



Food Empire



BEYOND

A RELENTLESS PURSUIT FOR SUSTAINABLE GROWTH

SUSTAINABILITY REPORT

2019

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BOARD STATEMENT

The Board of Directors (the “Board”) is pleased to present the third Sustainability Report of Food Empire Holdings Limited (“Food Empire” or together with its subsidiaries, “the Group”) for the financial year ended 31 December 2019 (“FY2019”). This report provides an update on the progress that the Group has made towards achieving its Environmental, Social and Governance (ESG) aspirations.

In the last report, Food Empire made significant strides in its sustainability reporting journey. Through the addition of two material matters and the increase in scope to include Food Empire’s operations in Vietnam, the group provided a more comprehensive overview of its sustainability performance. This transparency and progress on the Group’s sustainability performance was formally recognised as the Group was awarded with the Singapore Investors Association of Singapore (“SIAS”) Sustainability Award for the “Small Cap” category. This is an affirmation of our continuous efforts in implementing environmentally and socially responsible practices. The Group will continue to ensure that it upholds the expectations of all its stakeholders towards achieving its ESG goals.

In 2019, the Board conducted a review of Food Empire’s five material sustainability matters and acknowledged that these material matters are still relevant to the Group this year. The Board will continue to ensure that these sustainability matters are monitored and managed. The Board remains committed to working closely with management to drive the sustainable growth of the Group and to deliver long-term value for our stakeholders.

OUR YEAR IN REVIEW



2,001
Employees
in Russia, Vietnam
and Singapore



ZERO
confirmed cases
of corruption and
non-compliance
with all laws and
regulations



Recognised as the Winner of
**SUSTAINABILITY
AWARD**

for the "Small Cap" category at the
20th Securities Investors Association
of Singapore ("SIAS") Investors'
Choice Awards 2019



ZERO
Work-related
fatalities in all
our operations



ZERO
Incidents of injury
in Vietnam

ABOUT FOOD EMPIRE



Our mission is to be a leading global food and beverage company providing quality products and services. We will achieve this goal as we have the people, the passion and the enterprising spirit to make a difference.

288.6
million
USD
Net sales
in FY2019

Sold in over
50
countries

>17
Brands

23
Offices
worldwide

7
Manufacturing
facilities

▶ WHERE QUALITY IS CREATED

Listed in SGX Mainboard since April 2000, Food Empire manufactures, sells and distributes our quality products to more than 50 countries.

We operate 7 manufacturing facilities and 23 representative and liaison offices worldwide.

Our primary markets are Russia, Ukraine, Kazakhstan and other members of the Commonwealth of Independent States ("CIS"), as well as Indochina.

OUR GROWING PORTFOLIO OF TRUSTED BRANDS

From instant beverages to frozen finger foods and snacks, we have over 17 brands that continuously delight our consumers. Specialising in a wide variety of instant beverages such as coffee, chocolate and tea products, we also have an assortment of snacks and easy-to-prepare frozen foods under our portfolio. Besides manufacturing and selling retail products, we also sell our raw ingredients to other food manufacturers.

We strive to continue innovating as we grow our portfolio to offer our consumers more product choices across the spectrum.

| | |
|---|---|
| <p>INSTANT BEVERAGES</p> <ul style="list-style-type: none"> MacCoffee Café PHO Klassno Petrovskaya Sloboda MacTea MacChocolate Hillway CaféRite MacFito MacChoco MacCereal NutriRite FesAroma Bolt | <p>SNACK FOOD</p> <ul style="list-style-type: none"> Kracks Chizzpa <p>.....</p> <p>FROZEN CONVENIENCE FOOD</p> <ul style="list-style-type: none"> OrienBites <p>.....</p> <p>COFFEE CAPSULES</p> <ul style="list-style-type: none"> Tazzanera |
|---|---|



SUSTAINABILITY AT FOOD EMPIRE

OUR SUSTAINABILITY FRAMEWORK

Sustainability at Food Empire is guided by our Sustainability Framework which is underpinned by our three ambitions around Principles, People and Planet. We want to make the biggest difference to all our stakeholders and continue to refine and use this sustainability framework to shape our business practices.



