identify potential risks at the start of the work day</div></div>
Community Health & Safety, and Community Standard of Living	<div><div>1. Marketing & Sales: Spread of COVID-19 virus from employees infected to members of the community (e.g. during large scale events)</div><div>2. Marketing & Sales: Road accidents will increase health and safety risks for community members</div><div>3. Marketing & Sales: Reckless driving complaints of the distributor in the local area</div></div>	<div><div>1. Compliance with Public Health Regulations</div><div>2. Provide Personal Protective Equipment (PPEs) such as face masks, face shield, hand sanitisers to employees</div><div>3. Increased safety training and safety briefing to identify potential risks at the start of the work day</div><div>4. F&N Voice channel available for employees to report on safety risks and concerns</div></div>
Employee Discrimination	<div><div>1. Human Capital: An employee felt uncomfortable to report a case of verbal harassment until after resigning from the company</div></div>	<div><div>1. Inform employees on various channels and measures available - to raise discrimination and harassment issues (e.g. welfare committee, reporting channel, mental health hotline)</div><div>2. Implement additional trainings for supervisors on preventing discrimination and harassment to employees</div></div>
Customer/ Consumer Discrimination	<div><div>1. Discrimination by prioritising against certain groups of customers/ consumers</div></div>	<div><div>1. Ensure F&N’s products are targeted to all consumers</div><div>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.</div></div>

Track and Communicate Performance

F&NHB maintains a proactive approach to monitoring and assessing human rights risks, ensuring we remain responsive to emerging issues and concerns. Through our HRDD process, we systematically identify, review, and evaluate actual and potential human rights impacts arising from our operations and related activities, with findings reported annually in our SR.

We also prioritise education and awareness by equipping all employees, including senior management, with knowledge of human rights practices. To foster transparency and accountability, we encourage directors, employees, and stakeholders to report suspected violations through dedicated communication channels such as the Fraserians Connect App in Malaysia and the Line App in Thailand, both of which are accessed daily. Feedback received through these platforms informs the development of appropriate mitigation and remediation measures, which are continuously monitored alongside our policies.

Remediate Adverse Impacts

F&NHB recognises that business activities may, directly or indirectly, contribute to or be associated with human rights violations. To mitigate these risks, we conduct a comprehensive reassessment of our human rights landscape regularly, ensuring our approach remains relevant and responsive. Where necessary, we implement additional measures to remediate and prevent adverse impacts linked to our operations.

PERFORMANCE

GRI 406-1

Incidents of discrimination and corrective actions taken

0

substantiated complaints concerning human rights violations.

Hence, no correction actions were taken.



Empowering Our People

F&NHB recognises that our employees are the driving force behind our success. Their dedication, expertise, and passion are instrumental in translating our strategic vision into meaningful outcomes and propelling the business forward. In appreciation of their invaluable contributions, we are deeply committed to fostering continuous learning and professional development through comprehensive, Group-wide initiatives. We also place strong emphasis on employee wellbeing, striving to create a workplace that prioritises safety, health, and personal growth. Through these efforts, we aim to empower our people, enabling them to thrive both personally and professionally, while contributing to a resilient and high-performing organisation.

Our efforts are further elaborated in:

- Human Capital Development
- Employee Safety, Health and Wellbeing





HUMAN CAPITAL DEVELOPMENT

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

Our people increasingly value a workplace that champions diversity, continuous learning, and professional growth. By making strategic investments in these areas, we enable them to innovate, advance sustainability, and foster a culture of lifelong learning. This commitment not only strengthens employee engagement but also equips our teams with the capabilities to thrive in a dynamic environment—ultimately nurturing a vibrant and future-ready organisational culture.

OUR COMMITMENT

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

2025 Results

Achieved

Executive-level employees received an average of 33.36 hours of training, while non-executive employees received an average of 15.53 hours.

MANAGEMENT APPROACH

Our employees increasingly value a diverse and inclusive workplace that fosters continuous learning and professional growth. By investing in these areas, we empower them to drive innovation, champion sustainability, and nurture a culture of lifelong learning.

Recognising the importance of holistic wellbeing, we have introduced several initiatives, including an internationally recognised mental wellness framework that promotes a healthy and supportive workplace culture.

The successful of our strategic priorities and long-term business performance is deeply rooted in the contributions of our workforce. We actively engage our employees through multiple channels—such as engagement surveys, recognition events and regular performance reviews. This financial year, we further strengthened these connections by hosting in-person events including the CEO Nationwide Roadshows, sports activities, and festive gatherings.

Across all our operational locations, we uphold strict compliance with labour laws and are committed to providing equal employment opportunities to all employees and applicants. We strive to maintain a workplace free from discrimination, harassment and retaliation—fostering an inclusive environment where everyone can thrive.

Promoting Diversity & Inclusion

Building a trusted and preferred brand begins with understanding and embracing the cultural diversity of the communities we serve. We are deeply committed to fostering diversity and inclusion at every level of our organisation—cultivating a workforce and workplace culture where individuals feel respected, heard and valued, regardless of their background or personal circumstances.

We uphold equal opportunity principles and do not tolerate discrimination based on race, religion, age, nationality, gender, political beliefs, marital status, disability, or any other factor unrelated to job performance. These values are embedded in our employment policies and guide our recruitment efforts, which aim to reflect the rich ethnic diversity of Malaysia and Thailand through a broad mix of experiences and perspectives.

Our commitment to diversity and inclusion also includes strict adherence to employment legislation in all our operating countries, including the prohibition of child labour. In recent years, we have made significant progress in promoting gender equality within the F&NHB workforce, with women comprising 28% of the total employee population and occupying 43% of leadership positions.

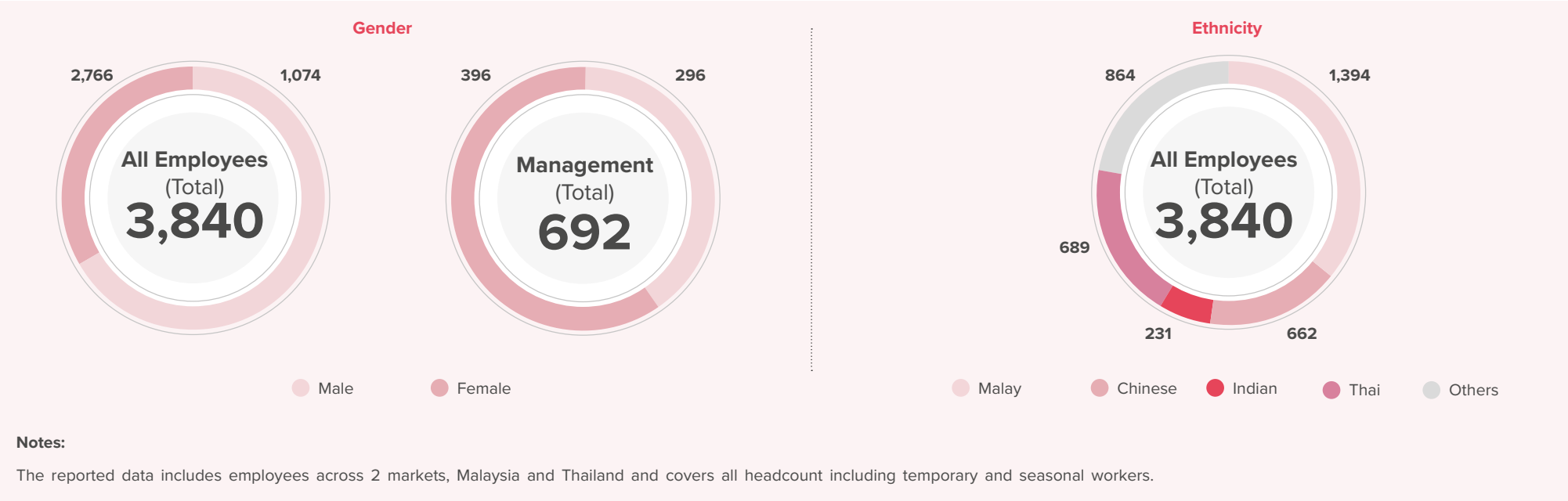
We continue to encourage open dialogue and mutual respect, empowering our employees to contribute meaningfully within an inclusive and supportive environment.



HUMAN CAPITAL DEVELOPMENT

Diversity of Employees

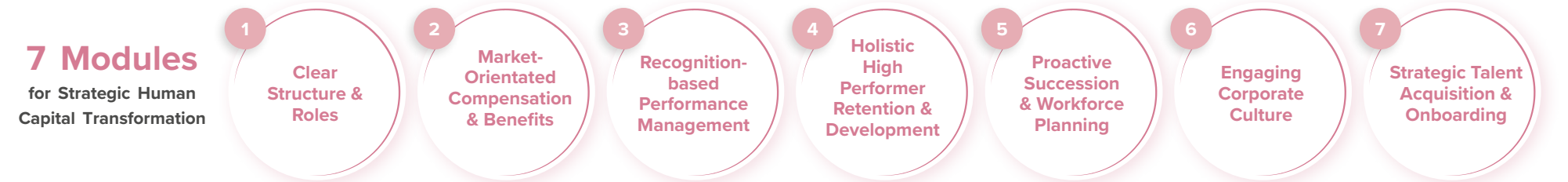
We are proud of the diversity and inclusivity our community brings to the Company.



OUR PROGRESS

Human Capital Roadmap and Strategy

The F&NHB Group has established a comprehensive Human Capital Roadmap to strategically nurture and develop our workforce. This framework comprises seven core modules, each designed to drive human capital transformation and support the development of a skilled, engaged and future-ready team. Through these targeted initiatives, we align our people strategies with broader business objectives, ensuring that our workforce remains a key enabler of sustainable growth and innovation.



HUMAN CAPITAL DEVELOPMENT

1

Clear Structure and Roles

F&NHB leverages the “Beverest” system, an integrated, enterprise-wide platform that streamlines our Human Capital processes, encompassing recruitment, onboarding, performance management, and career development. This digital solution enhances operational efficiency and ensures clarity in roles and expectations, empowering employees to take ownership of their growth and contributions within the organisation.

2


Market-orientated Compensation and Benefits


F&NHB is committed to ensuring our employees are fairly rewarded through competitive compensation and benefits. We regularly benchmark remuneration against market standards and industry peers to maintain equity and competitiveness. In alignment with the Minimum Wages Order 2022, we have adjusted wages to meet statutory requirements, while also upholding gender pay equity by providing equal remuneration for men and women.


Our full-time employees enjoy a comprehensive benefits package that includes life insurance, healthcare, disability and invalidity coverage, parental leave, retirement provisions and share-based incentive plans.


In 2023, we introduced the Human Resource Management System (HRMS), a mobile-enabled platform that simplifies key human resource functions such as leave management, performance appraisals and access to tax and payroll information. This digital transformation not only enhances employee experience and operational efficiency but also supports our sustainability goals by reducing paper usage across Human Capital operations.


STANDARD BENEFITS OFFERED TO FULL-TIME EMPLOYEES


Life Insurance


Health Care


Disability and Invalidity Coverage


Parental Leave


Retirement Provision


Stock Ownership


Others


By job grade


All employees

By job grade

All eligible employees under the law


For certain categories of employees

By job grade - F&NHB Shares




1

Employee Provident Fund



2

Long Service Award



3

Flexi-benefits reimbursement

3

Recognition-based Performance Management

At F&NHB, performance assessment reviews are conducted biannually, providing employees with structured opportunities to reflect on their achievements and engage in meaningful development conversations with their supervisors. These evaluations are anchored in clearly defined SMART goals—Specific, Measurable, Achievable, Relevant and Time-bound—and aligned with Key Performance Indicators outlined in each employee's Individual Development Plan (IDP). This robust framework promotes accountability, transparency and continuous growth across the organisation. In 2025, 1,517 employees completed their bi-annual assessment reviews.

HUMAN CAPITAL DEVELOPMENT

Employees develop their IDP through four stages

Assess required competency, through 360-degree leadership and functional competency assessment

Set development goal & identify learning intervention, through IDP and 70/20/10 learning model

Implement and follow-up on IDP through Learning Management System and IDP review

Discuss career aspiration, including geographic mobility and career path & worksheet

4

Holistic High Performer Retention and Development

F&NHB actively promotes internal career growth as part of our commitment to creating a positive, fulfilling and future-focused work environment. We support our employees’ professional development through a blend of online learning and hands-on training opportunities tailored to evolving business needs.

As we accelerate the digitalisation of our operations, we ensure our workforce is equipped with the skills required to adapt and thrive in a rapidly changing landscape.

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 and Workforce Planning

F&NHB is committed to cultivating future leaders by providing high-potential employees with meaningful development opportunities. These include job rotations and cross-functional transfers, designed to deepen employees’ understanding of our operations and broaden their leadership capabilities.

For executives and above, we have introduced LAMPU (Leadership & Management Potential Unleashed)—a comprehensive leadership and talent development programme. LAMPU offers a curated suite of training modules focused on critical thinking, effective communication, personal growth, and leadership styles, drawing from diverse learning sources to deliver a holistic and impactful experience. We are excited to launch LAMPU 3.0, which will feature more advanced, future-ready learning experiences. This next phase is designed to further strengthen our leadership pipeline and equip our talent with the confidence and agility needed to navigate evolving business challenges. To date, 71 employees have successfully completed LAMPU, and we look forward to expanding this number in 2026.

As part of our commitment to nurturing emerging talent, F&NHB actively recruits interns and trainees, providing them with hands-on experience across various functions. This structured programme equips participants with practical skills and industry exposure while serving as a strategic talent pipeline, with many transitioning into full-time roles within the organisation. In FY2025, we engaged a total of 32 interns through this initiative.

This year, we also launched the F&N Protégé Programme, a one-year development journey designed to nurture high-potential early-career talent through practical, real-world business exposure. The programme aims to strengthen our future talent pipeline, support succession planning, and foster innovation across the Group. Over the next few years, we plan to expand the number of Protégés participating in this initiative. Through structured on-the-job learning, 13 mandatory in-person training sessions, and three dedicated coaching engagements, Protégés gain the knowledge, experience, and practical skills needed to build expertise in their chosen departments and transition confidently into the workplace. Ultimately, the programme aspires to develop the next generation of leaders for F&N.

Impact Story

In 2025, we strengthened our commitment to education through two key initiatives that support the aspirations of our employees’ families. The annual F&N Chairman’s Award celebrated outstanding achievements by employees’ children, presenting RM290,000 in cash rewards to 82 secondary and tertiary students for exceptional academic results, acceptance into higher education, and excellence in co-curricular activities. Complementing this, our team in Thailand presented THB 234,000 to award 43 scholarships to employees’ children from kindergarten to university, helping them pursue their studies and reinforcing our commitment to lifelong learning. Together, these efforts demonstrate our dedication to empowering the next generation and supporting the educational success of our extended F&N family.

HUMAN CAPITAL DEVELOPMENT

6 Engaging Corporate Culture

Aligned with our Global Values, F&NHB fosters a culture of engagement and inclusion through diverse communication platforms, including monthly employee newsletters and internal mobile apps such as *Fraserians Connect*. These channels enable seamless information sharing and encourage active participation across the organisation.

To promote open dialogue, employees are empowered to share real-time feedback, ideas, and suggestions directly with senior management via F&N Voice, an internal feedback channel accessible through the Fraserians Connect app. This initiative strengthens transparency and ensures that every voice is heard.

We also conduct an bi-annual Employee Engagement Survey to gain deeper insights into employee needs and identify areas for improvement. The feedback gathered informs targeted initiatives aimed at enhancing employee satisfaction, wellbeing and overall workplace experience.

F&NHB embraces flexible working arrangements, including adjustable working hours and work-from-home options for office employees, reflecting our commitment to fostering a supportive culture that prioritises mental wellbeing and work-life balance. Recognising the importance of physical health, we provide in-house gym facilities and organise a variety of sports and wellness activities such as badminton and bowling tournaments, Zumba classes, and engaging team-building events. These initiatives not only promote holistic wellbeing but also strengthen collaboration and camaraderie across teams. By cultivating a workplace that values both mental and physical wellness, we are dedicated to creating an environment where employees feel empowered to thrive, connect meaningfully, and perform at their best.

7 Strategic Talent Acquisition and On-boarding

F&NHB is committed to nurturing and advancing our workforce by creating meaningful opportunities for career growth within the organisation. Where internal promotion is not feasible, our Human Capital team applies a diverse suite of assessment tools to ensure a fair, rigorous, and merit-based recruitment process. Candidates are selected based on their alignment with role requirements and the company’s strategic objectives, supporting our mission to attract, develop and retain top talent.

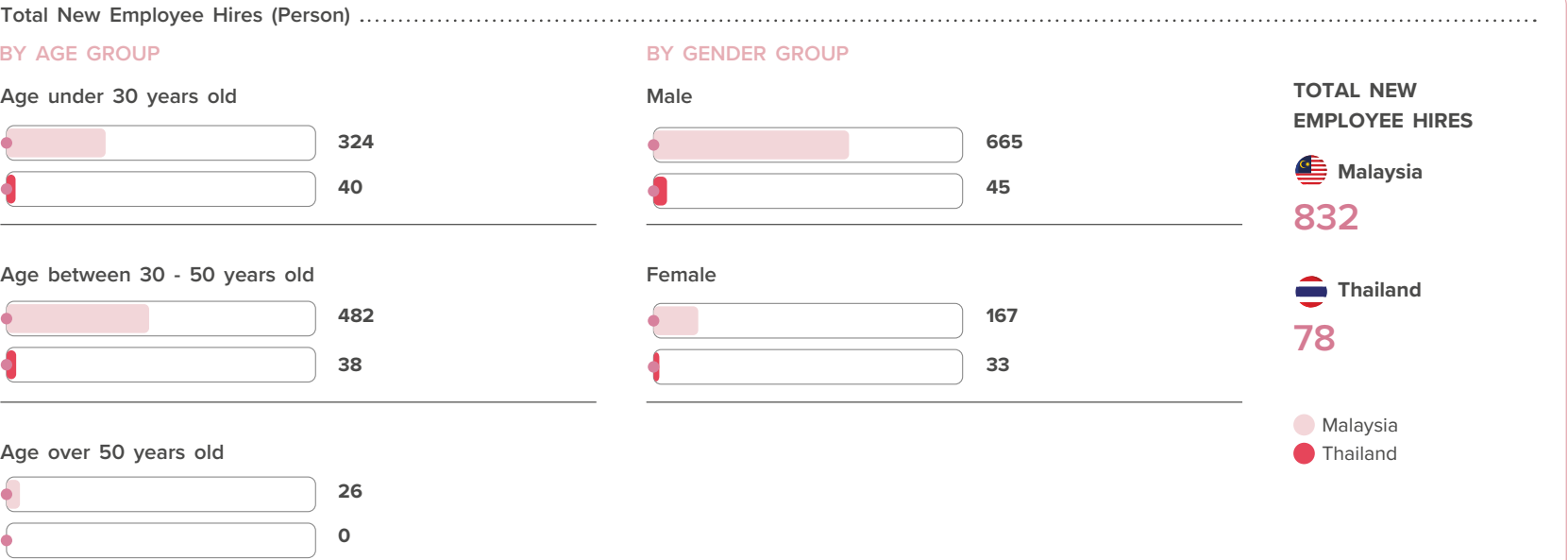
To ensure a consistent and engaging onboarding experience across the Group, all new hires participate in a comprehensive induction programme. This includes direct engagement with the CEO, briefings on key policies, self-paced IT e-learning modules and personalised support through a three-month buddy system—facilitating a smooth and confident transition into the organisation.