ECONOMIC RESILIENCE

As we continue to grow our business, we face a variety of challenges across our operations. From changing consumer demands to potential disruption in an increasingly complex supply chain, we constantly strive to overcome these challenges so that we can serve our quality products across the markets. We remain committed to our strategic thrust to economic resilience by innovating new products, diversifying our key markets as well as suppliers to ensure minimal impediments to our business.

INNOVATE & DIVERSIFY: CAFÉ PHO - A BREW OF INNOVATION

At Food Empire, we place emphasis on the importance of product innovation in strengthening our business resiliency. We embrace and encourage new ideas to remain ahead of the curve in the rapid customer preference changes in the market. Following the success of Café PHO brand in a rich coffee-drinking culture in Vietnam, Food Empire launched a new product: Café PHO Nha Lam in July 2019. Focusing on bringing an authentic experience of street iced coffee, the new product offers a much richer and creamier taste as compared to the other instant coffee in the market. The launch of the new Café PHO Nha Lam was held with the presence of over 470 excited attendees.

While the creation of new products remains an important part of our strategy, promotion of existing products in innovative ways can revitalise and significantly improve demand for the product. Since its launch, Café PHO has seen several successful marketing campaigns. This year, Food Empire collaborated with Vietnamese pop singer, Toc Tien, to create a catchy music video. This marketing campaign saw great success as the video gathered more than 56 million views and counting on the video-streaming platform YouTube.

In addition to product innovation, we have also expanded the market availability of Café PHO. In 2019, we added Uzbekistan to the list of countries where Café PHO is available. As a new entrant to the market, Café PHO saw great success with a total of 4.1 million sachets sold since its availability.





INNOVATE & DIVERSIFY: MACCOFFEE - AN AWARD-WINNING RECIPE FOR SUCCESS

MacCoffee is Food Empire's flagship brand and is our most successful brand. Through a combination of producing high-quality products and innovative marketing campaigns, Food Empire was able to win the hearts and minds of consumers in our key markets. In recognition of its status as one of the most popular products in Russia, MacCoffee has won numerous awards including the "Product of the Year 2019" for coffee products in Russia and the "No.1 brand in Russia" in the *Narodnaya Marka* competition which focuses on top FMCG brands based on consumers' choice.

While our products remain popular in Russia, we recognise that consumer preferences may change and there is a need to innovate to ensure continued relevance of our products. In 2019, we added the cinnamon flavour to our best-selling MacCoffee Cappuccino di Torino range, a flavour that is currently trending in Russia. Thus far, the new range has been a success, making a significant proportion of our coffee mix business sales. This product has since been launched in other markets including Kazakhstan, Kyrgyzstan, Belarus and Armenia.

SUPPLY CHAIN AND OPERATION CONTINUITY

As a consumer product company, supply chain continuity is critical for our business operation. To minimise disruption, we have diversified the supply base for critical materials to various countries and regions; including Brazil, India, Malaysia and Vietnam to prevent any disruptions to production in our factories. A dedicated task force is established to engage with all suppliers on weekly basis so that any direct or indirect delays in the supply will be detected early. A safe buffer inventory is also maintained at factories where possible.

In addition to our supply chain, we also put in place contingency plans for our own operation. The main strategy includes the digitalisation of our work processes, implementing remote working protocols and ensuring a robust IT infrastructure for uninterrupted communications across our global operation.



STAKEHOLDER ENGAGEMENT & MATERIALITY

KEY STAKEHOLDERS

[GRI 102-40] [102-42] [102-43] [102-44]

From procurement of ingredients to the sale of our products, we understand that our operations can affect various stakeholders across our value chain. At Food Empire, we believe in fostering relationships with our key stakeholders. Through regular engagement, we aim to stay abreast with the

relevant sustainability matters that interest them the most and provide solutions that deliver long term value. An overview of our key stakeholders, their expectations and our channels of communications is presented below.