HUMAN CAPITAL DEVELOPMENT

PERFORMANCE

GRI 401-1
New employee hires and employee turnover⁸



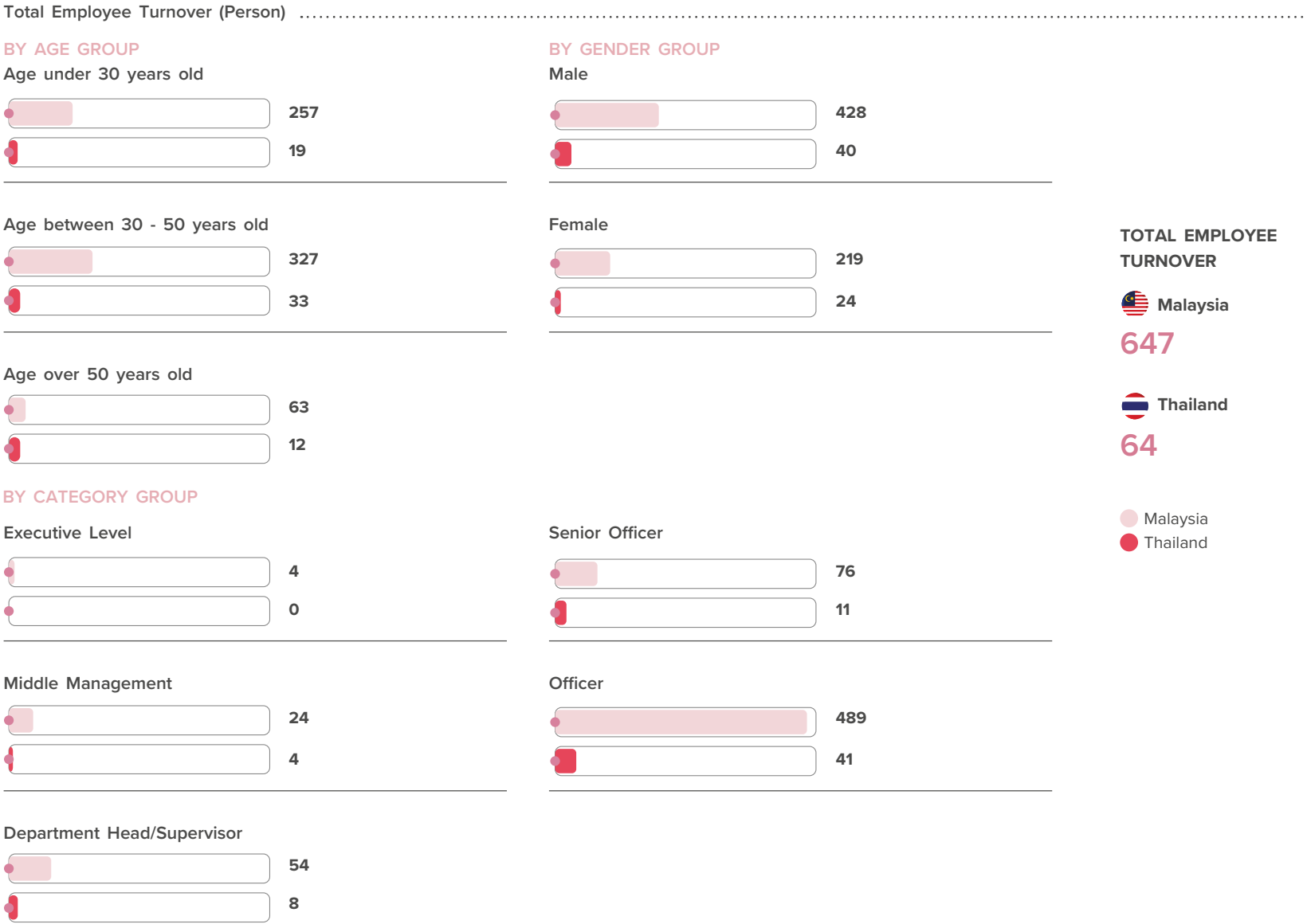
NOTE:
8. The following information is provided at a Group level, for a breakdown by country level, refer to the performance summary



HUMAN CAPITAL DEVELOPMENT

PERFORMANCE

GRI 401-1
New employee hires
and employee turnover⁸
(Cont'd)



BY CATEGORY GROUP

Executive Level

40

Middle Management

244

Department Head/Supervisor

548

BY GENDER GROUP

Male

428

40

Female

21924

TOTAL EMPLOYEE
TURNOVER

Malaysia

647

Thailand

64

Malaysia

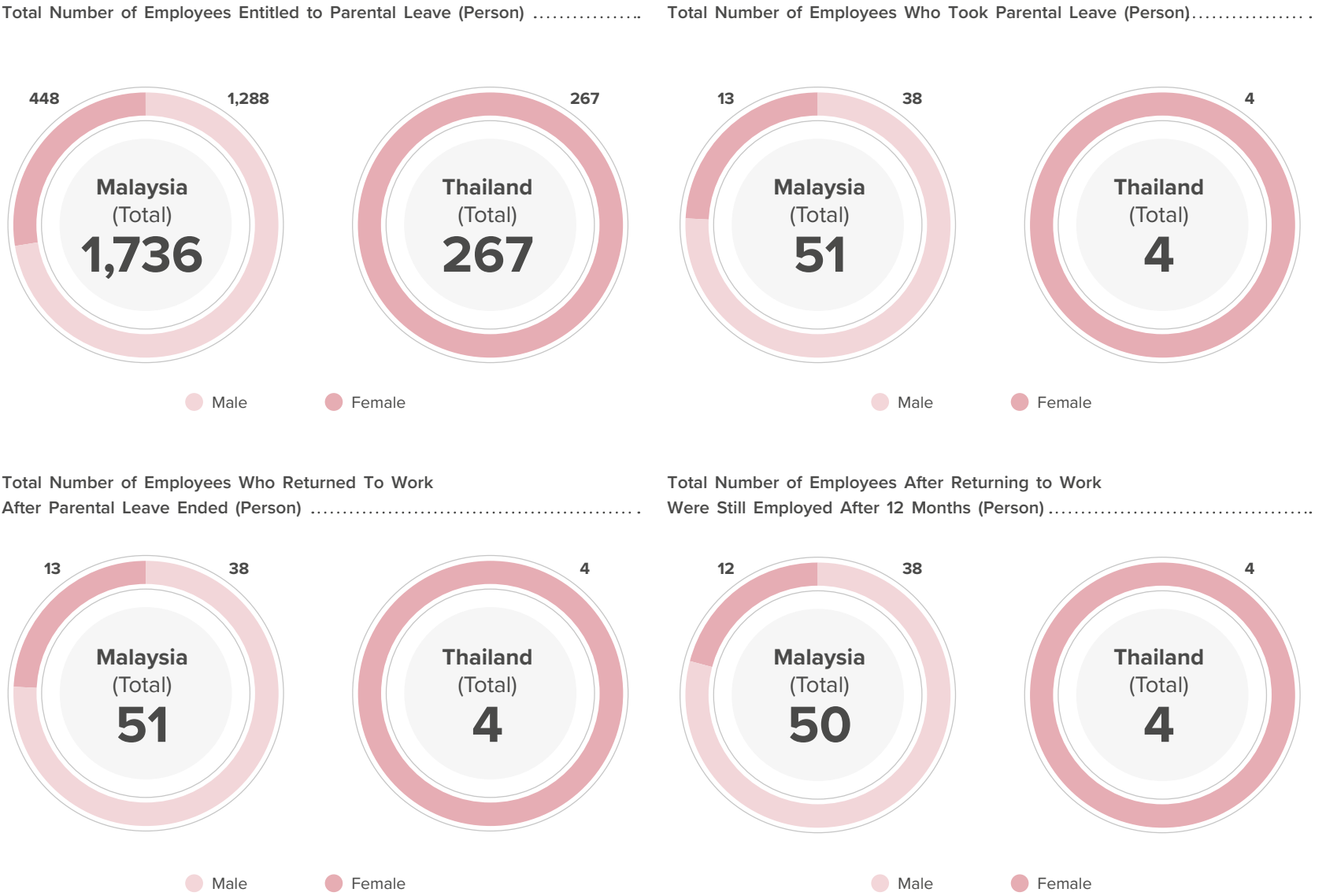
Thailand

NOTE:
8. The following information is provided at a Group level, for a breakdown by country level, refer to the performance summary

HUMAN CAPITAL DEVELOPMENT

PERFORMANCE

GRI 401-3
Parental Leave⁹

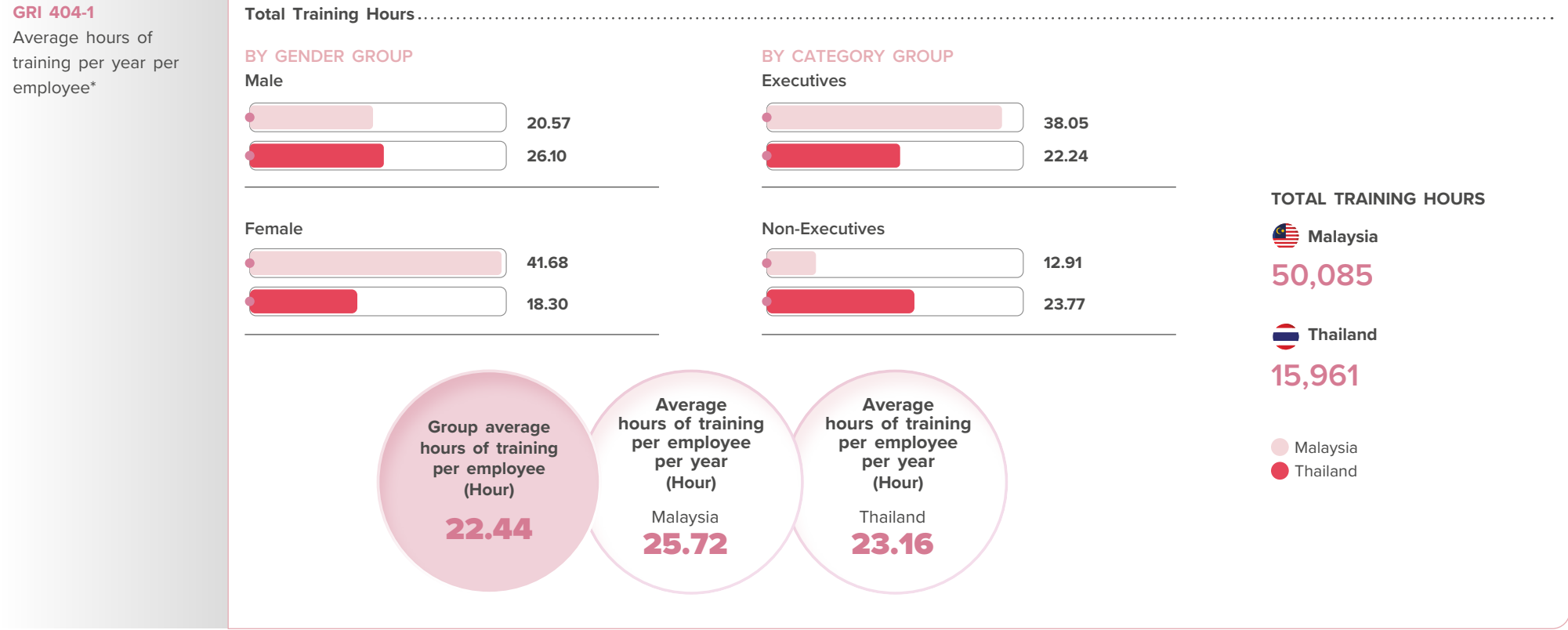


NOTE:
9. The following information is provided at a Group level, for a breakdown by country level, refer to the performance summary



HUMAN CAPITAL DEVELOPMENT

PERFORMANCE



TOTAL TRAINING HOURS

Malaysia

50,085

Thailand

15,961

Malaysia

Thailand

Group average hours of training per employee per year (Hour)

22.44

Average hours of training per employee per year (Hour)

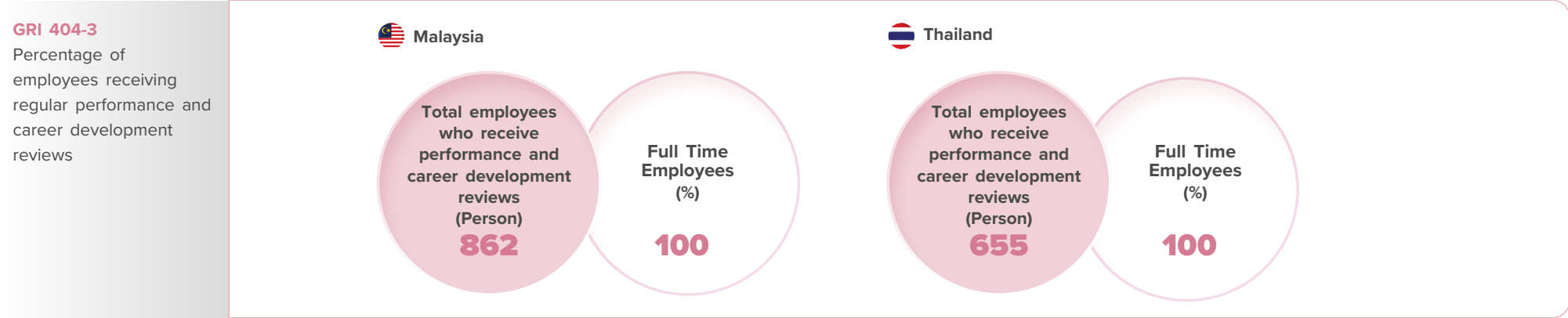
Malaysia

25.72

Average hours of training per employee per year (Hour)

Thailand

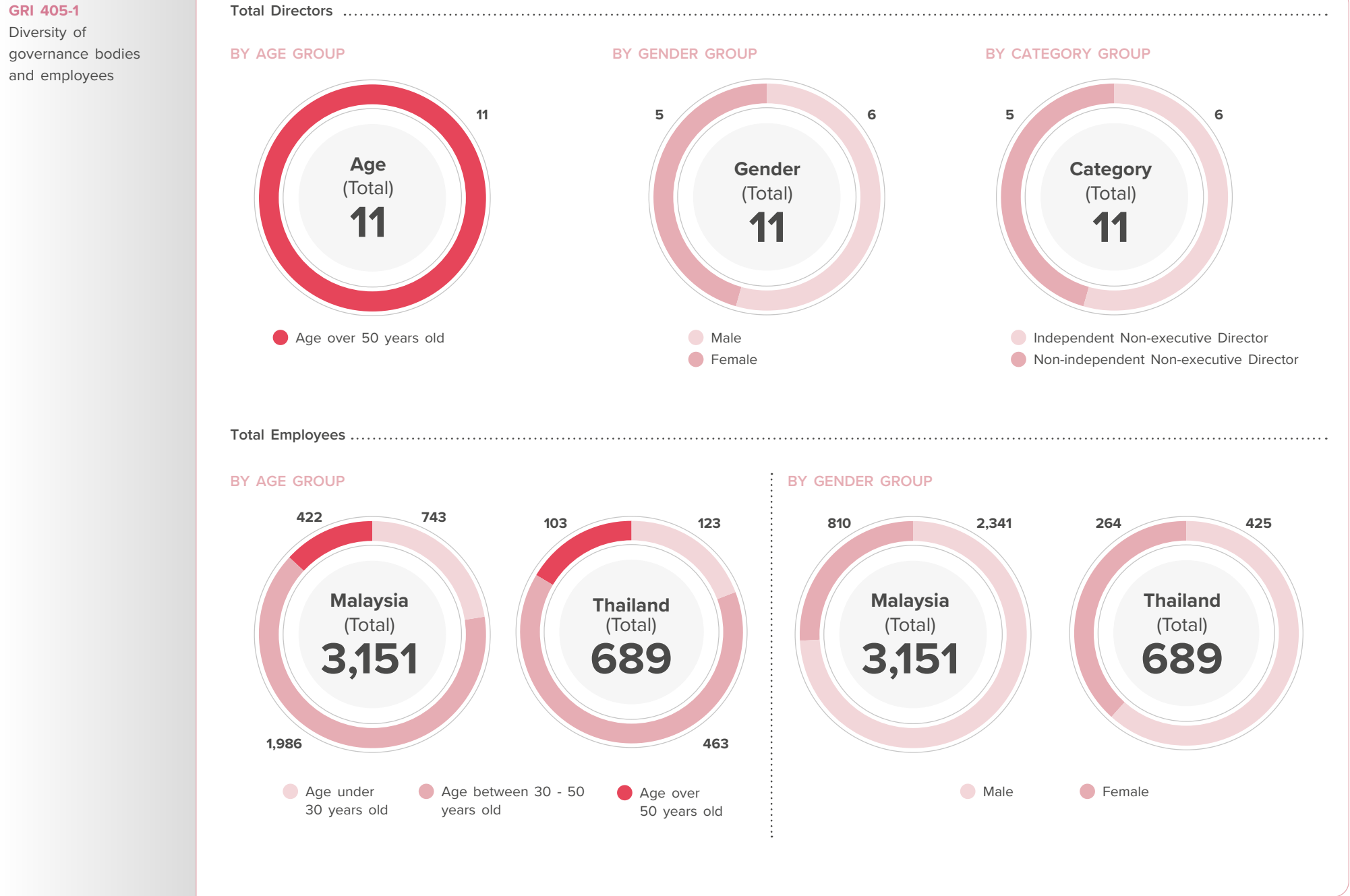
23.16



NOTE:
* GRI 404-1: Data coverage for Malaysia excluding Food Pillar.

HUMAN CAPITAL DEVELOPMENT

PERFORMANCE



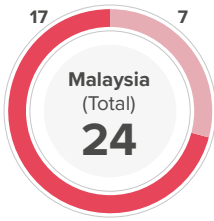
HUMAN CAPITAL DEVELOPMENT

PERFORMANCE

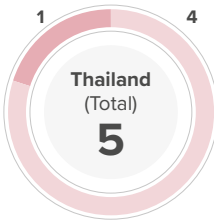
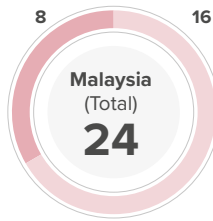
GRI 405-1
Diversity of governance bodies and employees (Cont'd)

Executive Level

BY AGE GROUP

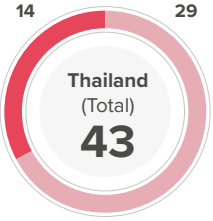
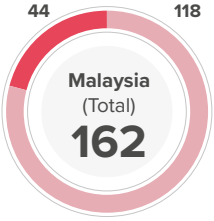


BY GENDER GROUP

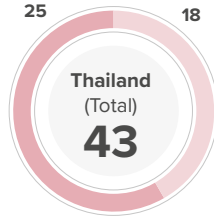
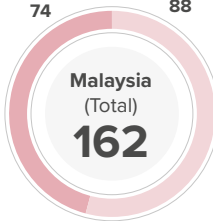


Middle Management

BY AGE GROUP

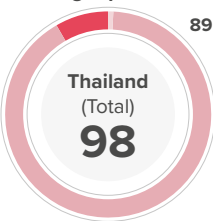
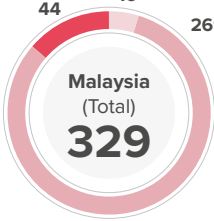


BY GENDER GROUP

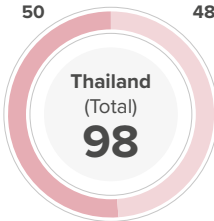
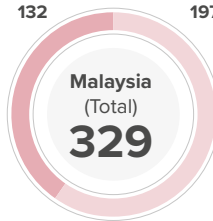


Department Head/Supervisor

BY AGE GROUP

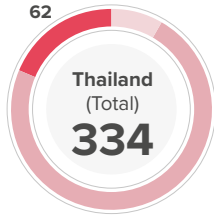
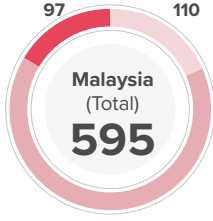


BY GENDER GROUP

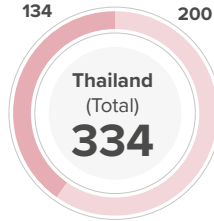
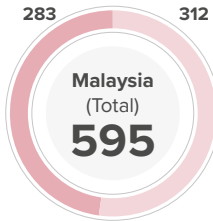


Senior Officer

BY AGE GROUP

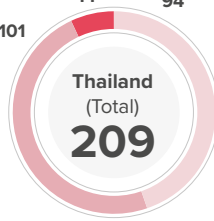
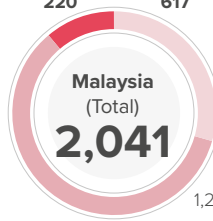


BY GENDER GROUP

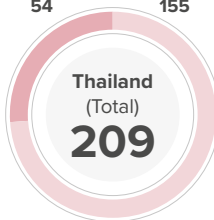
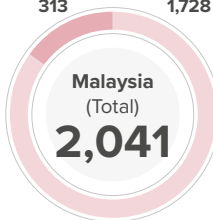


Officer

BY AGE GROUP



BY GENDER GROUP



EMPLOYEE SAFETY, HEALTH AND WELLBEING

GRI 3-3, GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7, 403-8, GRI 403-9, GRI 403-10

Prioritising employee health is fundamental to building a sustainable and resilient organisation. At F&NHB, we have successfully cultivated a culture of proactive safety and behavioural change—eliminating unsafe practices and encouraging employees to take ownership of their own wellbeing and that of their colleagues. We believe that teamwork is essential in achieving our goal of zero LTIFR.

Workplace health and safety are deeply embedded in our daily operations. We enforce stringent protocols to protect the physical safety of our on-site employees, while also promoting initiatives that support mental wellbeing. To reinforce our safety-first culture, the achievement of zero LTIFR has been established as a shared sustainability KPI for all executives since 2020.

OUR COMMITMENT



Reduce the LTIFR to 0.

2025 Results

Unmet but demonstrated progress over baseline

- Our LTIFR stood dropped from 1.97 in 2020 to 0.33, through proactive safety measures.

MANAGEMENT APPROACH

Ensuring the safety of our employees and contractors remains one of F&NHB's highest priorities. We conduct a wide range of targeted safety training programmes to ensure full alignment with our safety protocols. Through these efforts, all our workforce, including contractors, receives role-specific safety training tailored to their responsibilities, reinforcing a culture of accountability and operational excellence.

Creating A Safety Culture

F&NHB is firmly committed to upholding international and national labour standards, strictly adhering to the ILO guidelines, Thailand's Labour Protection Act, and Malaysia's Employment (Amendment) Act 2022. These principles are embedded within our policies, reinforcing our dedication to cultivating a strong safety culture across all operations.

This commitment forms the foundation of our ESH management system, which is designed to continuously enhance performance through clearly defined objectives, measurable targets, and ongoing monitoring of key indicators. The system encompasses all personnel and activities, supported by comprehensive training and appropriate safety equipment.

Safety is integral to our operational excellence. Our primary facilities comply with global standards such as ISO 45001 for Occupational Health and Safety (OH&S), and our safety practices consistently exceed national regulatory requirements. Each facility is supported by a Safety Committee comprising both management and employee representatives. Additionally, we have established Safety and Health Committees at our corporate and regional sales offices to oversee the implementation of safety systems and programmes. All employees are represented in these committees, ensuring that worker input is actively integrated into OH&S decision-making processes.

The responsibilities of the committee include:



EMPLOYEE SAFETY, HEALTH AND WELLBEING

At F&NHB, the safety of our employees and contractors is a top priority. In the event of any health or safety incident, our trained Emergency Response Teams (ERT) are equipped to respond swiftly and effectively.

Oversight of our health and safety strategy is led by the Board, which reviews and evaluates related policies, procedures, and performance against established targets. The Board SRMC regularly discusses health and safety matters and provides quarterly updates to the Board, ensuring transparency and accountability.

This structured governance framework reinforces our commitment to maintaining a safe and healthy workplace across all levels of the organisation.

OUR PROGRESS

Employee Safety Training and Awareness

Our safety training remained effective with over 1,200 attendees in over 9,000 hours of safety training in Malaysia and Thailand, respectively. Topics covered in FY2025 included:



Safety at Workplace

• Safety Gas Handling

• Chemicals Exposure Handling

• Safety in Confined Space

• Working at Heights

• Safe Working Tools

• Forklift Training

• Radiation Safety

• PPE Training



SHE Awareness



Fire Safety & ERT



Occupational Disease & Syndrome



First Aid and Life Basic Support

(Including Cardiopulmonary Resuscitation and Automated External Defibrillator)



Waste Management

Conducive Working Environment

At F&NHB, safeguarding the health and wellbeing of our workforce is a core priority. We are committed to fostering a safe and supportive work environment, and when necessary, we collaborate with accredited consultants to uphold the highest standards of occupational health and safety.