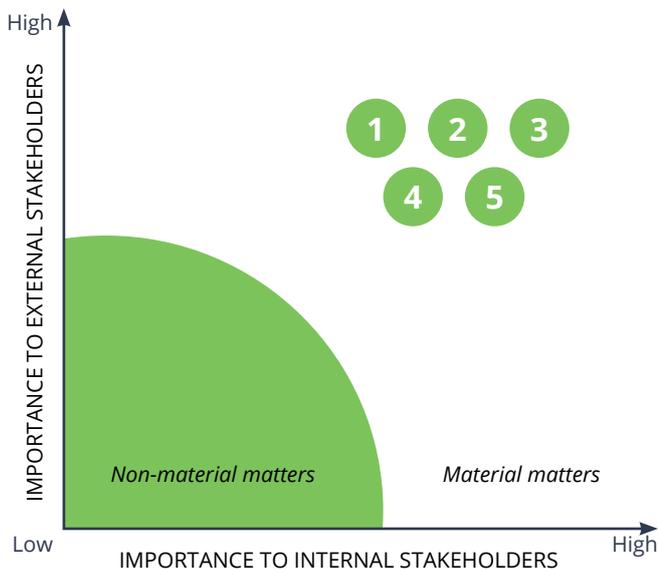
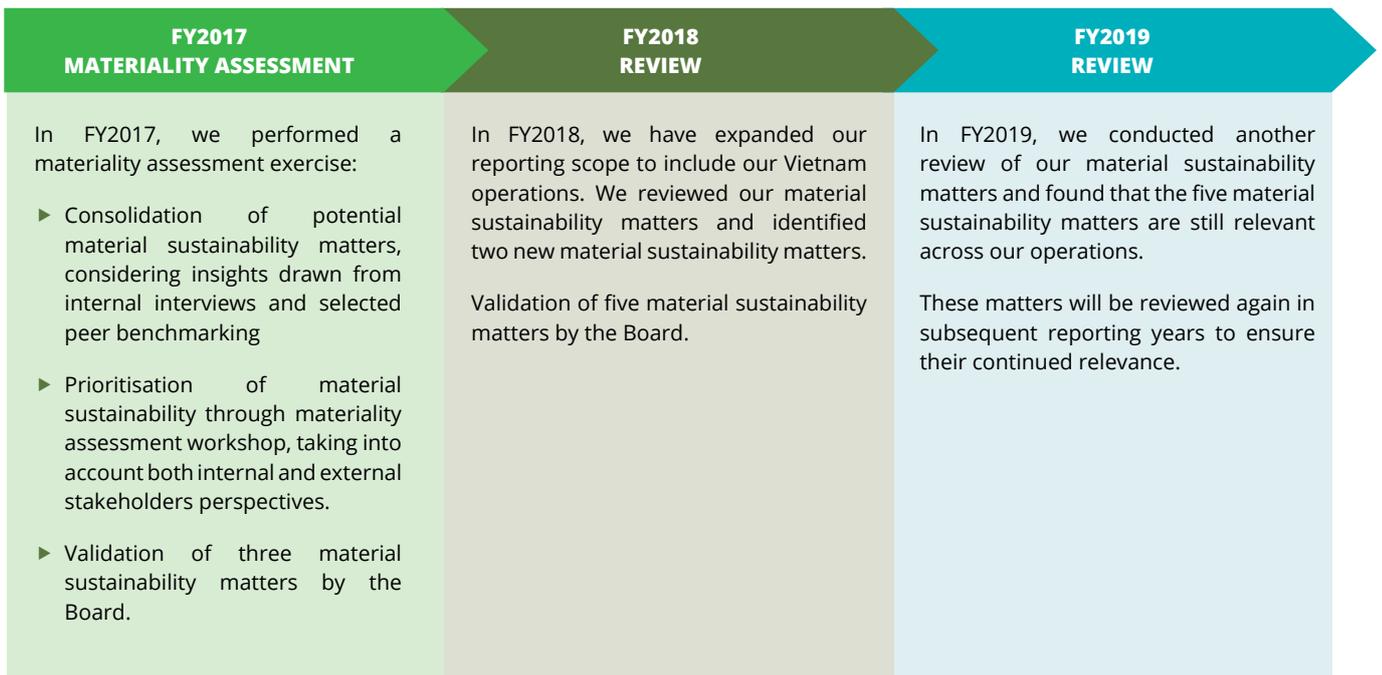
| SHAREHOLDERS | CONSUMERS | SUPPLIERS AND BUSINESS PARTNERS | EMPLOYEES AND WORKERS |
|--|---|---|---|
| <p>Key Interests:</p> <ul style="list-style-type: none"> ▶ Financial and operational performance of Food Empire ▶ Good corporate governance of Food Empire ▶ Sustainability of Food Empire ▶ Transparency <p>How we engage:</p> <ul style="list-style-type: none"> ▶ Annual Report and Sustainability Report (Annual) ▶ Annual shareholder meeting (Annual) ▶ Announcements and circulars (Regular) ▶ Investor relations channel (Active) ▶ Investor presentations, roadshows, dialogue sessions (Regular) ▶ Quarterly reports (Quarterly) | <p>Key Interests:</p> <ul style="list-style-type: none"> ▶ Business ethics and sustainable practices ▶ Food safety and hygiene ▶ Innovation ▶ Product quality and nutritional value ▶ Responsible marketing and labelling <p>How we engage:</p> <ul style="list-style-type: none"> ▶ Annual Report and Sustainability Report (Annual) ▶ Consumer enquiries channel (Active) ▶ Marketing and labelling of products (Active) ▶ Mass media and social media (Regular) ▶ Point of sale (Active) ▶ Surveys and market research (Ad hoc) | <p>Key Interests:</p> <ul style="list-style-type: none"> ▶ Business ethics and sustainable practices ▶ Long-term business relationship with Food Empire ▶ Financial and operational performance of Food Empire ▶ Sustainability of Food Empire <p>How we engage:</p> <ul style="list-style-type: none"> ▶ Annual Report and Sustainability Report (Annual) ▶ Direct communication, meetings and discussions (Regular) ▶ Evaluation and monitoring (Ad hoc) ▶ Joint initiatives and programmes (Ad hoc) ▶ Site visits and audits/checks (Ad hoc) ▶ Survey (Ad hoc) | <p>Key Interests:</p> <ul style="list-style-type: none"> ▶ Engagement in Food Empire's business ▶ Equal opportunities and non-discrimination ▶ Health, safety and well-being ▶ Job satisfaction ▶ Remuneration ▶ Training and development opportunities <p>How we engage:</p> <ul style="list-style-type: none"> ▶ Annual Report and Sustainability Report (Annual) ▶ Company events and activities (Regular) ▶ Control self-assessment for Senior Management (Regular) ▶ Human resource channel (Active) ▶ Staff appraisal (Regular) ▶ Surveys and interviews (Ad hoc) ▶ Training and development programmes (Regular) ▶ Volunteer and community activities (Ad hoc) |
| <p>COMMUNITIES</p> <p>Key Interests:</p> <ul style="list-style-type: none"> ▶ Contribution to economic and social development ▶ Environmental impact of operations ▶ Local employment <p>How we engage:</p> <ul style="list-style-type: none"> ▶ Annual Report and Sustainability Report (Annual) ▶ Corporate social responsibility initiatives (Ad hoc) ▶ Sponsorship and philanthropy (Ad hoc) | <p>GOVERNMENT AND REGULATORS</p> <p>Key Interests:</p> <ul style="list-style-type: none"> ▶ Compliance to applicable laws and regulations ▶ Contributions to economic and social development ▶ Environmental impact of operations <p>How we engage:</p> <ul style="list-style-type: none"> ▶ Annual Report and Sustainability Report (Annual) ▶ Industry sector participation channels (Ad hoc) ▶ Participation in conferences, meetings and discussions ▶ Site visits and audits/checks | <p>FINANCIERS</p> <p>Key Interests:</p> <ul style="list-style-type: none"> ▶ Financial and operational performance of Food Empire ▶ Good corporate governance of Food Empire ▶ Sustainability of Food Empire ▶ Timely repayment of loan principal and interest <p>How we engage:</p> <ul style="list-style-type: none"> ▶ Annual Report and Sustainability Report (Annual) ▶ Direct communication, meetings and discussion (Annual) ▶ Announcements and circulars (Regular) | |