Our Health Risk Assessment Committee—comprising trained professionals—conducts continuous evaluations of our facilities to identify and mitigate health risks related to air quality, lighting, temperature and noise levels. As part of this, we have implemented routine noise monitoring protocols to ensure compliance with recommended exposure limits.

For employees working in high-noise environments, we provide appropriate hearing protection and conduct regular audiometric testing to monitor potential hearing impairments. Where issues are detected, follow-up consultations with medical professionals are arranged to ensure timely intervention and care.

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

To further support employee wellbeing, we facilitate annual health screenings for all staff. In cases of work-related illness, follow-up consultations with healthcare providers are arranged to ensure proper treatment. Importantly, all medical records are managed confidentially by clinics or specialists, with no copies retained by F&NHB—safeguarding employee privacy. In 2025, we continued to provide complimentary influenza vaccination to more than 1,600 employees across Malaysia and Thailand.

F&NHB is committed to keeping employees well-informed on health and safety matters through monthly training sessions and newsletters that highlight potential hazards and unsafe behaviours. Employees are actively encouraged to report any health and safety concerns, either to their designated safety representative or supervisor, or via a formal reporting channel monitored by our safety committees. To ensure accessibility and confidentiality, an anonymous reporting option is also available, reinforcing our culture of transparency and shared responsibility.

EMPLOYEE SAFETY, HEALTH AND WELLBEING

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

GRI 403-9 (2018)	Employee	Non-employee
Work-related injuries	<div><div>• 3 work-related injuries</div><div>• 0 high-consequence work-related injury</div><div>• 0 work-related fatality</div></div>	<div><div>• 0 work-related injuries</div><div>• 0 high-consequence work-related injury</div><div>• 0 work-related fatality</div></div>
GRI 403-10 (2018)	Employee	Non-employee
Work-related ill health	<div><div>• 0 work-related illness</div></div>	<div><div>• 0 work-related illness</div></div>

Over 180 employees trained on health and safety standards.



DELIVERING STEWARDSHIP... FOR GREENER TOMORROW

Sustainability begins with responsibility. At F&N, we are deeply committed to protecting the planet we all share.

Every step we take is driven by our purpose to preserve the environment, from school recycling programmes that build eco awareness to solar roof installations, to rPET bottle innovations, and water conservation efforts in Bung Jagoi.

Our use of RSPO-certified palm oil, focus on solid waste reduction and strengthened climate-related disclosures demonstrate our determination to lead in environmental stewardship. Together, these initiatives bring us closer to securing a cleaner, greener and more sustainable future for all.



Better Planet

At F&NHB, 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

- Climate Change
- Energy
- Water Stewardship
- Waste Management

VALUE CHAIN IMPACTS

- Packaging
- Biodiversity

Contribution to SDGs

Primary



Secondary



Conclusion of 2025 Sustainability Targets & Focus Areas

Climate Change

Reduce the Group's GHG emissions intensity ratio at our plants (from a 2020 baseline) by 8% by 2025



The Group's GHG emissions intensity ratio at our plants improved by 8% from the 2020 baseline, due to the strategic investment in solar roof systems across facilities in Malaysia and Thailand.

Energy

Reduce the Group's energy intensity ratio at our plants (from a 2020 baseline) by 8% by 2025



We recorded a 1.8% increase in energy intensity ratio at our plants compared to the 2020 baseline, primarily due to the strategic expansion of our Malaysia facilities and the establishment of a new plant in Thailand, replacing the former Pak Chong plant.

However, excluding these expansion projects between 2020 and 2025, our Malaysia operations achieved an 8% reduction in energy intensity ratio compared to the baseline.

Water Stewardship

Reduce the Group's water intensity ratio at our plants (from a 2020 baseline) by 8% by 2025



Our water intensity ratio at our plants improved by 0.4% compared to the 2020 baseline.

Performance was impacted by the strategic expansion of our Malaysia facilities and the establishment of a new plant in Thailand, which replaced the former Pak Chong plant. However, excluding these expansion projects undertaken between 2020 and 2025, our Malaysia operations achieved an 8% reduction in water intensity ratio compared to the baseline year.

Waste Management

Reduce the solid waste sent to landfill (from a 2020 baseline) by 30% by 2025



We achieved a 95% reduction in solid waste sent to landfill compared to the 2020 baseline — a significant milestone in our waste management journey.

Packaging

25% of beverage and dairy packaging to contain recycled materials by 2025



Our beverage and dairy packaging contain 29% recycled content.



Better Planet

Operational Eco-efficiency

F&NHB recognises the environmental impact of our operations, including energy consumption, water usage and resource utilisation. We are dedicated to reducing these effects by continuously seeking improvements in our manufacturing processes, prioritising eco-efficiency at every stage. Through innovative approaches and strategic resource management, we aim not only to lessen our environmental footprint but also to align our operations with sustainable practices, fostering a harmonious and sustainable relationship with the planet.

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

Climate Change

Energy

Water Stewardship

Waste Management



Environment, Safety and 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, to management of waste.

We undertake Environmental Impact Assessments (EIA) 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 EMS.

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.

CLIMATE CHANGE

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

IFRS S1 21, IFRS S2 10, IFRS S2 13, IFRS S2 14, IFRS S2 16, IFRS S2 22, IFRS S2 25, IFRS S2 29, IFRS S2 33, IFRS S2 36, IFRS S2 FB-FR-110b.1, IFRS S2 FB-FR-110a.1

The GHG emissions from our business activities contribute to climate change, which impact us in multiple ways. Climate change poses challenges to our production processes, such as fluctuations in raw material prices and the potential for water access disruptions, affecting our operational resilience and sustainability. However, it also presents opportunities, including cost savings and the ability to meet consumer expectations.

OUR COMMITMENT



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

The GHG emission intensity target was calculated using gross GHG emissions and was not derived using a sectoral decarbonisation approach. The Group does not plan to purchase carbon credits to achieve its targets at the current juncture.

2025 Results

Achieved

The Group's GHG emissions intensity ratio at our plants improved by 8% from the 2020 baseline, due to the strategic investment in solar rooftop systems across facilities in Malaysia and Thailand.



MANAGEMENT APPROACH

Strategy

Climate change poses ongoing challenges for F&NHB as transitioning to a low-carbon economy and evolving climate patterns intensify risks. However, these challenges also provide opportunities for cost savings and improved alignment with customers' expectations. By understanding its material climate-related risks and their financial impacts, F&NHB is dedicated to strengthening its climate resilience through strategic adaptation and mitigation measures.

F&NHB will remain committed to reduce GHG emissions by adopting renewable energy and implementing energy efficiency initiatives. Through these proactive measures, F&NHB aims not only to mitigate risks but also to capitalise on the growing demand for sustainable business practices.

Identification of Climate-related Risks and Opportunities

Since 2023, we have deepened our understanding of key climate-related risks and opportunities by evaluating the potential financial impacts through a forward-looking lens. Building upon the qualitative assessment conducted in 2022, F&N advanced its approach by undertaking a group-wide scenario analysis in 2023 and 2024 to quantify the anticipated financial implications of the most significant climate-related drivers.



Physical risks
(water scarcity
and flooding)



Transition risks
(carbon pricing) and
opportunities (cost
savings through low-
carbon technologies)



CLIMATE CHANGE

As carbon pricing regimes gain momentum in Malaysia and Thailand, our assets are increasingly exposed to higher operating costs. While this poses a financial risk, it also presents a strategic opportunity to accelerate our transition towards low-carbon energy sources. In response, we have steadily increased our investments in solar energy infrastructure across our operations, reinforcing our commitment to sustainable and resilient energy solutions.

Our scenario analysis evaluates various global temperature trajectories, offering forward-looking insights into how climate-related risks and opportunities may affect our business. These insights are informed by climate research, estimates, projections, and assumptions applied across selected climate scenarios and time horizons.

The outcomes of these quantitative assessments will support the Group in refining its business strategy to enhance resilience against climate-related risks, while capitalising on emerging opportunities. By considering a range of potential impacts, the Group seeks to strengthen its management of key climate-related risks and embed effective climate initiatives within F&N’s existing Energy and Climate strategy.

Assessing Climate-related Risks and Opportunities using Scenario Analysis

Our scenario analysis covered 13 sites including Malaysia and Thailand. Two sets of climate scenarios were used to assess the possible business impacts from climate-related risks and opportunities.

For transition risks and opportunities, the climate scenarios used in the quantitative modelling were referenced from the International Energy Agency’s (IEA) World Energy Outlook (WEO) 2023 Report. These selected scenarios for transition risks and opportunities assessment were aligned with the recommendations of TCFD, to minimally consider a scenario that limits the global temperature rise to 2°C above 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.

For physical risks, the impacts on F&N’s businesses were modelled using climate scenarios from the latest Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6). The IPCC’s AR6 explores the projected climate response to five emissions scenarios based on Shared Socio-economic Pathways (SSP).

The use of SSP1-2.6 scenario signifies alignment with the upper boundaries of the combined Paris Agreement pledges from all the participating countries. The High Carbon Emission Pathway, SSP 5–8.5, assumes no additional climate policies would be enacted. This scenario was included to stress test the climate resilience of business which could potentially be challenged by the severe outcomes arising from the climate-related 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 ¹²	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:

12. 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.

CLIMATE CHANGE

For each climate-related risk and opportunity, F&N has identified the time horizons the risk or opportunity are reasonably expected to occur. This is in line with the timeframes used for business and financial planning. These timeframes are defined as short term (1-3 years), medium term (3-10 years) and long term (> 10 years).

We selected 2030 and 2050 as scenario time horizons to align with our climate targets in the countries where we operate. This enables a forward-looking assessment of how identified climate-related risks and opportunities may impact our business over time. The 2030 horizon also reflects alignment with our parent company, ThaiBev’s PASSION 2030 roadmap, which outlines strategic goals for the Group’s next phase of sustainable growth.

► 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’

Climate-Related Transition Risks and Opportunities

F&N has progressively enhanced its understanding of climate-related transition risks and opportunities. In 2022, material climate-related risks and opportunities were identified through cross-functional stakeholder engagement across its F&B divisions. F&NHB had assessed the material transition risks and opportunities with reference to the four categories recommended by TCFD (policy and legal, technology, market and reputation). Building on this understanding, F&N conducted quantitative scenario analysis in the following two years to assess the financial impact of its most material transition risk (carbon pricing), and its most material opportunity (savings from low-carbon technologies).

	RISK	OPPORTUNITY
	CARBON PRICING	LOW CARBON TECHNOLOGIES
Description	<p>There is a risk of higher operating costs due to the introduction of carbon pricing regulations as well as higher carbon prices.</p> <p>Carbon pricing mechanisms are expected to be introduced in selected sectors in Malaysia and Thailand in the near term.</p>	<p>There are opportunities for cost savings and emissions reduction through the adoption of low-carbon technologies specifically renewable electricity across all countries where F&N operates in.</p> <p>According to IEA’s projections, the cost of renewable electricity is expected to become increasingly competitive compared to grid electricity, which is partially powered by fossil fuels. This shift could potentially reduce F&N’s operating costs while enhancing long-term financial resilience.</p>
Business implications	The Group’s business model is exposed to rising carbon-related expenses, particularly in production and logistics. These cost pressures may influence sourcing decisions, pricing strategies, and capital allocation.	<p>F&N has made and is anticipated to make capital allocation decisions to adopt low carbon technologies such as investments in self-owned solar installations.</p> <p>To encourage decarbonisation across the value chain, F&N may adopt a shift in its procurement strategy and engage with suppliers that source more energy from renewable sources.</p>

CLIMATE CHANGE

RISK		OPPORTUNITY	
CARBON PRICING		LOW CARBON TECHNOLOGIES	
Financial effects ¹³	The carbon pricing developments represent transition risks that could progressively increase operating costs and impact financial performance over the short to medium term, considering F&N has energy-intensive operations in geographies where the Group has manufacturing facilities.	While the investment in solar installations will increase capital expenditure in the short to medium term, it is expected to generate financial and environmental benefits over the longer term.	
	Based on the previous scenario analysis updated in FY2024, carbon pricing will potentially reduce profit by 2%.	As at year-end, the Group's investment in solar PV installations increased to RM48 million (2024: RM26 million).	
	Group's annual profit in the short to medium-term (by 2030) under the Business-As-Usual scenario. These financial effects will be reassessed in the next review, incorporating more updated coverage, climate data, national-level variables, as well as other data and parameters.	In the current financial year, 14% of the Group's electricity consumption is sourced from solar renewable energy, generating estimated cost savings of RM8 million.	
	At present, there is no indication of a significant risk of material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the Group's related financial statements.	Based on the previous scenario analysis performed in FY2024, cost savings from using solar energy will potentially increase profit by up to 5% of the Group's annual profit in the short to medium term (by 2030) under the Business-As-Usual scenario. The anticipated financial effects will be reassessed in the next review, incorporating more updated inputs and parameters.	
Inputs and parameters	Using F&N's historical Scope 1 and 2 GHG emissions to project future GHG emissions, with inputs which include IEA's carbon pricing forecasts.	Using F&N's anticipated electricity consumption, with inputs from IEA's projections of power generation mix, levelised cost of electricity for solar energy and Network for Greening the Financial System (NGFS)'s grid electricity prices, with adjustments made where necessary.	
Management Response	<div>Direct efforts</div> <p>In the short term, F&N will closely monitor developments in carbon pricing across key jurisdictions where it operates, as these may affect future operating costs and financial planning.</p> <p>To mitigate potential cost increases and strengthen long-term financial resilience, most sites have invested in on-site solar energy and will continue expanding renewable energy infrastructure where feasible.</p> <p>These investments, along with energy efficiency initiatives are expected to reduce energy-related operating costs over time and support more sustainable capital deployment.</p> <div>Indirect efforts</div> <p>We are integrating sustainability criteria into supplier selection and planning to collaborate with suppliers to improve transparency in carbon emissions reporting. These efforts aim to enhance our ability to measure and manage emissions across the value chain.</p>	<div>Direct efforts</div> <p>F&N has invested, and plans to continue investing, in rooftop solar systems across most of its manufacturing sites. These capital investments in low-carbon technologies are expected to support long-term cost efficiency by reducing reliance on grid electricity.</p> <p>Additionally, F&N is considering exploring alternative renewable energy procurement options such as direct power purchase agreements (PPAs) that deliver actual reductions in greenhouse gas emissions. These initiatives are anticipated to reduce future operating costs as PPAs may be cheaper than grid electricity, hence contributing positively to the Group's financial performance and climate targets.</p> <div>Indirect efforts</div> <p>F&N is actively exploring opportunities to leverage low-carbon technologies to support our transition to a more sustainable operating model. This includes engaging suppliers to co-develop explore lower-emission solutions which allows for a mutually beneficial outcome for both parties. These initiatives not only contribute to emissions reduction but also position us to benefit from emerging innovations in clean technology.</p>	

NOTE:

13. Where applicable, the data and assumptions in assessing the financial effects are consistent with the data and assumptions used in preparing the financial statements.

CLIMATE CHANGE

RISK	OPPORTUNITY
CARBON PRICING	LOW CARBON TECHNOLOGIES
<p>Business implications to management response</p>	<p>The above efforts would inform our financial planning and resource allocation, prioritising investments that improve energy efficiency and reduce energy usage.</p> <p>The above efforts would inform our financial planning and resource allocation, prioritising investments that improve energy efficiency and reduce energy usage.</p>
<p>Resources allocated for management response</p>	<p>The capital expenditure planned for the current and short-term reporting periods has been integrated into F&N's financial planning processes. These investments will be funded through operating cash flows and, where applicable, supported by government-related incentives or budget allocations earmarked within operating cash flow forecasts.</p>
<p>Progress of management response</p>	<p>In FY2024, we introduced an internal carbon pricing mechanism to attribute a monetary value to carbon emissions. This initiative encourages more resource-efficient and sustainable decision-making, aligning with our commitment to a low-carbon future.</p> <p>In FY2025, the policy was successfully implemented for major capital expenditure decisions. A carbon price of SGD 35 per metric tonne of CO₂e is now factored into the evaluation of new major investments.</p> <p>Any capital expenditure exceeding SGD200,000 will include carbon pricing in its capital expenditure requisition process. Examples of such investments include new manufacturing lines.</p>

Climate Resilience to Transition Risks

To manage the short-term financial impacts of carbon pricing, F&N is actively monitoring climate-related regulations, particularly carbon tax developments in key jurisdictions where the Group operates. In addition to installing solar panels at selected sites, F&N has conducted a comprehensive assessment of decarbonisation options across its business divisions. These actions are aimed at mitigating cost increases associated with carbon taxes and improving long-term operational efficiency.

F&N had successfully integrated internal carbon pricing into its investment decisions and strategic planning processes, ensuring climate-related costs are factored into financial evaluations. These efforts are expected to support more informed decision-making and enhance the Group's resilience in a transitioning economy.

We are in the process of developing a climate transition plan aimed at reducing GHG emissions and supporting the Group's progress towards achieving its emission reduction targets.

CLIMATE CHANGE

Climate-related Physical Risks

Climate change poses physical risks that can be either acute, such as extreme weather events or chronic, involving long-term shifts in climate patterns. A site’s level of vulnerability and exposure to these risks is influenced by factors like its geographic location, infrastructure, and surrounding environmental conditions. Proactive adaptation strategies by F&N and/or local authorities can strengthen climate resilience. However, as climate change continues to drive more frequent, intense, and prolonged extreme weather events in the coming decades, the resulting impacts may surpass current or planned resilience measures, presenting potential future risks.

F&N used scenario analysis to assess the anticipated effects of its most material physical risks, e.g water-related hazards such as, water scarcity and flooding. F&N has assessed 13 sites including Malaysia and Thailand for potential risks from coastal, river, and extreme rainfall flooding. These locations were selected based on their strategic importance to the Group’s operations, offering a representative view of the potential financial impacts of climate-related hazards. The assessment process was validated through collaboration with key internal stakeholders across corporate, business, and operational teams.

RISK		
	WATER SCARCITY (CHRONIC)	FLOODING (ACUTE)
Description	<p>There is an increased risk of water scarcity due to rising global temperatures and shifting climate patterns.</p> <p>As water availability is a critical input for F&N’s operations as a food and beverage company, reduced water availability could materially affect the Group’s production capacity and ability to meet consumer demand.</p>	<p>There is an increased risk of flooding due to rising sea levels and extreme rainfall, driven by climate change and increased occurrence and severity of extreme weather events.</p> <p>Flood could potentially cause significant crop losses, water contamination, damage to facilities and consequent business disruption.</p>
Business implications	<p>Water scarcity may constrain access to sufficient clean water, to sustain production levels. Addressing this risk requires investments in water efficiency, recycling and long-term water security measures.</p> <p>It is also expected to impact upstream suppliers of water-intensive raw materials, potentially causing shortages or delays in supplying raw materials. This may require F&N to diversify its supplier base and adjust operational planning.</p>	<p>Flooding poses a material risk to F&N’s business model and value chain, with potential shift in capital allocation towards facility repairs, alternative logistics and higher insurance costs.</p> <p>Flood may also damage suppliers’ facilities and disrupt transport routes, reinforcing the need for supplier diversification and greater resilience to supply chain and logistics.</p>
Financial effects	<p>Water scarcity is expected to increase operating costs through higher water tariffs and may reduce revenue and profitability due to potential business disruptions.</p> <p>In the current financial year, the Group did not experience any water scarcity event that impacted its financial results materially.</p> <p>In the short to medium-term (to 2030), the impact is expected to be minimal in the countries where F&N operates, as only two manufacturing sites in Thailand are in extremely high water stress regions.</p>	<p>In response to increasing flood risk, F&N has invested in protective infrastructure such as flood barriers and assets elevation, resulting in higher capital expenditure. The Group may also face additional capital or operating costs from asset damage and repairs in the event of a flood incident, which could affect cash flows.</p> <p>In the current financial year, the Group did not experience any major flood event that impacted its financial results.</p> <p>In December 2021, flash floods in Malaysia resulted in damages equivalent to 5% of the Group’s operating profits, including losses from inventories, property damage, repairs, and other related costs. These damages were mitigated by insurance claims.</p> <p>It is assessed that the potential impact from a recurrence of such flooding at the same site is low.</p>

CLIMATE CHANGE

RISK		
	WATER SCARCITY (CHRONIC)	FLOODING (ACUTE)
Inputs and parameters	Internal data, such as annual revenue and water usage were used with external data which included water stress data from the World Resources Institute (WRI), climate trend and academic research data.	Internal data, such as asset replacement value and annual revenue were mapped against flood projections (e.g. flood depth) from Fathom, coupled with assumptions based on research by EU Joint Research Centre.
Management Response	<div>Direct efforts</div> <p>F&N regularly reviews water-related risks at key operational sites using WRI, data to inform strategic decision-making.</p> <p>As part of its water stewardship efforts, the Group is optimising water circularity and efficiency to achieve its water intensity targets. These initiatives are expected to reduce long-term operating costs and mitigate risks associated with water scarcity.</p> <p>Where necessary, F&N will expand water storage systems, representing targeted capital investments aimed at strengthening operational resilience and safeguarding production continuity.</p>	<div>Direct efforts</div> <p>To mitigate the financial impacts of flooding, F&N is strengthening key operational sites with physical infrastructure such as flood barriers, elevated equipment installations, pumps, and drainage systems, supported by administrative controls including emergency response plans.</p> <div>Indirect efforts</div> <p>F&N is also considering the assessment of flood risk across its key suppliers and focus on those that are at higher risk and how they plan to reduce their vulnerability and exposure.</p>
Business implications to management response	The above insights would guide F&N to reallocate resources towards suppliers that demonstrate stronger water efficiency and resilience.	The above efforts would guide F&N to prioritise resources towards suppliers that implement initiatives that strengthen business continuity and minimise flood-related disruptions.
Resources allocated for management response	The capital expenditure planned for the current and short-term reporting periods has been integrated into F&N’s financial planning processes. These investments will be funded through operating cash flows and, where applicable, supported by government-related incentives or budget allocations earmarked within operating cash flow forecasts.	
Progress of management response	<p>In FY2024, F&N implemented a robust water recycling system at key manufacturing sites and optimised its water usage in water-intensive manufacturing processes.</p> <p>In FY2025, F&N continued to expand water saving initiatives to other key manufacturing plants.</p>	<p>In FY2024, F&N carried out comprehensive flood surveys at two key manufacturing sites in Malaysia and Thailand to assess their risk exposure and adequacy of mitigation plans.</p> <p>In FY2025, similar site surveys were extended to two additional manufacturing sites in Malaysia. Ongoing efforts are made to reinforce the resilience of key manufacturing sites that are inherently at risk.</p>

CLIMATE CHANGE

Climate Resilience to Physical Risks

F&N has implemented a range of response measures to strengthen its resilience against flooding risk in the short and medium term, as summarised on pages 98 to 99 of this report. The results from the Group’s quantitative flood risk assessment will be incorporated into future investment decisions and strategic planning processes.

Assumptions and Areas of Uncertainty in Climate Resilience Assessment

The table below outlines the key assumptions applied in our climate-scenario analysis:

AREAS	KEY ASSUMPTIONS
Climate-related policies	The study has considered climate-related policies in key jurisdictions in which F&N operates (e.g. Malaysia and Thailand).
Macroeconomic trends	<p>The study has considered the trends in population growth, demographics, economic development, local weather, and infrastructure—factors that directly affect our assessment of operational exposure to climate-related events in the different climate scenarios.</p> <p>While the study provides valuable insights, long-term climate projections remain uncertain due to the complex interactions between climate systems and socio-ecological factors.</p>
National - or regional-level variables	<p>The inputs used to estimate the potential impacts from the scenario analysis include but are not limited to the following sources:</p> <ul style="list-style-type: none">IEA World Energy Outlook 2023IPCC AR6WRI Aqueduct 4.0
Energy usage and mix	The study has considered projections by IEA on the renewable energy generation, the use of solar energy in total power generation mix.
Developments in technology	Due to the uncertainty in predicting the development in technologies, the study assumes that these factors remain constant.

Climate-Related Risk Management

As part of the Group’s risk management, F&NHB has embedded climate-related risks and opportunities into its overall ERM framework by identifying, assessing and managing them across all Business Units. The material climate-related risks and opportunities are identified, and their impacts assessed across different climate-related scenarios, using inputs from a wide range of sources. The F&NHB ERM framework also guides the Group in prioritising and managing its strategic and operational risks, in relation to the Group’s strategic objectives, within the acceptable risk appetite and tolerance levels.

Each business unit at F&NHB will identify, assess, prioritise and monitor its climate and other organisational risks and opportunities through a risk register using a risk matrix to evaluate the likelihood and potential impact of each risk and opportunity, considering both qualitative and quantitative factors. Respective management teams and committees regularly review and monitor the top organisational risks and opportunities with material impact, as well as the progress of implementing measures. There is no significant change to the process used to identify, assess, prioritise and monitor climate-related risks and opportunities, compared with the previous reporting period.

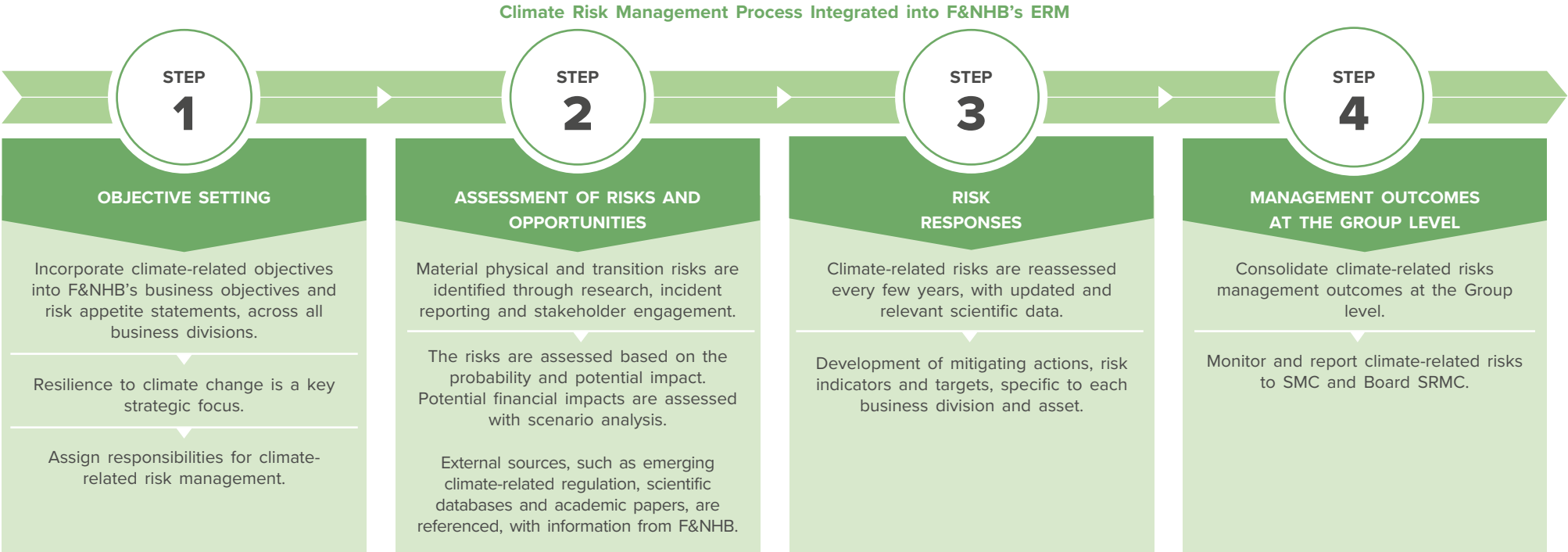
F&NHB integrates sustainability-related strategic initiatives and associated resources into its annual business planning and budgeting process to effectively manage its anticipated risk exposure and maximise its opportunities.

As continuous engagement and communication is integral to effective risk management, internal stakeholder discussion sessions were conducted to support scenario analysis for the climate-related issues. Key Heads of Departments from corporate, business and operational functions across F&NHB’s business divisions – collaborated in evaluating material climate-related physical and transition risks, as well as opportunities. Input data, quantification methodology, projected impact and disclosures related to climate risks were validated by these internal stakeholders.

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



CLIMATE CHANGE



Climate-related Metrics and Targets

As part of our broader climate strategy, in alignment with the commitments of our parent company, ThaiBev, we have established measurable emissions reduction.

These targets reflect the Paris Agreement’s goal of limiting global temperature rise to between 1.5°C and 2°C above pre-industrial levels and are integrated into our strategic planning and performance monitoring processes to drive long-term value creation and enhance climate resilience.

This emissions reduction target also responds directly to identified transition risks, including the potential implementation of carbon pricing mechanisms and tightening regulatory standards in key operating markets such as Malaysia and Thailand. By proactively reducing emissions through improved energy use and technology upgrades, where applicable, we aim to mitigate future cost exposure and drive operational efficiencies.

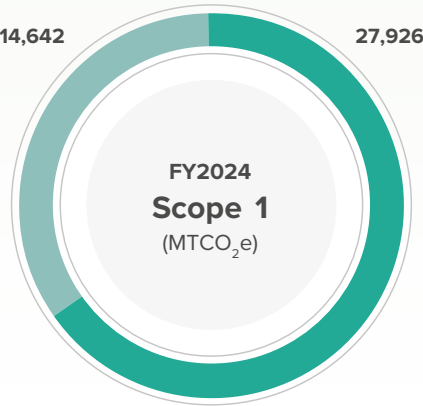
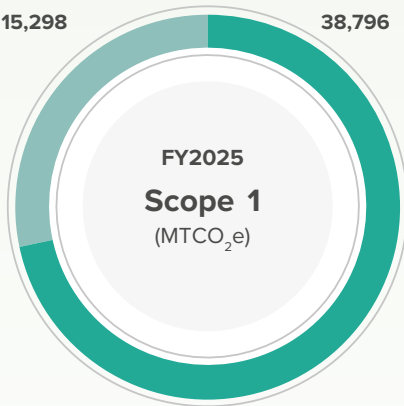
We use an internal carbon price to quantify the financial impact of carbon emissions in our investments. This helps to guide our operations to consider greener ways to reduce emissions, where applicable, to support our GHG emission reduction targets. Factoring future carbon costs would support our decarbonisation plans as well as help us to mitigate its financial impact, thereby managing this climate-related risks as part of our risk management strategy. Our targets and methodologies have not yet undergone third-party evaluation unless otherwise stated.



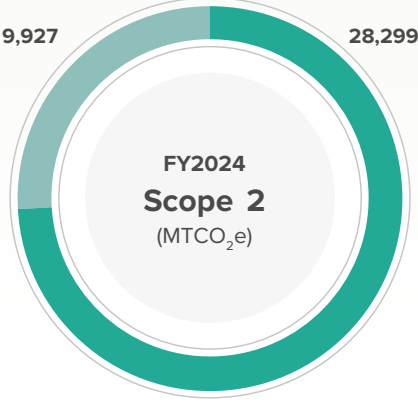
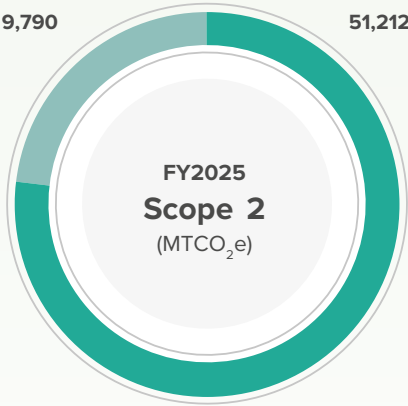
CLIMATE CHANGE

PERFORMANCE¹⁴⁻²⁴

GRI 305-1:
Direct (Scope 1) GHG emissions
(in MTCO₂e)

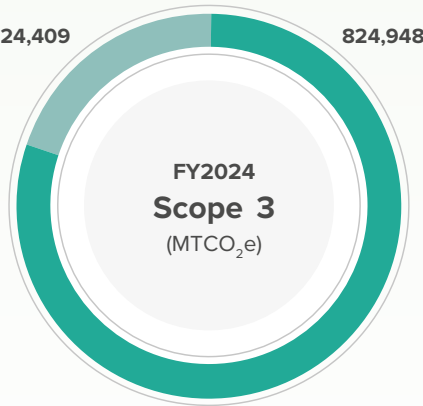
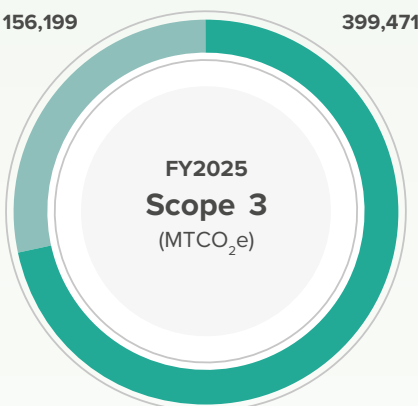


GRI 305-2:
Energy indirect (Scope 2) GHG emissions
(in MTCO₂e)



● Malaysia ● Thailand

GRI 305-3
Other indirect (Scope 3) GHG emissions
(in MTCO₂e)



NOTES:

14. CO₂e emissions estimated based on the conversion factors from 2006 IPCC Guidelines for National Greenhouse Gas Inventories and Institute for Global Environmental Strategies (IGES) List of Grid Emission Factors v10.12 and using the location-based method.

15. Only CO₂ is included in the calculation of the Direct (Scope 1) GHG emissions and Energy indirect (Scope 2) GHG emissions.

16. There is no biogenic CO₂ emissions generated from the combustion of biomass.

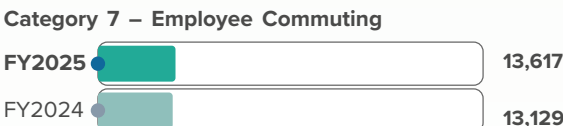
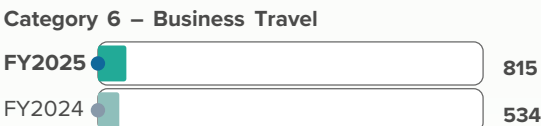
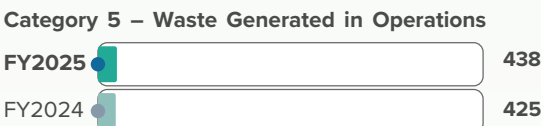
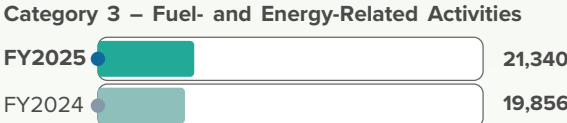
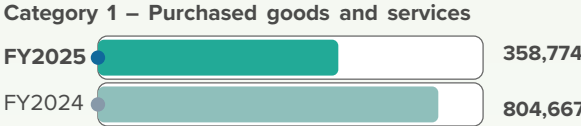
17. The Global Warming Potential (GWP) value for a time horizon of 100 years based on the IPCC Fifth Assessment Report: Working Group I Report “Climate Change 2013: The Physical Science Basis” (chapter 8) is used in the calculation.

18. Operational control method is used for the consolidation approach of emissions.

19. GHG emissions intensity ratio is calculated based on the total amount of CO₂e generated (in metric tonne, MT) per metric tonne of product (MT).

CLIMATE CHANGE

Malaysia



NOTES:

^{^^} New reporting scope since 2025

20. Direct (scope 1) and energy indirect (scope 2) is included in the GHG emissions intensity ratio.

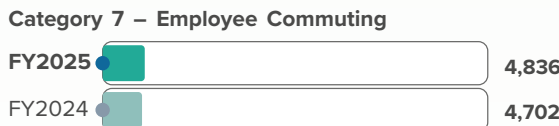
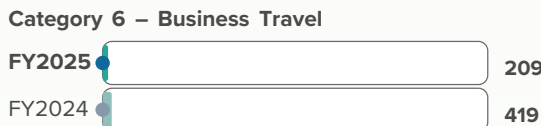
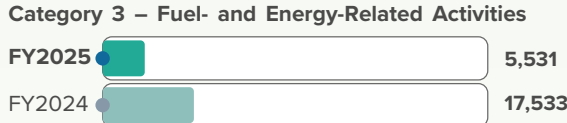
21. Only CO₂ is included in the calculation of the GHG emissions intensity ratio.

22. 2025 data expanded to include additional sites – four sites in Rawang and one site in Kota Kinabalu Industrial Park.

23. We do not disaggregate the emission between the consolidated accounting group and other investees as the parent and its consolidated subsidiaries contribute to Scope 1 and 2 GHG emissions.

24. Scope 2 GHG emissions are computed using location-based method and currently F&N has no plan to purchase any contractual instruments such as Renewable Energy Certificates (RECs) to offset or reduce its Scope 2 GHG emissions.

Thailand



GRI 305-4
GHG emissions intensity (MTCO₂e/MT)

Total GHG emissions intensity ratio

Malaysia



Thailand





ENERGY

GRI 3-3, GRI 302-1, GRI 302-3

IFRS S2 29, IFRS S2 33, IFRS S2 34, IFRS S2 35, IFRS S2 36, IFRS S2 FB-FR-110a.1, IFRS S2 FB-FR-130a.1, IFRS S2 FB-NB-110a.1, IFRS S2 FB-PF-130a.1




We are committed to reducing energy and GHG emissions intensity at our facilities to meet our 2025 sustainability goals. Our approach includes implementing energy-efficient technologies, optimising manufacturing processes, and investing in renewable energy sources to achieve a lower carbon footprint. By monitoring and reporting emissions data, we ensure transparency and accountability while setting targets for continuous improvement.

Our efforts span the entire value chain, from manufacturing to end-use and disposal, utilising life-cycle analysis to assess and minimise environmental impact. Collaboration with suppliers, partners, and industry experts is crucial in advancing resource efficiency and sustainable practices, helping us not only meet but aim to exceed regulatory standards, thereby reinforcing our dedication to environmental stewardship and sustainable development.

As part of our strategic expansion, we have introduced dairy farms into our operations. While this is a step towards expanding our nutritious offering, it is expected to increase emissions. This integration of dairy farms, which began part-way through FY2025, is still in progress. Consequently, the emissions data from these farms will only be reported from FY2026 onwards. While the introduction of dairy farming presents challenges in terms of emissions, it also offers the opportunity to incorporate sustainable farming practices from the outset. We are committed to implementing best practices and technologies to mitigate the impact on our overall emissions profile. Moving forward, we will continue to assess the environmental impact through rigorous monitoring and adaptation of strategies to align with our sustainability objectives.

OUR COMMITMENT



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

2025 Results

Unmet 

We recorded a 1.8% increase in energy intensity ratio at our plants compared to the 2020 baseline, primarily due to the strategic expansion of our Malaysia facilities and the establishment of a new plant in Wang Muang replacing the former Pak Chong plant.

However, excluding these expansion projects between 2020 and 2025, our Malaysia operations achieved an 8% reduction in energy intensity ratio compared to the baseline.

MANAGEMENT APPROACH

F&NHB is dedicated to efficient energy management across our operations and entire value chain, guided by our Energy & Climate Change Management Policy. Our operations utilise energy across multiple stages, beginning with manufacturing, where our facilities rely on significant electricity to power machinery and optimise production processes. In storage, energy is used for climate control systems to maintain product quality and integrity, ensuring goods are preserved under optimal conditions. Transportation also consumes energy, with fuel usage for the distribution of products via our delivery vehicles, emphasising efficient logistics to minimise energy expenditure. To support environmental responsibility, we actively collaborate with suppliers and service providers, ensuring their commitment to sustainable practices aligns with our objectives, reinforcing our pledge to reduce energy consumption and promote sustainable development across all aspects of our operations.

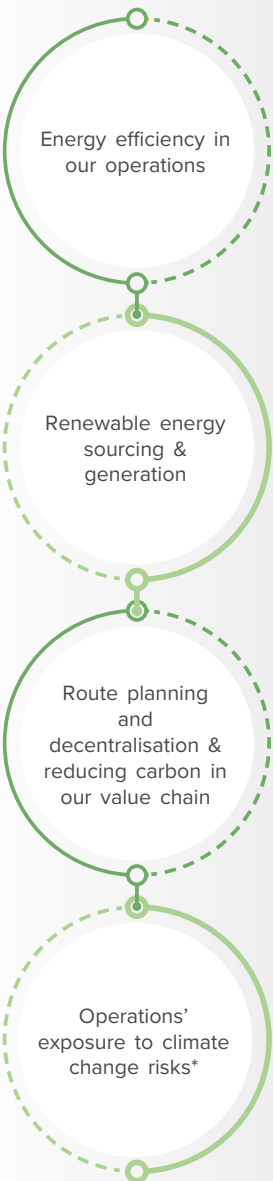
To continue and improve our decarbonisation journey, we have started a GHG decarbonisation roadmap for our newly integrated dairy farm with the objective to establish a verified GHG baseline and identify emission reduction levers for Scope 1 and 2 among these sites. The site-level data compilation is underway, and the roadmap will support our low-carbon dairy strategy.


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

- 1 Fulfill 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

Our Energy Strategy aligns with our parent company ThaiBev's energy and climate change strategy in four key areas:




 * Read more in Climate Change on pages 93 to 103.

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&NHB 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:

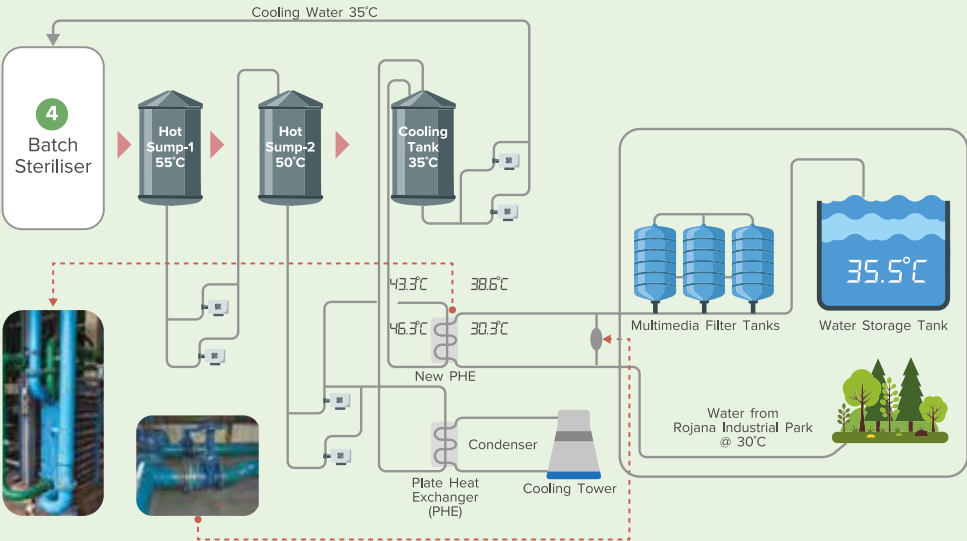
 Malaysia
All Plants
<ul style="list-style-type: none">45 forklifts were converted from Natural Gas Vehicle (NGV) to Electric Vehicle (EV) battery power, reducing GHG emissions by > 500 MTCO₂e per annum.
Pulau Indah Plant
<ul style="list-style-type: none">Condensate water from the cooker (100°C) is reused to preheat the preheater, saving 120 GJ/month of natural gas.The new tank farm ambient temperature was raised from 18°C to 23°C, and compressor operating hours reduced from 24 to 20 hours/day, saving > 420,000 MJ of electricity per year and reducing GHG emission of > 140 MTCO₂e per anum.Additionally, one production line was prioritised as the primary supply line while another production line was shut down during 8–10 hours of base state operation daily, saving 3.8 million MJ of natural gas and 80,000 MJ of electricity per annum.
Shah Alam Plant
<ul style="list-style-type: none">Two redundant glycol motors were decommissioned, saving 65,000 MJ of electricity per annum.Retort cooling tower optimisation allows only one tower to operate, saving 370,000 MJ of electricity per annum.Variable Frequency Drives (VFDs) were installed on chiller pumps reducing Variable Speed Drives (VSDs).