MATERIALITY ASSESSMENT

[GRI 102-46] [102-47]

By focusing the resources on the most critical matters of our business, we have managed to build great brands for the diverse markets. In our previous sustainability report, we have identified five material sustainability matters that have a significant impact to our business and key stakeholders. Upon review of these

sustainability matters, Food Empire considers these to still be relevant. The figure below illustrates our materiality assessment process and the five material sustainability matters identified through the assessment.



| Mapping of Material Sustainability Matters to GRI Standards Topics | | |
|--|--|--|
| No. | Sustainability Matters | Relevant GRI Standards Topics |
| 1 | Energy Consumption and Greenhouse Gas (GHG) Emission | GRI 302: Energy GRI 305: Emissions |
| 2 | Consumer Health and Safety | GRI 416: Customer Health and Safety GRI 417: Marketing and Labeling |
| 3 | Anti-corruption | GRI 102: Ethics and Integrity GRI 205: Anti-Corruption |
| 4 | Occupational health and safety | GRI 403: Occupational Health and Safety |
| 5 | Employment practices | GRI 401: Employment |

PRINCIPLES

Food Empire believes that upholding high standards of corporate governance is paramount to our continued success and is a key enabler for the Group to achieve its sustainability aspirations across all levels of the organisation.

SUSTAINABILITY GOVERNANCE

[GRI 102-18] [102-29] [102-32]

A strong sustainability governance is predicated upon having a well-defined committee structure with a clear delegation of responsibility for all involved in pushing our sustainability strategy forward.



THE BOARD

At the highest level, The Board of Directions (“the Board”) is responsible for the sustainability performance and ensures sustainability matters incorporated in the Group’s strategic formulation. The Board also identifies material sustainability matters and ensure they are well managed, with appropriate policies, practices in place.



FOOD EMPIRE TOP MANAGEMENT

The Management team oversees the implementation of the relevant sustainability policies and regularly monitors the progress of key metrics relevant to the Group’s sustainability performance. The Management provides updates to the Board on the overall progress towards achieving its Sustainability goals on a regular basis.



FOOD EMPIRE SUSTAINABILITY COMMITTEE

The Food Empire Sustainability Committee reports directly to the top management team. The Committee includes sustainability coordinators from the headquarters in Singapore as well as representatives from key markets; Russia and Vietnam. Market representatives work with local teams to ensure that specific policies are adhered to at operational level and keep track of the country’s performance. The Committee meets regularly to discuss key updates and discuss potential improvements to sustainability reporting and performance of Food Empire.



**MATERIAL
MATTER
CHAMPIONS**

Energy
Consumption
and
Greenhouse
Gas Emissions

Consumer
Health and
Safety

Anti-corruption

Occupational
Health and
Safety

Employment
practices

OUR BUSINESS ETHICS

WHY IS ANTI-CORRUPTION IMPORTANT TO FOOD EMPIRE?

[GRI 103-1]

A core part of the continued success of a business is through its ability to maintain the trust and confidence of all its stakeholders. Incidence of corruption can result in a loss of trust and cause significant harm to the reputation of a business. It can also result in material damage in the form of legal and financial consequences

to the business. Food Empire adopts a strict zero-tolerance stance towards incidences of fraud, bribery and corruption. As a responsible member of society, we are committed towards taking all possible steps towards ensuring that no forms of corruption take place within the organisation.