ENERGY

Thailand

At the Rojana plant, several initiatives were implemented to improve energy efficiency and optimise operations.

- A new Ultraviolet Germicidal Irradiation (UVGI) lid steriliser replaced the previous heat induction and conventional lid sterilisation processes, further reducing electricity consumption by almost 400,000 MJ per year.



- The plant also optimised the raw material transportation process by reducing forklift trips from 100 to 20 per day and cutting operation time from 23 to 8 hours per day, achieving additional electricity savings of > 160,000 MJ per year.
- The Phase 6 Heat Recovery project focused on enhancing the batch steriliser process, where raw water flows continuously at 60 m³ per hour and its temperature is raised from 30°C to 35°C before entering the steriliser. Cooling water temperature is reduced from 50°C to 46°C, allowing heat to be effectively recovered and reused, resulting in an estimated energy saving of over 7.5 million MJ per year.
- Collectively, these improvements have significantly enhanced energy efficiency, reduced operational costs, and strengthened sustainable practices at the plant.

Renewable Energy Sourcing & Generation

To reduce reliance on fossil fuels and lower our carbon footprint, F&NHB continues to expand the use of solar photovoltaic (PV) systems across its facilities in Malaysia and Thailand. Since commissioning our first 1 MWp solar PV system at the Rojana plant in 2020, we have progressively installed solar roofs at our Shah Alam, Pulau Indah, Bentong, Rawang and Wang Muang plants.

As of FY2025, eight Malaysian plants are powered by rooftop solar systems with a total capacity of 19.38 MWp, generating over 19 million kWh of renewable energy annually, which is equivalent to the carbon absorbed by about 88,000 trees. This milestone underscores our commitment to sustainable energy and supports our progress toward achieving our 2025 GHG reduction targets.

		YEAR OF OPERATIONALISATION	CAPACITY
Malaysia	Bentong Plant	2022 (Phase 1)	16.38 MWp
	Pulau Indah Plant	2022 (Phase 1)	
	Shah Alam Plant	2025 (Phase 2)	
	Rawang Plant	2025 (Phase 2)	
Thailand	Rojana Plant	2020	2 MWp
	Wang Muang Plant	2022	1 MWp

ENERGY

Route Planning

F&NHB has strategically decentralised its distribution network to effectively reduce GHG emissions, while aligning with the Total Supply Chain Management (TSCM) principles. This approach includes enhancements in logistics management, underscoring our commitment to sustainability.

A significant technological leap in our operations is the implementation of the Automated Storage and Retrieval System (ASRS). Now fully operational in Malaysia's integrated warehouses and our regional distribution centre in Thailand, this system automates processes to handle higher daily loads efficiently. It optimises forklift usage, cutting their use by up to 40%, which translates into substantial savings in time and energy while reducing trips down storage aisles.

An additional benefit of employing the ASRS is the elimination of reliance on external rented warehouses. This strategic transition has resulted in a 15% annual reduction in transportation costs, leading to significant savings in time and energy and decreasing greenhouse gas emissions by 1,400 MTCO₂e per year. The ASRS fosters continuous improvement through a series of integrated steps designed to optimise storage and retrieval processes, enhance operational efficiency, and support our sustainability objectives:



Impact Story

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

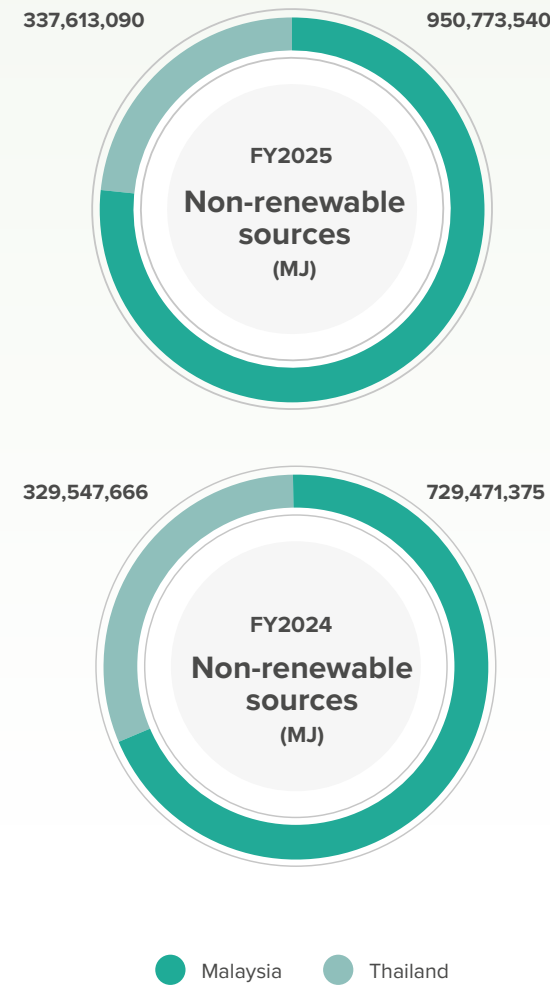
Our first product to receive low-carbon certification from the Thailand Greenhouse Gas Management Organisation (TGO) is the Carnation Extra Non-dairy Half Creamer for Cooking and Baking (385g). It boasts a carbon footprint of 295 kg CO₂, aligning with the standards of the Carbon Footprint Label Scheme. Building on this accomplishment, we are actively pursuing the certification of more products under TGO's Carbon Footprint Label Scheme. This initiative highlights our commitment to reducing environmental impact and offering low-carbon choices to our consumers.



ENERGY

PERFORMANCE²⁵⁻³⁰

GRI 302-1
Energy consumption within the organisation
(In MJ)



NOTES:
25. There is no electricity, heating, cooling and steam sold.
26. The data on natural gas and electricity consumption is collected through meter readings and converted to MJ through standard conversion values.
27. Energy intensity ratio is calculated based on the total amount of energy consumed (in MJ) per metric tonne of product (MT).

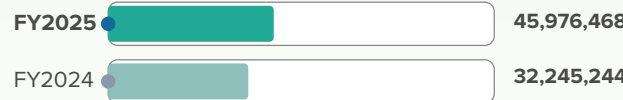
NON-RENEWABLE SOURCES

Malaysia

Natural Gas



Biodiesel



Liquified Petroleum Gas



Fuel Oil



Electricity



Thailand

Natural Gas



Biodiesel



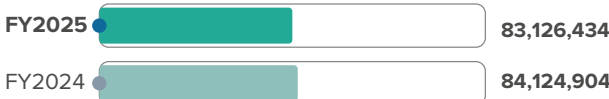
Liquified Petroleum Gas



Fuel Oil



Electricity

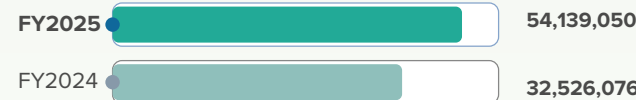


ENERGY

RENEWABLE SOURCES

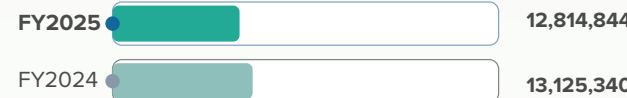
Malaysia

Solar



Thailand

Solar



NOTES:
28. Energy intensity ratio is for energy consumed within F&N only.
29. Natural Gas, Biodiesel, Liquefied Petroleum Gas, Solar, Fuel Oil and Electricity are included in the energy intensity ratio.
30. 2025 data expanded to include additional sites – four sites in Rawang and one site in Kota Kinabalu Industrial Park.



WATER STEWARDSHIP

GRI 3-3, GRI 301, GRI 302, GRI 303-3, GRI 303-4, GRI 303-5
IFRS S2 FB-PF-140a.3 IFRS S2 FB-NB-140a.1, IFRS S2 FB-PF-140a.1, IFRS S2 FB-PF-140a.2

Water is of paramount importance to F&NHB, serving as a vital component in both our product development and operational procedures. The prosperity of our business is reliant on a consistent supply of water and its diligent management as a precious resource. Through our climate change risk assessment, we have identified certain sites in Thailand and Malaysia that face moderate exposure to water stress, characterised by a situation where the demand for freshwater exceeds its availability. In light of the projected increase in flood severity and intensification of water stress, F&NHB is committed to prioritising responsible water stewardship. We manage our water resources judiciously to ensure the continuous provision of clean water to local communities within the regions of our operation.

OUR COMMITMENT



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

2025 Results

Unmet but demonstrated progress over baseline »

- Our water intensity ratio at our plants improved by 0.4% compared to the 2020 baseline.
- Performance was impacted by the strategic expansion of our Malaysia facilities and the establishment of a new plant in Thailand, which replaced the former Pak Chong plant.
- However, excluding these expansion projects undertaken between 2020 and 2025, our Malaysia operations achieved an 8% reduction in water intensity ratio compared to the baseline year.

MANAGEMENT APPROACH

Guided by our F&NHB ESH Policy and in alignment with circular economy principles, our water stewardship initiatives are centred on enhancing water security and reducing water consumption. We employ a range of assessments and water-related tools to identify and manage water-related risks and opportunities throughout our operations and supply chains. The insights gained from these evaluations shape our strategies and action plans at all production facilities.

Within our ERM processes, we utilise a variety of methods to monitor water-relate risks. These include, but are not exclusive to:

Last year, we conducted our inaugural climate change risk assessment with a third-party consultant, aimed to pinpoint sites with medium to high exposure to water stress and flooding. This year, we are further examining our material climate-related risks, including those related to water, by quantifying them in scenario analyses.

Utilise publicly available tools internally such as the WRI Aqueduct and World Wildlife Fund (WWF) Water Risk Filter to pinpoint sites with medium to high exposure to water stress and flooding.

We have established a robust system for the regular monitoring and measurement of water consumption and effluent quality on both a daily and monthly basis across all production facilities.

In FY2025, to our best knowledge there were no incidents of non-compliance with water quality or quantity permits, standards, and regulations.



WATER STEWARDSHIP

OUR PROGRESS

F&NHB engages in collaborative partnerships with relevant stakeholders to develop shared-value projects that effectively address water-related challenges. Driven by circular economy principles, we design water stewardship initiatives aimed at safeguarding water resources within our operations and supply chains, while also supporting the neighbouring local communities. This integrated approach includes close cooperation with local government authorities and other stakeholders, promoting sustainable water management practices. By doing so, we aim to secure long-term water security and environmental sustainability for all involved parties.

Creating Shared Value With Stakeholders

Government Agencies

We enforce rigorous water stewardship practices by strictly complying with local water consumption regulations set by relevant government agencies. Our production operations are subject to regular inspections by these authorities to verify compliance and adherence to best practices in sustainable water management. This proactive stance underscores our dedication to the responsible use of resources.

Local Communities

Ensuring continued access to high-quality water for the communities near our operations and supply chains is crucial for building strong relationships with them. As F&NHB shares water sources with local residents, maintaining a conflict-free environment is essential. Our careful management of groundwater withdrawals and reservoir usage has successfully prevented any negative impacts on nearby communities. Additionally, F&NHB has formed a partnership with a local liquid sugar manufacturer. This collaboration, spanning over two years, has been instrumental in tackling a significant challenge in the sugar production process, particularly the high water consumption during the crystallisation stage.

This year, F&NHB is proud to support the Bidayuh community through the Water Conservation and Distribution Project at Bung Jagoi Heritage Village. In partnership with the Jagoi Heritage Association and the Jagoi Area Development Committee, the project includes the installation of a new water pump system and restoration of water storage infrastructure, which is expected to secure over 5.5 million litres of clean water annually.

Dairy Farmers

As part of our Farmers Excellence Programme, we initiated a project designed to considerably enhance the water supply for local farmers by providing solar-powered water pumps. These pumps were introduced to tackle the issue of water scarcity in the region. Additionally, the solar-powered pumps enabled farmers to cultivate their own cattle feed, such as forage grass, offering further cost savings and contributing to their economic wellbeing.



WATER STEWARDSHIP

Water Stewardship in Our Operations

Water is an essential resource for our business activities, and we prioritise its management. At F&NHB, we are dedicated to improving water efficiency, reduction, and recovery initiatives throughout our production facilities. By building upon our past accomplishments, we persistently explore innovative strategies to optimise water usage, reduce waste, and promote sustainable practices, ensuring that our operations align with our environmental stewardship objectives. We have introduced a variety of initiatives at our plants aimed at increasing water savings by optimising plant processes which are expanded on below:

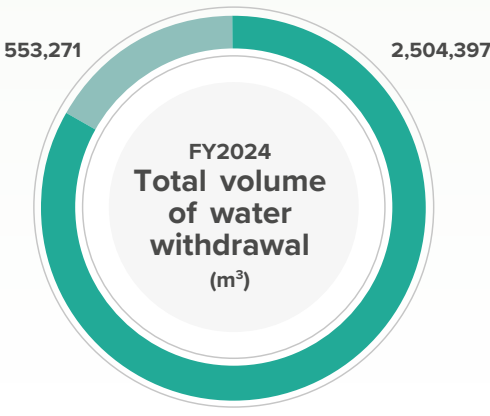
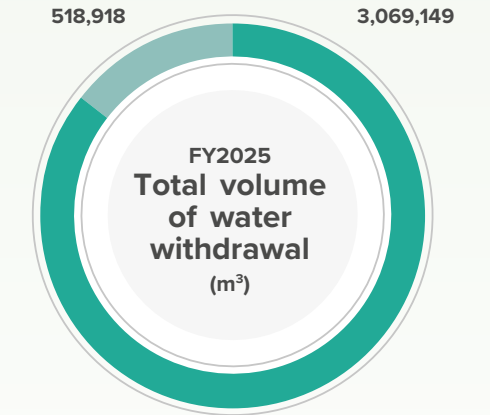
PLANT	INITIATIVES
Various Plants	<ul style="list-style-type: none">Collected rainwater at multiple sites to be reused for non-potable purposes such as cleaning, cooling towers, and general utilities, reducing dependence on freshwater resources.
Pulau Indah	<ul style="list-style-type: none">Condensate from the cooker (100°C) is captured and reused to preheat the preheater, saving > 3,500 m³ of water per annum.Optimised one manufacturing line to improve utilisation and shut down another line to reduce water usage during idle/base state periods.Treated final effluent from the Industrial Effluent Treatment System (IETS) plant (Chemical Oxygen demand, COD 50 mg/L) is reused; sand filter backwash frequency increased to remove remaining suspended solids. Reverse Osmosis (RO) water is reused as make-up water for cooling towers, saving > 14,000 m³ of water per annum
Shah Alam	<ul style="list-style-type: none">Shortened ultrafiltration and carbon filter backwash cycles to save > 3,500 m³ of water per annum.Collected RO reject water is reused in cooling towers, conserving ~40,000 m³ of water annually.Increased boiler's Total Dissolved Solids (TDS) from 2,500 to 3,000 parts per million (ppm) to reduce water blowdown and conserve > 550 m³ of water annually.Filtered and reused bottle rinsing water for Parts Per Million (PPM) warmer hot water spray and filler bottle rinsing, saving > 66,000 m³ of water annually.Reused cooling water from homogeniser gearbox and oil cooling systems for cooling towers, saving > 13,000 m³ of water annually.Extended intervals for auto Activated Carbon Filter (ACF) backwash (4 hrs) and Ultrafiltration (UF) backwash (5 min), reducing water consumption by > 2,500 m³ of water annually.Reduced hot water usage during Cleaning-in-place (CIP) of blending tanks (> 500 m³/year).
Kuching	<ul style="list-style-type: none">Prolonged water treatment plant backwash intervals to reduce water usage.Extended ultrafiltration backwash intervals to reduce overall water consumption.
Kota Kinabalu	<ul style="list-style-type: none">Collected rinsed bottle water is reused for warmer processes, saving > 1,400 m³ of water per annum.Shortened air cooler backwash cycles, conserving > 13,000 m³ of water per annum.
Kota Kinabalu Industrial Park	<ul style="list-style-type: none">Reduced water usage during air cooler backwash cycles, saving > 2,000 m³ of water annually.

WATER STEWARDSHIP

PERFORMANCE

GRI 303-3

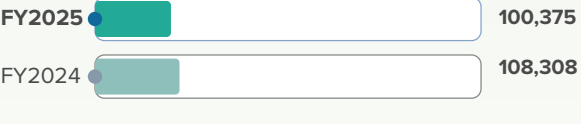
Water withdrawal by source
(in m³)



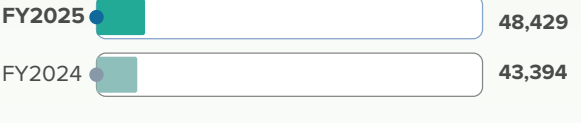
● Malaysia ● Thailand

Malaysia

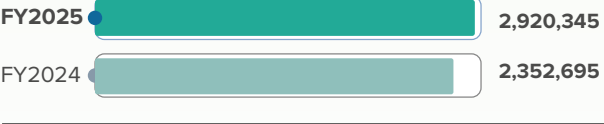
Ground water



Rainwater collected directly and stored by F&N

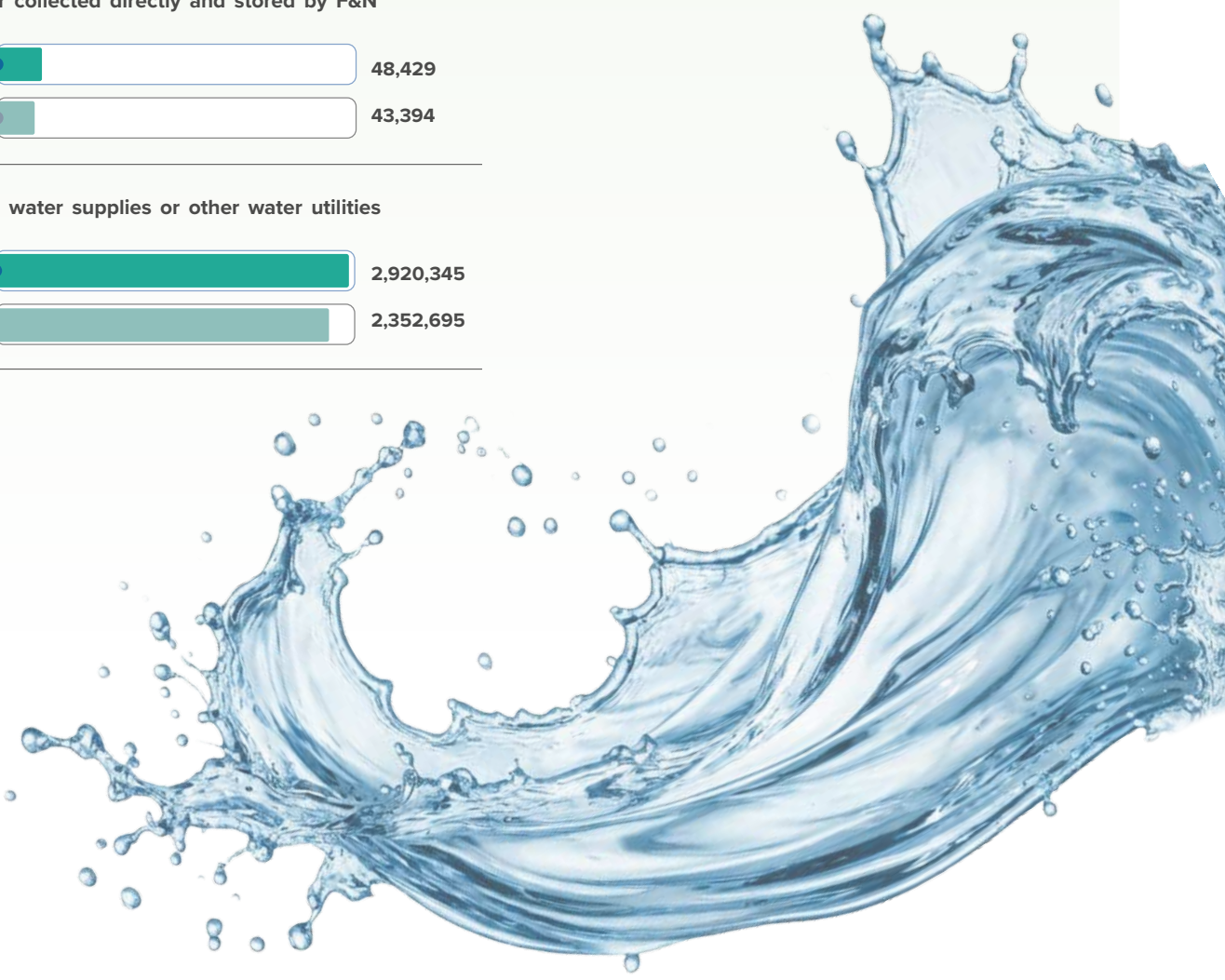


Municipal water supplies or other water utilities



Thailand

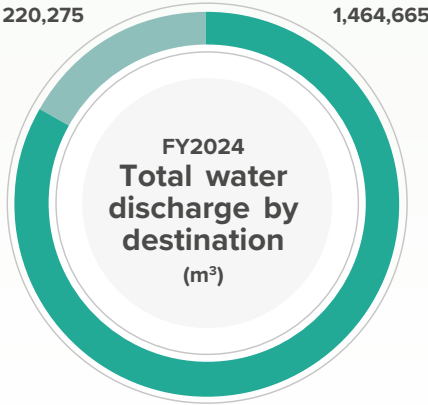
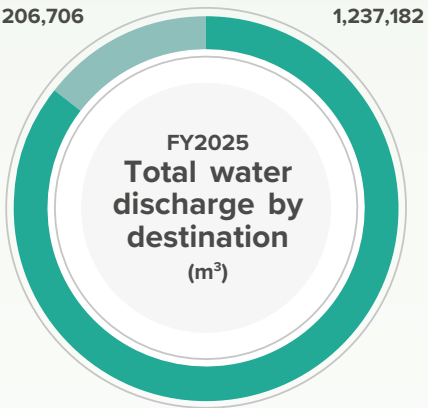
Municipal water supplies or other water utilities



WATER STEWARDSHIP

PERFORMANCE

GRI 303-4
Water discharge
(in m³)



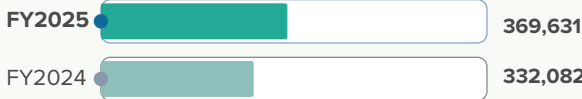
● Malaysia ● Thailand

Malaysia

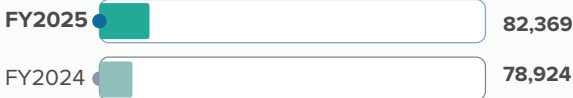
Surface water



Seawater

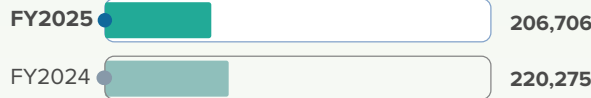


Third-party water treatment and usage



Thailand

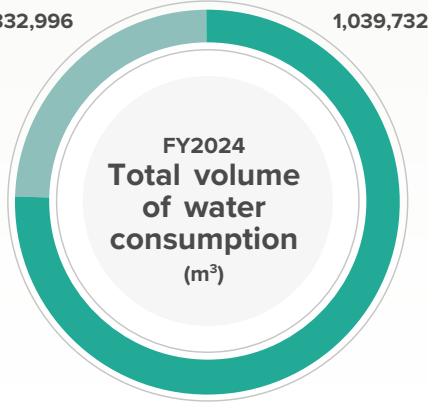
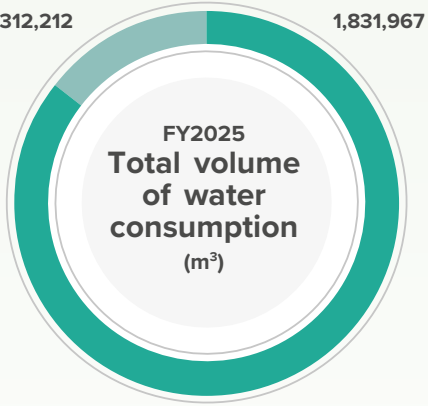
Third-party water treatment and usage



WATER STEWARDSHIP

PERFORMANCE

GRI 303-5
Water consumption
(in m³)



● Malaysia ● Thailand

NOTES:

- 31. Water withdrawal is not from areas with extremely high water stress.
- 32. 2025 data expanded to include additional sites – four sites in Rawang and one site in Kota Kinabalu Industrial Park.



WASTE MANAGEMENT

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



As Malaysia and Thailand confront the challenge of limited resources, we focus on reducing waste by adopting circular economy principles. This approach sees waste as a valuable resource that can be repurposed for other processes. By strengthening waste management strategies in both countries, we aim to boost resource efficiency and significantly reduce our environmental impact. These sustainable practices not only contribute to a greener future but also offer potential cost savings, reflecting our commitment to responsible environmental stewardship across Malaysia and Thailand.

OUR COMMITMENT



Reduce the solid waste sent to landfill (from a 2020 baseline) by 30% by 2025.

2025 Results

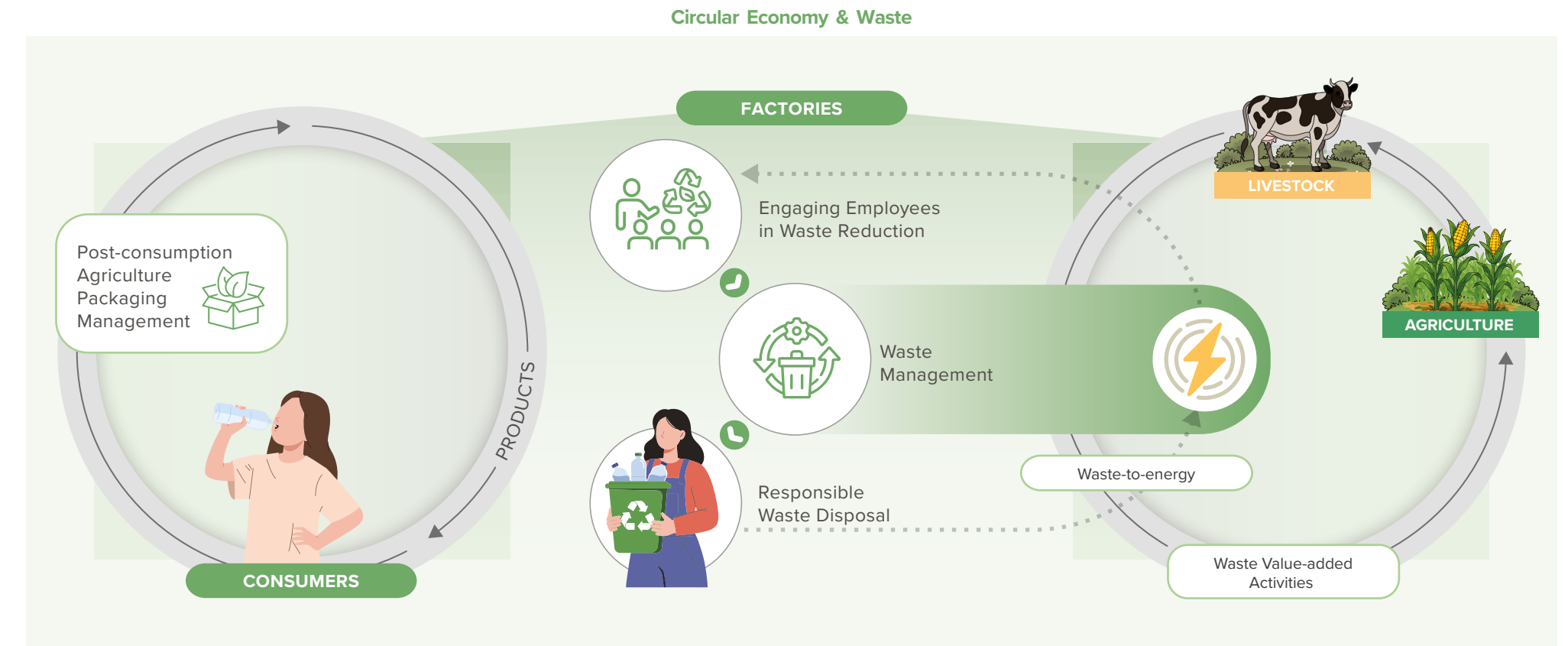
Achieved

We achieved a 95% reduction in solid waste sent to landfill compared to the 2020 baseline — a significant milestone in our waste management journey.



WASTE MANAGEMENT

MANAGEMENT APPROACH



Waste generation occurs at various stages throughout the production process, encompassing both the supply chain and our operational activities. At F&NHB, efficient waste management is a top priority; we focus on minimising and repurposing our operational waste. Our aim is to achieve 'zero-discharge, zero-waste, and zero-landfill' across our operations.

Our commitment extends beyond our immediate operations, as we actively collaborate with stakeholders across the supply chain to identify opportunities for integrating circular practices into their processes, helping them realise cost savings through resource-efficient methods. Our comprehensive waste management strategy employs environmentally responsible practices tailored to different waste categories, underscoring our dedication to effective waste management in every aspect:

- ▶ Non-hazardous waste is mainly recycled, enabling us to optimise resource utilisation while reducing environmental impact.
- ▶ General waste, comprising materials that cannot be recycled, is sent to waste-to-energy facilities at power plants. This approach not only aids in energy production but also substantially lessens our dependence on landfills.
- ▶ Although hazardous waste generation is minimal, we ensure its proper disposal by engaging licensed waste contractors to safely transport and incinerate it at specialised facilities, in compliance with stringent regulatory standards.

In line with our ESH Policy, we maintain stringent standards for the quality of effluent discharges resulting from our manufacturing processes.



WASTE MANAGEMENT

OUR PROGRESS

Employee Awareness

The circular economy concept is central to our environmental awareness initiatives for employees, encouraging the continued reuse of materials traditionally considered “waste” until they reach the end of their lifecycle. In Thailand, an ongoing programme instilling responsible waste management practices has led to the elimination of plastic bags for waste collection by repurposing bags originally used for packaging materials. This simple yet effective change has reduced plastic bag consumption by 10,000 kg.

To raise awareness about responsible consumption, we conduct activities through multiple communication channels such as the Intranet, email, and internal recycling programmes. The full engagement of our workforce through these initiatives has been instrumental in helping us achieve our 2025 waste target.

As part of our ongoing efforts to reduce employee-generated waste, we have phased out single-use food packaging at our staff cafeteria in Shah Alam and Pulau Indah. Complementing this initiative, our Go Green Campaign featured a series of engaging activities, including an eco talk by SWCorp, interactive activities games, and an internal introduction of Borneo Springs Natural Mineral Water in 100% rPET bottle. Employees also participated in an upcycling workshop that transformed used food packaging into pouches, alongside a recycling drive and charity sale of reusable lunch boxes. All proceeds were channelled to Kechara Soup Kitchen to provide meals for the homeless community, reinforcing our commitment to environmental stewardship and social impact.

Integrating Circular Economy within Our Operations

We are committed to eliminating landfill waste, and among our eight plants, all plants have achieved zero-waste-to-landfill status. At the Rojana, Wang Muang, and Bentong plants, non-recyclable waste is converted into electricity at waste-to-energy facilities, successfully transforming over 848 metric tonnes of waste into more than > 2.3 million kW of electricity. Today, all our beverage and dairy plants effectively manage 100% of their waste through methods like waste-to-energy conversion.

Integrated Digital Systems for Demand Management and Production Planning

Eliminating waste and pollution is a fundamental principle of the circular economy. At F&NHB, we actively embrace this by leveraging advanced digital systems to minimise upstream waste before production begins. By utilising Artificial Intelligence (AI)-based technology, we analyse historical data to determine optimal production quantities and timing. This improved accuracy in demand forecasting allows us to adjust production schedules, significantly reducing waste from unsold products.

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

Turning Waste into Valuable Resources

Our liquid waste management strategy focuses on transforming waste into valuable resources, supporting both environmental sustainability and local agriculture. Through these initiatives, over 7,000 MT of wastewater treatment sludge and liquid milk waste have been converted into organic fertiliser for farmers, helping to close the loop on resource use.

At our Rojana and Wang Muang plants, cafeteria food waste are repurposed each month into animal feed for local livestock farmers. Meanwhile, our Kuching plant channels > 295 MT of okara waste to a local chicken farm, where it is processed by soldier flies into high-quality chicken feed. Collectively, these efforts demonstrate F&N's commitment to circularity and innovative waste solutions that benefit the environment, local industries and surrounding communities.



WASTE MANAGEMENT

Working with Our Value Chain Partners to Reduce Food Loss & Waste

Food loss and waste contribute to issues such as food shortages, water stress, biodiversity loss and GHG emissions during disposal. We actively collaborate with both upstream and downstream business partners to discover innovative solutions to reduce food loss and redirect potential food waste. Together, we are developing a thorough strategy encompassing prevention, optimisation, recycling, and recovery initiatives to tackle food loss and waste at every stage of our value chain.

F&NHB has established a food loss and waste management framework based on the Food and Drink Material Hierarchy from the Food and Agriculture Organisation (FAO) of the UN. This framework guides our strategic efforts toward food sustainability and responsible resource management. Our initiatives address food waste and support those in need by channelling surplus food to charitable organisations and vulnerable communities. Since 2019, we have partnered with Yayasan Food Bank Malaysia to support the Food Bank Siswa programme, providing surplus food and beverages to communities in need. This year, we have further cemented our commitment through long-term partnerships with Yayasan Bursa Malaysia, The Lost Food Project, Kechara Soup Kitchen and Kembara Kitchen, contributing over 20,000 kg of products to those in need. These efforts highlight our dedication to social responsibility and reaffirm our belief that no food should be wasted.



RAW MATERIALS

We collaborate closely with our suppliers to ensure that our raw materials meet specific standards and quality. Additionally, we track, measure, and monitor any losses of raw materials on a monthly basis to minimise food loss.



PRODUCTION PROCESSES

To address food loss, we consistently track, measure, and monitor any losses that occur during our manufacturing processes. This allows us to improve our food loss management by identifying key categories and waste streams. We are committed to minimising the impacts of our operations by adhering to and exceeding relevant regulations.



COLLABORATION WITH PARTNERS

We collaborate with our partners to continually seek innovative initiatives and programmes aimed at reducing food loss or repurposing it for alternative uses. For example, we transform sludge into fertilisers for farmers and okara waste into chicken feed.



MANAGING FOOD SURPLUS

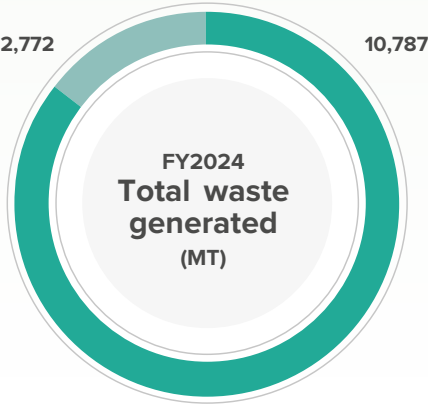
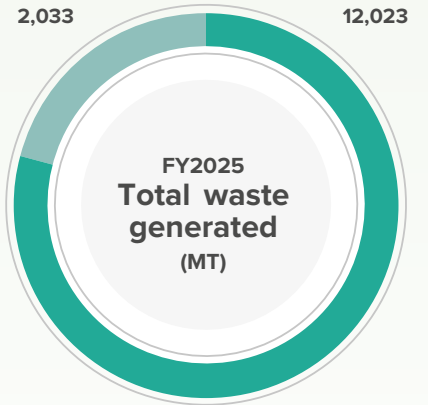
To effectively manage food surplus, we routinely track, measure, and monitor any losses that occur during retail processes. We then channel our surplus food to organisations and communities in need.



WASTE MANAGEMENT

PERFORMANCE

GRI 306-3 (2020)
Waste Generated
(in MT)



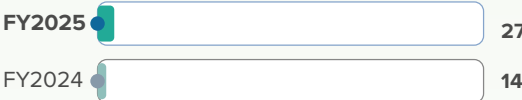
● Malaysia ● Thailand

🇲🇾 Malaysia

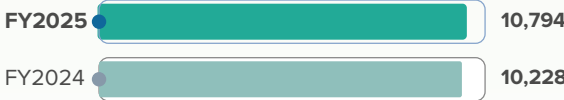
WASTE DIVERTED FROM DISPOSAL



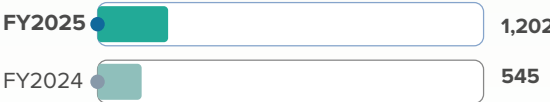
Hazardous waste



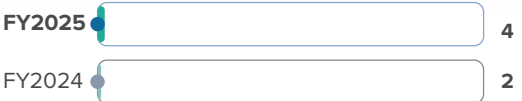
Non-hazardous waste



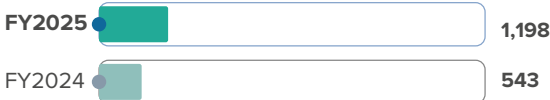
WASTE DIRECTED TO DISPOSAL



Hazardous waste



Non-hazardous waste

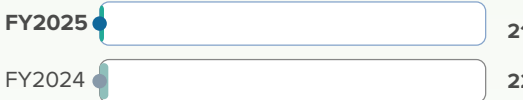


🇹🇭 Thailand

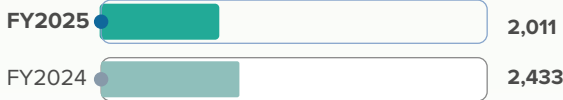
WASTE DIVERTED FROM DISPOSAL



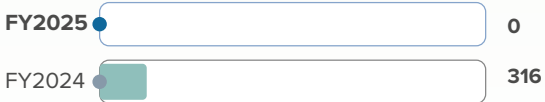
Hazardous waste



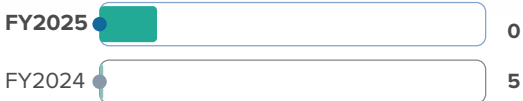
Non-hazardous waste



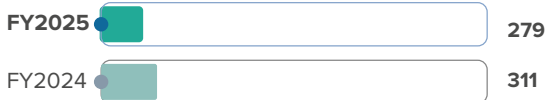
WASTE DIRECTED TO DISPOSAL



Hazardous waste



Non-hazardous waste



WASTE MANAGEMENT

PERFORMANCE

GRI 306-4 (2020)

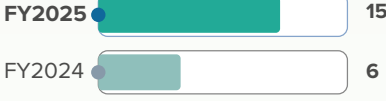
Waste diverted from disposal

🇲🇾 Malaysia

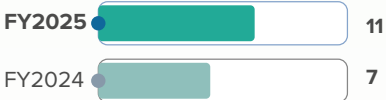


OFFSITE

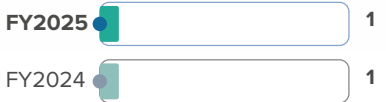
Preparation for reuse



Recycling



Composting (self-fertiliser)

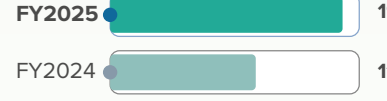


🇹🇭 Thailand

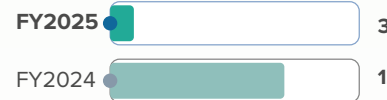


OFFSITE

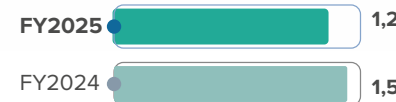
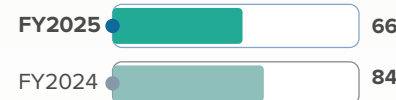
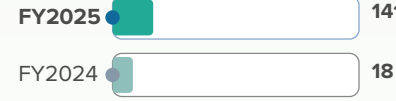
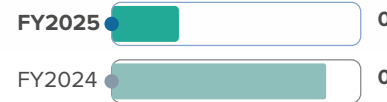
Preparation for reuse



Recycling



Composting (self-fertiliser)



WASTE MANAGEMENT

PERFORMANCE

GRI 306-5 (2020)
Waste directed to disposal

 Malaysia

TOTAL HAZARDOUS WASTE		TOTAL NON-HAZARDOUS WASTE	
FY2025	FY2024	FY2025	FY2024
4	2	1,198	543

OFFSITE

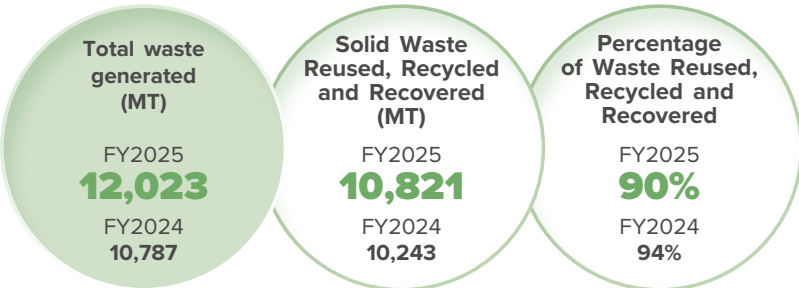
Landfill



Incineration (with energy recovery)



Incineration (without energy recovery)

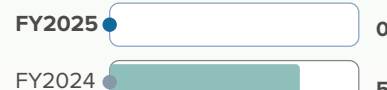


 Thailand

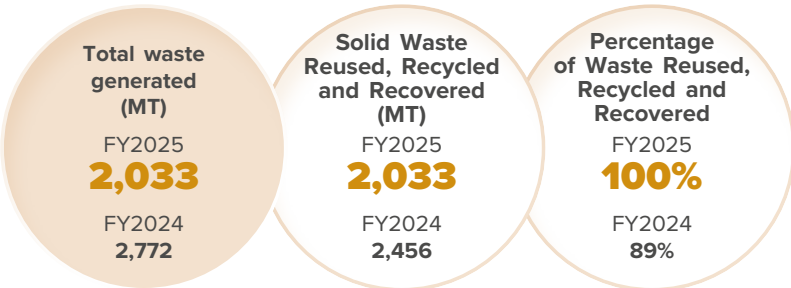
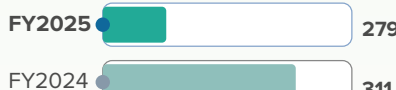
TOTAL HAZARDOUS WASTE		TOTAL NON-HAZARDOUS WASTE	
FY2025	FY2024	FY2025	FY2024
0	5	279	311

OFFSITE

Incineration (with energy recovery)



Incineration (with energy recovery)



Better Planet

Value Chain Impacts

Our products influence the environment and the communities where we operate, reaching far beyond our direct operations. Raw materials and ingredients, including packaging materials, contribute to a larger environmental footprint. To address these challenges, we are committed to reducing impacts across our entire value chain by sourcing raw materials more responsibly and enhancing our packaging practices.

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

Packaging

Biodiversity



PACKAGING

GRI 3-3, GRI 301-1, GRI 301-2
IFRS S2 FB-FR-430a.4

Excessive creation and improper management of packaging at the end of its life cycle remain significant environmental challenges. In the countries where we operate, such as Thailand and Malaysia, governments have introduced policies encouraging companies to revise their packaging methods, including Thailand’s “Roadmap on Plastic Waste Management” and Malaysia’s “Roadmap towards Zero Single-use Plastics” are prime examples.

As a key player in the F&B industry, F&NHB is committed to sustainable packaging solutions through advanced R&D. We focus on designing packaging that not only enhances reusability but also promotes recyclability, thereby minimising negative environmental impacts. By carefully selecting materials that support efficient recovery and management of waste, we contribute to a more sustainable future, aligning with governmental directives and societal expectations.

The sourcing of packaging materials and the handling of post-consumer packaging have become areas of significant concern, prompting consumers and stakeholders to demand proactive measures from companies. Addressing these issues is central to our strategy, in line with our commitment to responsible resource management, ensuring transparent and effective environmental stewardship.

OUR COMMITMENT

2025 Results

Achieved

- Our beverage and dairy packaging contain 29% recycled content.

Achieve 100% of our packaging recyclable by 2025.

Achieved

- In 2025, 98% of our packaging is recyclable. We are working towards increasing the recyclability of packaging used in our products.



MANAGEMENT APPROACH

We are committed to designing packaging with a strong environmental focus and are actively investing in innovations that incorporate circular economy principles. We have set ambitious long-term goals to increase the proportion of recycled materials in our packaging and to ensure that all our packaging is recyclable. Our strategy includes significant investments in innovation, the adoption of circular economy principles, and collaborative efforts with stakeholders to develop sustainable packaging solutions.

F&NHB has established partnerships with local councils, recycling partners and non-governmental organisations (NGOs). Together, we are working to raise awareness about recycling and promote the 5R concept among school-going children and local communities. F&NHB addresses post-consumer packaging waste through industry collaborations, such as our involvement in the MAREA, as part of voluntary EPR. These efforts reflect our dedication to reducing environmental impact and emphasising the importance of sustainable practices in packaging.

We are also currently implementing a comprehensive Group-wide packaging assessment to gain a better understanding on how to improve the recyclability of our packaging. A questionnaire to assess packaging recyclability will be integrated into new product development process, ensuring that sustainability considerations are embedded from the outset.



PACKAGING

OUR PROGRESS

Reducing Volume of Materials Used in Our Packaging

F&NHB has made a Group-wide commitment to reduce the weight of our packaging materials. We aim to decrease the volume of packaging materials used in relation to the product’s size. Whenever feasible, we actively minimise the use of materials that are less environmentally friendly, such as certain product labels or flexible packaging, by transitioning to more sustainable alternatives like PET and laminated paper packaging.

At our Pulau Indah plant, we have downgauged the tinplate body and lid. Together, these initiatives have reduced packaging usage by > 220 MT and achieved annual savings of approximately RM1 million in FY2025.

Meanwhile, at our Rojana plant, the thickness of shrink film has been reduced, cutting plastic usage by over 35 MT per year. We have also enhanced recyclability by switching from unrecyclable PET hybrid material to recyclable mono PET shrink sleeves. These efforts demonstrate F&N’s commitment to optimising packaging design, reducing resource consumption and advancing circularity across our operations.

Increasing the Usage of Sustainable Packaging Materials

We are actively working to increase the percentage of recycled content in our packaging materials, ensuring that food safety and quality remain uncompromised. In Thailand, we have successfully implemented the use of 100% recycled paper for corrugated cartons in our local products, and we are striving to increase the proportion of recycled materials in our tinplate and plastic bottle packaging.

We are actively working to increase the percentage of recycled content in our packaging materials, ensuring that food safety and quality remain uncompromised. In Thailand, we have successfully implemented the use of 100% recycled paper for corrugated cartons in our local products, and we are striving to increase the proportion of recycled materials in our tinplate and plastic bottle packaging.

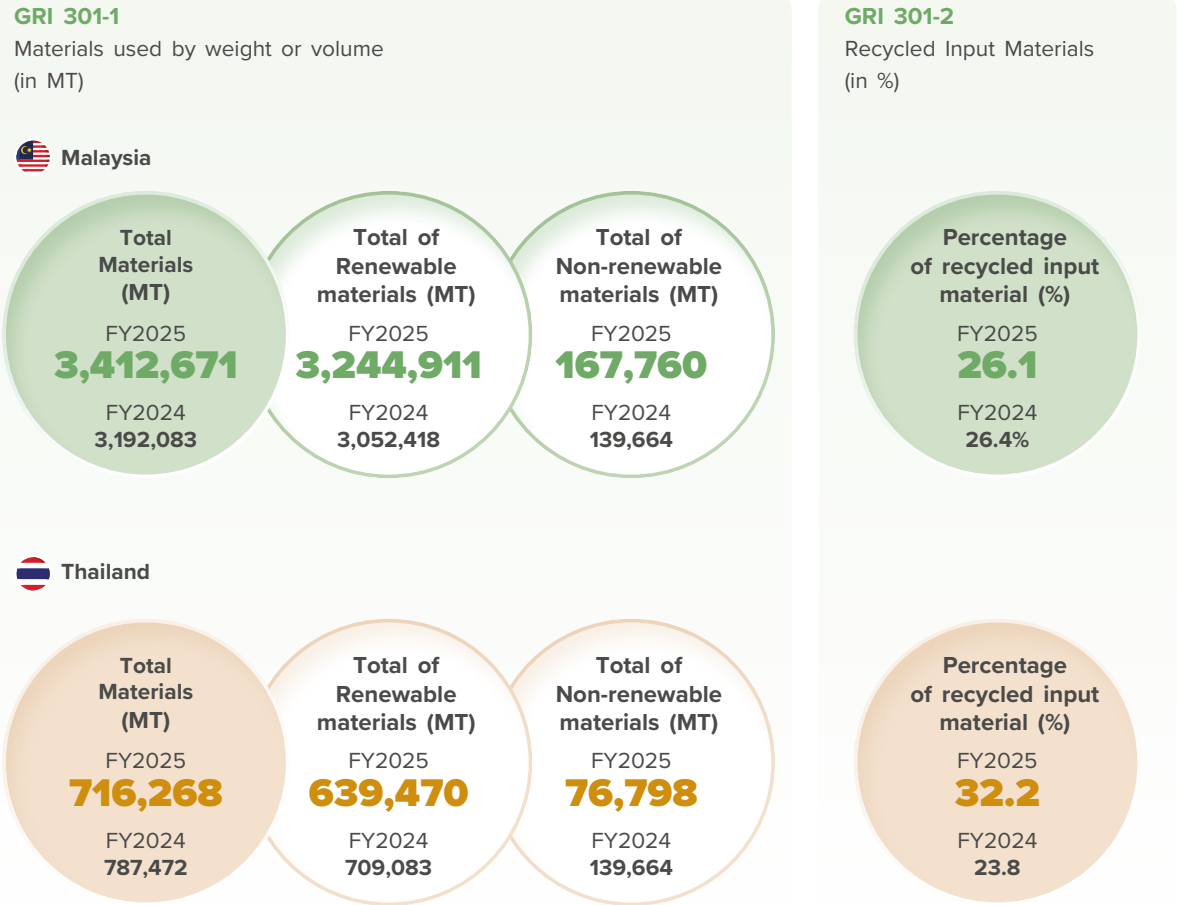
Our packaging for F&N ICE MOUNTAIN Drinking Water and BORNEO SPRINGS Natural Mineral Water features FSC-certified paper packaging that is fully recyclable, complemented by a bio-based bottle cap made from sugar cane. Reflecting our ongoing commitment to sustainable innovation, we have also introduced our first rPET bottle for the new BORNEO SPRINGS Natural Mineral Water series, available in both 500ml and 1,500ml sizes. Made entirely from 100% recycled plastic, this has reduced GHG emissions by 79% compared to virgin PET bottle.

Additionally, 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 reinforce our commitment to sustainability and innovation in packaging.

Designing Packaging to be Recyclable

We are focused on improving the recyclability of both primary and secondary packaging across our product lines. This entails seeking solutions for traditionally challenging packaging materials, such as labels, and maintaining flexibility in our approach to identify viable alternatives.

PERFORMANCE





BIODIVERSITY

GRI 3-3, GRI 304-1



Thriving biodiversity and healthy ecosystems offer essential benefits to humanity, including nutrition, habitat, and medicinal resources. The wellbeing of billions is intricately linked to the health of biodiversity-rich ecosystems, which are crucial to various aspects of our daily lives and livelihoods. Regrettably, recent decades have seen a concerning acceleration in biodiversity loss and ecosystem degradation, largely driven by resource overexploitation. The conservation of these vital ecosystems is increasingly threatened by factors such as climate change, the rising demand for finite resources and rapid technological advancements.

At F&NHB, our operations depend heavily on the natural environment for key raw materials like palm oil, sugar and paper. The deterioration of biodiverse ecosystems not only affects the environment but also presents significant risks to our business. Recognising these interconnected challenges, we are committed to broadening our efforts beyond sustainable sourcing. We work closely with our suppliers to safeguard biodiversity and promote the restoration of natural ecosystems in the regions where we operate, ensuring a sustainable future for both our business and the communities we serve.

MANAGEMENT APPROACH

At F&NHB, our approach to biodiversity management is firmly rooted in our biodiversity statement, which is developed through collaborative discussions with both internal and external stakeholders. This process allows us to cultivate a clear and actionable vision for biodiversity. By fostering open dialogue and incorporating diverse perspectives, we ensure that our strategies are both effective and aligned with the values and expectations of the communities we serve. This commitment highlights our dedication to preserving and enhancing biodiversity across 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 circumstances 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

Avoid operating and developing in areas of high biodiversity value.

Minimisation

Implement measures to monitor and minimise impacts on biodiversity, from our operations.

Restoring

Seek to restore or rehabilitate: Seek to restore or rehabilitate areas where impacts cannot be prevented.

Offset

Consider biodiversity compensation/offsets measures, where there is residual impact.
- 4

In managing potential biodiversity risks, 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

OUR PROGRESS

F&NHB is dedicated to sourcing sustainable palm oil as part of our commitment to ecosystem conservation and biodiversity management. As an ordinary member of the RSPO, we adhere to the RSPO Principles and Criteria of 2018, emphasising the procurement of traceable palm oil that does not contribute to deforestation or 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 websites, reinforcing our commitment to responsible and ethical palm oil sourcing practices.

As part of our comprehensive Group-wide compliance framework concerning our biodiversity commitments, all operational sites in Malaysia and Thailand will adhere to robust monitoring systems, integral to our environmental policy. Importantly, none of our operational sites are located in or adjacent to protected areas or areas of high biodiversity value outside protected areas.

To gain further insights into our Group’s location of operations, we have started a biodiversity risk assessment exercise to identify and manage site-specific biodiversity risks in alignment with ThaiBev’s sustainability direction. While this project is currently underway, our initial screening with using the WWF Biodiversity Risk Filter (BRF) has been completed, and the next step, field-based assessment, has been planned.

We are proud to share that 100% of the palm oil used at F&NHB is RSPO-certified, sourced through physical CSPO, this year we have achieved our ambitious target to procure 100% of palm oil though, underscoring our ongoing dedication to supporting sustainable and ethical sourcing practices. This commitment, in alignment with our Sustainable Agriculture Guideline, demonstrates our role as a responsible leader in the industry and ensures that our supply chain contributes positively to environmental conservation.

Furthermore, we encourage our suppliers and business partners to protect biodiversity and ecosystems, engaging closely with them to develop an environmentally and socially responsible supply chain. This collaborative effort not only reinforces our commitment to sustainability but also fosters a collective initiative to safeguard our planet’s invaluable natural resources.

PERFORMANCE

GRI 304-1 Sites in or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	None of our sites is located in or adjacent protected areas and areas of high biodiversity value outside protected areas.
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PERFORMANCE SUMMARY

			FY2021	FY2022	FY2023	FY2024	FY2025
RESPONSIBLE BUSINESS PRACTICE							
Material Topic: Governance & Ethics							
GRI 205-1	Percentage of operations assessed for risks related to corruption	%	100.0	100.0	100.0	100.0	100.0
GRI 205-2	Percentage of employees who have received training on anti-corruption by category	%	–	–	–	30.0%	35.7
	– Executives		–	–	–	97.7%	100.0
GRI 205-3	Total number of confirmed incidents of corruption and actions taken	Case	0	0	0	0	0
Material Topic: Policy & Regulations							
GRI 2-27	Total number of incidents of non-compliance with laws and regulations resulting in a fine, penalty or warning	Case	0	0	0	0	0
Material Topic: Economic Performance							
GRI 201-1	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	
	Tax expense			82.6		152.7	
	Annual dividends			220.1		293.4	
	Economic value retained ⁽ⁱⁱ⁾			316.8		249.3	

(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, tax expense and annual dividends).

PERFORMANCE SUMMARY

		FY2021		FY2022		FY2023		FY2024		FY2025	
MY	Malaysia	TH	Thailand	MY	TH	MY	TH	MY	TH	MY	TH
RESPONSIBLE PRODUCT STEWARDSHIP											
Material Topic: Product & Service Labelling											
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
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
RESPONSIBLE SUPPLY CHAIN											
Material Topic: Supply Chain Stewardship											
GRI 204-1	Proportion of spending on local suppliers	Percentage of local suppliers	%	91.8	95.0	91.8	95.5	92.0	95.7	91.4%	96.0%
		Percentage of purchase value spent on local suppliers		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	186	159	389	192	252	90

PERFORMANCE SUMMARY

		FY2021		FY2022		FY2023		FY2024		FY2025	
MY Malaysia	TH Thailand	MY	TH	MY	TH	MY	TH	MY	TH	MY	TH
CREATING 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
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
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
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	0

^ New reporting scope since FY2023.

PERFORMANCE SUMMARY

		FY2021		FY2022		FY2023		FY2024		FY2025				
MY	TH	MY	TH	MY	TH	MY	TH	MY	TH	MY	TH			
EMPOWERING OUR PEOPLE														
Material Topic: Human Capital Development														
GRI 401-1 New employee hires and employee turnover^	Total new employee hires	Person	182	54	218	111	603	93	286	96	832	78		
	– Age under 30 years old	–	61	32	82	63	334	52	113	39	324	40		
	– Age between 30 - 50 years old		105	22	125	48	244	41	155	57	482	38		
	– Age over 50 years old		16	0	11	0	25	0	18	0	26	0		
	– Male		119	34	149	74	433	65	159	64	665	45		
	– Female		63	20	69	37	170	28	127	32	167	33		
	Total employee turnover		442	54	272	108	436	119	502	80	647	64		
	– Age under 30 years old		79	14	68	31	149	32	144	20	257	19		
	– Age between 30 - 50 years old		232	32	150	61	218	72	287	50	327	33		
	– Age over 50 years old		131	8	54	16	69	15	71	10	63	12		
	– Male		268	34	174	67	305	79	367	60	428	40		
	– Female		174	20	98	41	131	40	135	20	219	24		
	– Executive Level										1	0	4	0
	– Middle Management										18	4	24	4
	– Department Head/Supervisor										53	13	54	8
	– Senior Officer										67	30	76	11
	– Officer										363	33	489	41

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



PERFORMANCE SUMMARY

		FY2021		FY2022		FY2023		FY2024		FY2025		
MY Malaysia	TH Thailand	MY	TH	MY	TH	MY	TH	MY	TH	MY	TH	
EMPOWERING OUR PEOPLE (Cont'd)												
Material Topic: Human Capital Development (Cont'd)												
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	1,736	267
	– Male		1,151	0	1,174	0	1,315	0	1,326	0	1288	0
	– Female		445	256	454	287	600	271	758	253	448	267
	Total number of employees who took parental leave		55	3	55	9	69	7	49	5	51	4
	– Male		31	0	38	0	43	0	31	0	38	0
	– Female		24	3	17	9	26	7	18	5	13	4
	Total number of employees who returned to work after parental leave ended		55	3	55	9	67	7	49	5	51	4
	– Male		31	0	38	0	42	0	31	0	38	0
	– Female		24	3	17	9	25	7	18	5	13	4
	Total number of employees after returning to work were still employed after 12 months		46	3	55	9	67	7	49	5	50	4
	– Male		30	0	38	0	42	0	31	0	38	0
	– Female		16	3	17	9	25	7	18	5	12	4
	Return to work rate	%	100	100	100	100	97	100	100	100	87	100
	– Male		100	-	100	-	96	-	100	-	100	-
	– Female		100	100	100	100	96	100	100	100	100	100
	Retention rate	%	84	100	100	100	97	100	100	100	81	100
	– Male		100	-	100	-	96	-	100	-	92	-
	– Female		67	100	100	100	96	100	100	100	100	100
GRI 404-1 Average hours of training per year per employee*	Total training hours	Hours	33,184	9,201	27,585	11,705	37,921	13,215	40,211	17,082	50,085	15,961
	– Male		18.01	12.42	15.07	16.32	17.09	19.08	16.20	25.02	20.57	26.10
	– Female		24.57	15.62	20.27	18.79	29.72	22.56	29.08	26.27	41.68	18.30
	– Executives		30.88	23.93	21.23	24.64	32.59	34.45	34.49	34.34	38.05	22.24
	– Non-executives		12.63	6.33	13.39	12.20	11.59	12.44	10.66	21.10	12.91	23.77
	Average hours of training per employee per year		19.86	13.63	16.49	17.23	20.78	25.18	19.39	25.50	25.72	23.16
	Group average hours of training per employee per year		18.07	16.70	20.60	20.89	22.44					

^ New reporting scope since FY2021.
* GRI 404-1: Data coverage for Malaysia excluding Food Pillar.

PERFORMANCE SUMMARY

		FY2021		FY2022		FY2023		FY2024		FY2025		
MY	TH	MY	TH	MY	TH	MY	TH	MY	TH	MY	TH	
EMPOWERING OUR PEOPLE (Cont'd)												
Material Topic: Human Capital Development (Cont'd)												
GRI 404-3	Total employees who receive performance and career development reviews	Person	834	646	877	679	939	452	1,000	668	862	655
Percentage of employees receiving regular performance and career development reviews	– Full Time Employees		834	646	877	679	939	452	1,000	668	862	655
GRI 405-1	Total directors	Person	11		11		11		11		11	
Diversity of governance bodies and employees^	– Age under 30 years old		0		0		0		0		0	
	– Age between 30 - 50 years old		1		0		0		0		0	
	– Age over 50 years old		10		11		11		11		11	
	– Male		8		7		7		6		6	
	– Female		3		4		4		5		5	
	– Independent Non-executive Director		6		6		6		6		6	
	– Non-independent Non-executive Director		5		5		5		5		5	
	Total employees		1,672	675	1,673	679	3,162	655	3,038	670	3,151	689
	– Age under 30 years old		201	144	226	152	838	141	733	129	743	123
	– Age between 30 - 50 years old		1,156	437	1,120	441	1,962	430	1,884	448	1,986	463
	– Age over 50 years old		315	94	327	86	362	84	421	93	422	103
	– Male		1,204	419	1,217	427	2,367	414	2,253	425	2,341	425
	– Female	467	256	456	252	795	241	785	255	810	264	



PERFORMANCE SUMMARY

		FY2021		FY2022		FY2023		FY2024		FY2025		
MY Malaysia	TH Thailand		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	694,025,080	332,199,960	723,986,962	315,827,985	689,316,675	332,794,196	761,997,451	342,673,006	1,004,912,590	350,427,934
	– Natural Gas	MJ	412,726,281	230,914,430	425,153,552	214,873,646	400,001,200	199,434,980	449,228,066	204,764,926	558,673,261	209,817,343
	– Diesel		251,855	0	0	0	0	0	0	0	0	0
	– Biodiesel		19,962,496	162,069	28,732,672	195,523	33,317,525	228,820	32,245,244	302,462	45,976,468	333,414
	– Liquefied Petroleum Gas		13,840,500	1,858,650	14,826,400	2,015,850	11,415,948	1,773,779	4,780,325	843,770	8,711,198	686,204
	– Solar		0	5,076,947	5,983,690	4,877,603	26,449,836	9,366,705	32,526,076	13,125,340	54,139,050	12,814,844
	– Fuel Oil		0	12,553,699	152,320	13,468,262	0	37,605,774	0	39,511,604	9,374,820	43,649,695
	– Electricity		247,243,948	81,634,165	249,138,328	80,397,101	218,132,165	84,384,137	243,217,740	84,124,904	328,037,792	83,126,434
GRI 302-3 Energy intensity	Group total energy intensity ratio	MJ/MT	911.00	860.29	890.63	867.74	1,036.78					
	Energy intensity ratio											
	– Natural Gas	MJ/MT	537.31	644.38	489.40	632.06	498.62	577.39	486.43	585.85	585.73	593.61
	– Diesel		0.33	0	0	0	0	0	0	0	0	0
	– Biodiesel		25.99	0.45	33.07	0.58	41.53	0.66	34.92	0.87	48.20	0.94
	– Liquefied Petroleum Gas		18.02	5.19	17.07	5.93	14.23	5.14	5.18	2.41	9.13	1.94
	– Solar		0	14.17	6.89	14.35	32.97	27.12	35.22	37.55	56.76	36.26
	– Fuel Oil		0	35.03	0.18	39.62	0	108.87	0	113.05	9.83	123.49
– Electricity	321.88		227.81	286.79	236.49	271.91	244.30	263.36	240.69	343.93	235.18	
GRI 305-1 Direct (Scope 1) GHG emissions (CO ₂ e)	Total Direct GHG emissions (equivalent)	MTCO ₂ e	24,046	14,043	24,798	13,224	25,030	14,224	27,926	14,642	38,796	15,298
GRI 305-2 Energy indirect (Scope 2) GHG emissions (CO ₂ e)	Total Indirect GHG emissions (equivalent)	MTCO ₂ e	29,175	9,633	28,953	9,487	24,377	9,957	28,299	9,927	51,212	9,790

PERFORMANCE SUMMARY

		FY2021		FY2022		FY2023		FY2024		FY2025				
MY	TH	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)	MTCO ₂ e	-		377,835	616,625	310,964	414,289	824,948	224,409	399,471	156,199		
	Category 1 – Purchased goods and services	MTCO ₂ e	-		360,563	610,947	292,442	215,009	804,667	206,451	358,774	143,538		
	Category 3 – Fuel and energy-related activities				17,273	5,054	17,941	16,210	19,856	17,533	21,340	5,531		
	Category 4 – Upstream Transportation and Distribution^^				-						4,486	2,056		
	Category 5 – Waste generated in operations				624	3	581	101	425	39	438	29		
	Category 6 – Business travel^										534	419	815	209
	Category 7 – Employee commuting^										13,129	4,702	13,617	4,836
GRI 305-4 Greenhouse gas (GHG) emissions intensity	Total GHG emissions (equivalent) (Scope 1 + Scope 2)	MTCO ₂ e	53,221	23,676	53,751	22,711	49,407	24,181	56,224	24,569	90,008	25,088		
	Total GHG emissions intensity ratio	MTCO ₂ e/MT	0.069	0.066	0.062	0.067	0.062	0.070	0.061	0.070	0.094	0.071		
	Group total GHG emissions intensity ratio	MTCO ₂ e/MT	0.0680		0.0633		0.0641		0.0635		0.0880			
Material Topic: Water Stewardship*														
GRI 303-3 Water withdrawal by source	Total volume of water withdrawal	m ³	2,096,595	487,472	2,357,401	455,489	2,146,372	558,197	2,504,397	553,271	3,069,149	518,918		
	– Surface water	m ³	0	0	0	0	28,269	0	0	0	0	0		
	– Ground water		113,040	0	117,281	0	106,341	0	108,308	0	100,375	0		
	– Rainwater collected directly and stored by F&N		0	0	0	0	0	43,394	0	48,429	0			
	– Municipal water supplies or other water utilities		1,983,555	487,472	2,240,120	455,489	2,011,762	558,197	2,352,695	553,271	2,920,345	518,918		
GRI 303-4 Water discharge	Total water discharge by destination	m ³	1,220,706	230,983	1,214,171	257,849	1,389,566	222,931	1,464,665	220,275	1,237,182	206,706		
	– Surface water	m ³	898,760	0	906,366	0	989,674	0	1,053,659	0	785,182	0		
	– Seawater		317,571	0	302,333	0	322,647	0	332,082	0	369,631	0		
	– Third-party water treatment and usage		4,375	230,983	5,472	257,849	77,245	222,931	78,924	220,275	82,369	206,706		
GRI 303-5 Water consumption	Total volume of water consumption	m ³	875,889	256,489	1,143,230	197,640	756,806	335,266	1,039,732	332,996	1,831,967	312,212		



PERFORMANCE SUMMARY

		FY2021		FY2022		FY2023		FY2024		FY2025		
MY Malaysia	TH Thailand		MY	TH	MY	TH	MY	TH	MY	TH	MY	TH
OPERATIONAL ECO-EFFICIENCY (Cont'd)												
Material Topic: Waste Management*												
GRI 306-3 (2020) Waste Generated	Total waste generated	MT	10,704	1,293	10,524	898	9,064	2,840	10,787	2,772	12,023	2,033
	Waste diverted from disposal		9,631	1,180	9,187	764	8,068	2,438	10,243	2,456	10,821	2,033
	– Hazardous waste		22	0	25	0	26	36	14	22	27	21
	– Non-hazardous waste		9,609	1,180	9,161	764	8,042	2,402	10,228	2,433	10,794	2,011
	Waste directed to disposal		1,073	113	1,337	133	996	402	545	316	1,202	0
	– Hazardous waste		3	9	2	5	12	130	2	5	4	0
	– Non-hazardous waste		1,070	103	1,335	129	984	272	543	311	1,198	279
GRI 306-4 (2020) Waste diverted from disposal	Total hazardous waste	MT	22	0	25	0	26	36	14	22	27	21
	Offsite											
	– Preparation for reuse	MT	15	0	22	0	1	0	6	11	15	19
	– Recycling		4	0	1	0	25	35	7	12	11	3
	– Composting (self-fertiliser)		3	0	2	0	0	0	1	0	1	0
	Total non-hazardous waste	MT	9,609	1,179	9,161	764	8,042	2,402	10,228	2,433	10,794	2,011
	Offsite											
	– Preparation for reuse	MT	217	0	329	0	224	0	255	18	220	141
	– Recycling		4,346	635	3,896	202	3,848	744	4,259	847	4,741	666
– Composting (self-fertiliser)	5,046		545	4,936	562	3,970	1,658	5,715	1,568	5,833	1,204	
GRI 306-5 (2020) Waste directed to disposal	Total hazardous waste	MT	3	9	2	5	12	130	2	5	4	0
	Offsite											
	– Landfill	MT	2	1	2	1	7	0	2	0	1	0
	– Incineration (with energy recovery)		1	8	0	3	5	130	0	5	2	0
	– Incineration (without energy recovery)		0	0	0	1	0	0	0	0	1	0
	Total non-hazardous waste	MT	1,070	104	1,335	129	984	272	543	311	1,198	279
	Offsite											
	– Landfill	MT	1,070	18	1,335	6	984	136	543	0	629	0
– Incineration (with energy recovery)	0		86	0	123	0	136	0	311	568	279	

* Pak Chong plant ceased operating since September 2022. Wang Muang plant commenced operations since October 2022. 2025 data expanded to include additional sites – four sites in Rawang and one site in Kota Kinabalu Industrial Park.

^^ New reporting scope since 2025

PERFORMANCE SUMMARY

		FY2021		FY2022		FY2023		FY2024		FY2025		
MY Malaysia	TH Thailand	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	3,412,671	716,268
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	3,244,911	639,470
	– Non-renewable materials		131,240	91,582	148,341	82,493	126,136	77,003	139,664	78,389	167,760	76,798
GRI 301-2	– Percentage of recycled input materials**	%	24.8	19.8	28.2	20.2	26.5	23.9	26.4	23.8	26.1	32.2
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	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 2023

** 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 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 2025 (1st October 2024 – 30th September 2025)

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 3000 (revised)¹ 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.

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.

¹ GHG quantification is subject to inherent uncertainty.



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.

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.

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 misstatements 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 selected GRI indicators at F&NHB plants (Kuala Lumpur, Kota Kinabalu and Kuching) in Malaysia. We also reviewed how these selected GRI indicators from the operations in Malaysia and Thailand were consolidated into the final reported data.

Observations

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

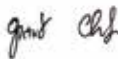
- Reliability: Data management systems are established and centralized for the data and information collection and calculation associated with the selected GRI indicators. However, we believe that the periodic internal verification will help improving the quality and reliability of data reported in the future, typically for tracking performances overtimes.

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: 12th November 2025



Opatt Chaturatana
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: BGK00001243/C

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	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	Page 140
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	2-8	Workers who are not employees	Not disclosed due to information not complete	–
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	2-16	Communication of critical concerns	Annual Report 2025	Page 135
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	Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour		
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	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility		Value Chain Impacts (Pages 123 to 127)
	Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies		
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Air Emissions from Refrigeration	FB-FR-110b.1	Gross global Scope 1 emissions from refrigerants	Quantitative	Metric tonnes of carbon dioxide equivalent (MTCO ₂ e)	Page 136
	FB-FR-110b.2	Percentage of refrigerants consumed with zero ozone-depleting potential	Quantitative	Percentage (%) by weight	F&NHB will address this disclosure requirement in FY2026
	FB-FR-110b.3	Average refrigerant emissions rate	Quantitative	Percentage (%)	
Energy Management	FB-FR-130a.1	(1) Operational energy consumed, (2) percentage grid electricity and (3) percentage renewable	Quantitative	Megajoules (MJ)	Page 136
Management of Environmental & Social Impacts in the Supply Chain	FB-FR-430a.1	Revenue from products third-party certified to environmental or social sustainability sourcing standards	Quantitative	Presentation currency	F&NHB will address this disclosure requirement in FY2026
	FB-FR-430a.3	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	Discussion and Analysis	n/a	
	FB-FR-430a.4	Discussion of strategies to reduce the environmental impact of packaging	Discussion and Analysis	n/a	Pages 124 to 125
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	FB-FR-000.B	Total area of (1) retail space and (2) distribution centres	Quantitative	Square metres (m ²)	
	FB-FR-000.C	Number of vehicles in commercial fleet	Quantitative	Number	
	FB-FR-000.D	Tonne-kilometres travelled	Quantitative	Tonne-kilometres	

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Water Management	FB-NB-140a.1	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic metres (m³), Percentage (%)	Page 137
	FB-NB-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	n/a	Page 110
Environmental & Social Impacts of Ingredient Supply Chain	FB-NB-430a.1	Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	Quantitative	Rate	Pages 52 to 54
Ingredient Sourcing	FB-NB-440a.1	Percentage of beverage ingredients sourced from regions with High or Extremely High Baseline Water Stress	Quantitative	Percentage (%) by cost	F&NHB will address this disclosure requirement in FY2026
	FB-NB-440a.2	List of priority beverage ingredients and discussion of sourcing risks related to environmental and social considerations	Discussion and Analysis	n/a	
Activity Metrics	FB-NB-000.A	Volume of products sold	Quantitative	Millions of hectoliters (Mhl)	Annual Report, page 18
	FB-NB-000.B	Number of production facilities	Quantitative	Number	
	FB-NB-000.C	Total fleet road kilometres travelled	Quantitative	Kilometres (km)	

IBG CONTENT INDEX

INDUSTRY-BASED GUIDANCE TOPIC	CODE	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	PAGE REFERENCE
IBG Metrics Vol 25 - Processed Foods					
Energy Management	FB-PF-130a.1	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	Quantitative	Megajoules (MJ)	Page 136
Water Management	FB-PF-140a.1	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic metres (m³), Percentage (%)	Page 137
	FB-PF-140a.2	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Quantitative	Number	Page 110
	FB-PF-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	n/a	Page 110
Environmental & Social Impacts of Ingredient Supply Chain	FB-PF-430a.1	Percentage of food ingredients sourced that are certified to third-party environmental or social standards, and percentages by standard	Quantitative	Percentage (%) by cost	F&NHB will address this disclosure requirement in FY2026
	FB-PF-430a.2	Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	Quantitative	Rate	Page 52 to 54
Ingredient Sourcing	FB-PF-440a.1	Percentage of food ingredients sourced from regions with High or Extremely High Baseline Water Stress	Quantitative	Percentage (%) by cost	F&NHB will address this disclosure requirement in FY2026
	FB-PF-440a.2	List of priority food ingredients and discussion of sourcing risks related to environmental and social considerations	Discussion and Analysis	n/a	
Activity Metrics	FB-PF-000.A	Weight of products sold	Quantitative	Metric tonnes (MT)	Annual Report, page 18
	FB-PF-000.B	Number of production facilities	Quantitative	Number	

BURSA MALAYSIA PRESCRIBED TABLE

As a Listed Issuer, F&NHB is required to disclose a summary of data for the metrics and targets presented in the Sustainability Reporting, in a prescribed format, in accordance with the Bursa Malaysia Listing Requirements (BMLR) during the transition period. The performance data table below, downloaded from Bursa Malaysia’s CSI Platform (Bursa Malaysia Prescribe Table), summarises key indicators aligned with our Material Matters. For additional details and historical ESG performance data, please refer to the “Performance Summary” on pages 128 to 139.

Fraser & Neave Holdings Bhd

BMLR Transition Period

Date & Time: 2025-12-15_19:17:47

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Anti-Corruption	Percentage of employees who have received training on anticorruption by employee category - Executives	Percentage	100	100	No assurance
Anti-Corruption	Percentage of operations assessed for corruption-related risks	Percentage	100	100	No assurance
Anti-Corruption	Confirmed incidents of corruption and action taken	Number	0	0	No assurance
Community/Society	Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	1,500,000	-	External (Limited)
Community/Society	Total number of beneficiaries of the investment in communities	Number	200,000	-	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category - Executive Level Under 30	Percentage	0	-	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category - Executive Level Between 30-50	Percentage	0.2	-	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category - Executive Level Above 50	Percentage	0.6	-	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category - Middle Management Under 30	Percentage	0	-	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category - Middle Management Between 30-50	Percentage	3.8	-	No assurance

BURSA MALAYSIA PRESCRIBED TABLE

Fraser & Neave Holdings Bhd

BMLR Transition Period

Date & Time: 2025-12-15_19:17:47

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Percentage of employees by gender and age group, for each employee category - Middle Management Above 50	Percentage	1.5	-	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category - Department Head / Supervisor Under 30	Percentage	0.4	-	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category - Department Head / Supervisor Between 30 - 50	Percentage	9.3	-	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category - Department Head / Supervisor Above 50	Percentage	1.4	-	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category - Senior Officer Under 30	Percentage	3.6	-	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category - Senior Officer Between 30-50	Percentage	16.5	-	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category - Senior Officer Above 50	Percentage	4.1	-	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category - Officer Under 30	Percentage	18.5	-	No assurance

BURSA MALAYSIA PRESCRIBED TABLE

Fraser & Neave Holdings Bhd
BMLR Transition Period

Date & Time: 2025-12-15_19:17:47

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Percentage of employees by gender and age group, for each employee category - Officer Between 30-50	Percentage	34.0	-	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category - Officer Above 50	Percentage	61	-	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category - Executive Level Male	Percentage	0.5	-	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category - Executive Level Female	Percentage	0.2	-	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category - Middle Management Male	Percentage	2.8	-	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category - Middle Management Female	Percentage	2.6	-	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category - Department Head / Supervisor Male	Percentage	6.4	-	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category - Department Head / Supervisor Female	Percentage	4.7	-	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category - Senior Officer Male	Percentage	13.3	-	No assurance

BURSA MALAYSIA PRESCRIBED TABLE

Fraser & Neave Holdings Bhd
BMLR Transition Period

Date & Time: 2025-12-15_19:17:47

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Percentage of employees by gender and age group, for each employee category - Senior Officer Female	Percentage	10.9	-	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category - Officer Male	Percentage	49.0	-	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category - Officer Female	Percentage	9.6	-	No assurance
Diversity	Percentage of directors by gender and age group - Male	Percentage	54.5	-	No assurance
Diversity	Percentage of directors by gender and age group - Female	Percentage	45.4	-	No assurance
Diversity	Percentage of directors by gender and age group - Under 30	Percentage	0	-	No assurance
Diversity	Percentage of directors by gender and age group - Between 30-50	Percentage	0	-	No assurance
Diversity	Percentage of directors by gender and age group - Above 50	Percentage	100	-	No assurance
Energy Management	Total energy consumption	Megajoules	1,355,340,524	8% reduction of energy intensity ration against 2020 baseline	External (Limited)

BURSA MALAYSIA PRESCRIBED TABLE

Fraser & Neave Holdings Bhd
BMLR Transition Period

Date & Time: 2025-12-15_19:17:47

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Health and safety	Number of work-related fatalities	Number	0	0	External (Limited)
Health and safety	Lost time incident rate	Rate	0.33	0	External (Limited)
Health and safety	Number of employees trained on health and safety standards	Number	181	-	External (Limited)
Labour practices and standards	Total hours of training by employee category - Executives	Hours	34,095	Average training hours of 18 hours per person	External (Limited)
Labour practices and standards	Total hours of training by employee category - Non-executives	Hours	25,087	Average training hours of 11 hours per person	External (Limited)
Labour practices and standards	Percentage of employees that are contractors or temporary staff - Part Time and Temporary Staff	Percentage	9.3	-	No assurance
Labour practices and standards	Total number of employee turnover by employee category - Executive Level	Number	4	-	No assurance
Labour practices and standards	Total number of employee turnover by employee category - Middle Management	Number	28	-	No assurance
Labour practices and standards	Total number of employee turnover by employee category - Department Head / Supervisor	Number	62	-	No assurance
Labour practices and standards	Total number of employee turnover by employee category - Senior Officer	Number	87	-	No assurance
Labour practices and standards	Total number of employee turnover by employee category - Officer	Number	530	-	No assurance
Labour practices and standards	Number of substantiated complaints concerning human rights violations	Number	0	0	No assurance

BURSA MALAYSIA PRESCRIBED TABLE

Fraser & Neave Holdings Bhd
BMLR Transition Period

Date & Time: 2025-12-15_19:17:47

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Supply chain and management	Proportion of spending on local suppliers	Percentage	74.4	-	No assurance
Data privacy and security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	No assurance
Water	Total volume of water used	Cubic Metre (m3)	2,144,179	8% reduction of water intensity ration against 2020 baseline	External (Limited)

LIST OF ABBREVIATION

5R	Rethink, Refuse, Reduce, Reuse and Recycle	EIA	Environmental Impact Assessments
AC	Audit Committee	EMS	Environmental Management Systems
ACF	Activated Carbon Filter	EPR	Extended Producer Responsibility
AI	Artificial Intelligence	ERM	Enterprise Risk Management
AR	Annual Report	ERT	Emergency Response Teams
APS	Announced Pledges Scenario	ESG	Environment, Social and Governance
AR6	Sixth Assessment Report	ESH	Environmental, Safety and Health
ASEAN	Association of Southern Asian Nations	EU	European Union
ASRS	Automated Storage and Retrieval System	EV	Electric Vehicle
B40	Bottom 40% of Households in Malaysia	F4GBM	FTSE4Good Bursa Malaysia Index
BAM	Badminton Association of Malaysia	F4GBMS	FTSE4Good Bursa Malaysia Shariah Index
BCM	Business Continuity Management	F&B	Food and Beverage
BPJPH	Badan Penyelenggara Jaminan Produk Halal	F&B Indochina	Food and Beverages Indochina
BRF	Biodiversity Risk Filter	F&B Malaysia	Food and Beverages Malaysia
CAN	CEO Action Network	F&NHB	Fraser & Neave Holdings Bhd
CCAS	Communications, Corporate Affairs and Sustainability	F&N Group	Fraser and Neave, Limited
CEO	Chief Executive Officer	FAM	Football Association of Malaysia
CFO	Chief Financial Officer	FAO	Food and Agriculture Organisation
CICOT	Central Islamic Council of Thailand	FELCRA	Federal and Consolidation and Rehabilitation Authority
CIP	Cleaning-in-place	FELDA	Federal Land Development Authority
CNCA	China National Certification & Accreditation	FDA	Food and Drug Administration
CO ₂	Carbon Dioxide	FMM	Federation of Malaysian Manufacturers
COBP	Code of Business Practice	FSC	Forest Stewardship Council
COD	Chemical Oxygen Demand	FSSC	Food Safety System Certification Scheme
CSA	Corporate Sustainability Assessment	FY	Financial Year
CSPO	Certified Sustainable Palm Oil	GCA	Graduates' Choice Award
DBKK	Dewan Bandaraya Kota Kinabalu	GDA	Guideline Daily Amounts
EAO	Excel as One	GHG	Greenhouse Gas
e.g.	For Example	GMP	Good Manufacturing Practice

GRI	Global Reporting Initiative
GWP	Global Warming Protocol
HACCP	Hazard Analysis Critical Control Points
HCL	Healthier Choice Logo
HDC	Halal Development Corporation Berhad
HRMS	Human Resource Management System
HRDD	Human Rights Due Diligence
HRRA	Human Rights Risk Assessment
HSE	Health, Safety and Environment
IBG	Industry-based Guidance
ICCoHaf	International Conference on Halal and Fatwa
ICDL	International Computer Driving License
IDP	Individual Development Plan
IEA	International Energy Agency
IETS	Industrial Effluent Treatment System
IFRS	International Financial Reporting Standards
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information
IFRS S2	Climate-related Disclosure of Sustainability-related Financial Information
IGES	Institute for Global Environmental Strategies
IIRC	International Integrated Reporting Council
IUM	International Islamic University Malaysia
ILO	International Labour Organisation
INHART	International Institute of Halal Research & Training
IPCC	Intergovernmental Panel on Climate Change
ISSB	International Sustainability Standards Board
IUCN	International Union for Conservation of Nature
JAKIM	Department of Islamic Development Malaysia
JAIS	Jabatan Agama Islam Selangor

LIST OF ABBREVIATION

kWh	Kilowatt-hours
LAMPU	Leadership & Management Potential Unleashed
LRQA	Lloyd's Register Quality Assurance
LTIFR	Lost Time Injury Frequency Rate
kg	Kilogramme
KPDN	Ministry of Domestic Trade and Costs of Living
KPKT	Ministry of Housing and Local Government
m ³	Cubic Metre
MAREA	Malaysian Recycling Alliance
MCC	Milk Collection Centre
MeSTI	Industry Responsibility of Food Certification Scheme
MHMS	Malaysian Halal Management System
MITI	Ministry of Trade and Industry
MJ	Megajoule
MOE	Ministry of Education
MOH	Ministry of Health
MOU	Memorandum of Understanding
MT	Metric Tonne
MWp	Megawatt peak
NDC	Nationally Determined Contributions
NGFS	Network for Greening the Financial System
NGO	Non-governmental Organisations
NGV	Natural Gas Vehicle
NSC	National Sports Council
NTU	Nanyang Technological University
NSRF	National Sustainability Reporting Framework
OH&S	Occupational Health and Safety
PEFC	Endorsement of Forest Certification
PerKISS	Pertandingan Kitar Semula Sekolah-Sekolah

PET	Polyethylene Terephthalate
PHE	Plate Heat Exchanger
PPA	Power Purchase Agreements
PPE	Personal Protection Equipment
PPM	Parts per Million
PSS	Program Susu Sekolah (School Milk Programme)
PV	Photovoltaic
R&D	Research and Development
RAMSAR	Ramsar Convention on Wetlands
REC	Renewable Energy Certificate
RO	Reverse Osmosis
rPET	Recycled PET
RSPO	Roundtable on Sustainable Palm Oil
RTD	Ready-to-drink
SAM	Sportswriters Association of Malaysia
SCOP	Supplier Code of Practice
SDC	Sustainable Development Committee
SDGs	Sustainable Development Goals
SDWT	Sustainability Development Working Team
SEDEX	Supplier Ethical Data Exchange
SHE	Safety, Health and Environment
SKU	Stock Keeping Unit
SLCM	Supplier Life Cycle Management
SMART	Specific, Measurable, Achievable, Relevant and Time-bound
SMEs	Small Medium Enterprises
SQMS	Quality Management System
SR	Sustainability Report
SRA	Scientific & Regulators Affairs
SRMC	Board Sustainability & Risk Management Committee

SSP	Shared Socio-economic Pathways
STEPS	Stated Policies
STO	Stock Transfer Orders
SWCorp	Solid Waste and Public Cleansing Management Corporation
TCFD	Taskforce on Climate-related Disclosures
TDS	Total Dissolved Solids
TGO	Thailand Greenhouse Gas Management Organisation
TfS	Together for Sustainability
ThaiBev	Thai Beverage Public Company Limited
TSCM	Total Supply Chain Management
UF	Ultrafiltration
UHT	Ultra-high Temperature
UKM	Universiti Kebangsaan Malaysia
UN	United Nations
UVGI	Ultraviolet Germicidal Irradiation
VFD	Variable Frequency Drive
VHM	Veterinary Health Mark
WEO	World Energy Outlook
WHO	World Health Organisation
WRI	World Resources Institute
WWF	World Wildlife Fund



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