MANAGEMENT APPROACH

[GRI 103-2] [103-3] [205-2] [205-3]



Food Empire is committed towards maintaining high standards of corporate governance and business conduct. This conduct is governed by Food Empire’s Business Ethics and Code of Conduct. The table below provides a summary of key aspects of this code. This code of conduct is communicated to all our employees.

| Policies and procedures | Summary |
|---|---|
| Legal compliance | Employees and directors are expected to comply with the local laws and regulations (e.g. Anti-Corruption, Labour, Immigration Act etc.) in all the countries we operate in. |
| Product quality and safety | Products must meet all applicable food safety and hygiene standards required by law in the countries we manufacture and supply to. |
| Gifts, loans and entertainment | Employees and directors should not, directly or indirectly, accept gifts of cash, favours or anything of value which could impair, or appear to impair their ability to perform their duties or exercise their judgment in a fair and unbiased manner. |
| Interest in other business and organisations | Employees and directors should not, directly or indirectly, engage in any work or business other than those in connection with their duties. This includes not having any deemed interest in any transaction, competitor or supplier which could influence objectivity and create a conflict of interest. |
| Indirect interests and relationships | Employees and directors should not be in a position to make or influence any decision made pertaining to any transaction or business endeavour which might involve their relatives. |
| Confidentiality and use of company information | Employees and directors should not use for personal benefit or disclose any company information and data to any other person or entity, even after termination of employment. |
| Diversion of corporate opportunities | Employees and directors should not appropriate or divert any business or financial opportunity to any other person or entity. |
| Safeguarding company property | Employees and directors should utilise the company’s resources and assets in a most efficient manner, to increase competitiveness and provide the best possible service to customers. |
| Code of Conduct | Employees and directors are expected to follow the Code of Conduct, which covers: <ul style="list-style-type: none"> a. High Standard of Honesty and Integrity b. Loyalty to Company c. Conflict of Interest d. Cost Effectiveness |



| Perpetual target | FY2019 performance |
|--|--------------------|
| Zero cases of non-compliance with all applicable laws and regulations | ● Achieved |
| Zero cases of confirmed incidents of corruption | ● Achieved |



Food Empire has implemented a Group-wide grievance mechanism in the form of its Whistleblowing Policy. This Whistleblowing Policy allows for employees to raise concerns about any wrongdoings, financial malpractice, illegal acts or business practices that go against Food Empire code of conduct in a safe and confidential manner. This channel ensures that any breach of trust can be reported by employees without fear of reprisals or victimisation.

The Audit Committee (“AC”) has the responsibility to oversee this Policy. Specifically, the AC Chairman (“ACC”) handles the following functions:

- ▶ Receipt of Complaints
- ▶ A preliminary review of the Complaints and reporting valid Complaints to the AC
- ▶ Setting up and maintenance of a Complaints Register



PEOPLE

As a business that is focused on bringing joy to consumers through our products - care for people forms a core part of Food Empire’s purpose. At Food Empire, not only do we aim to create a positive difference in the lives of consumers by providing quality food and beverages, we also hope to inspire people through our brands, bringing greater value to our consumers, stakeholders, partners and the community at large.

OUR EMPLOYMENT PRACTICES

WHY ARE EMPLOYMENT PRACTICES IMPORTANT TO FOOD EMPIRE?

[GRI 103-1]

Food Empire believes in the importance of maintaining a fair, responsible and conducive working environment for all our employees. Diversity remains a key facet of our hiring practices. We strongly believe that diversity and inclusivity are integral aspects of enhancing teamwork, confidence and performance of

our employees. These practices set us apart as a choice employer. At a Group level, we believe in setting a clear direction through our policies to ensure that all employees are treated equally and are given the same opportunities to grow and develop themselves.

MANAGEMENT APPROACH

[GRI 103-2] [103-3]



Our employment policies covers a wide range of employment practices which includes recruitment, employment benefits and career developments among other practices. The table below presents our Group’s key policies and procedures.

| Policies and procedures | Summary |
|----------------------------|---|
| Recruitment | This policy serves as the basis of our recruitment practices. It embodied our commitment to provide equal employment opportunity regardless of race, national origin, religion, age, or gender. |
| Employment benefits | This policy sets out the guidelines and procedures of employee’s benefits which include compensation benefits, leave policy and administration, and medical and dental benefits. |
| Career development | This policy aims to provide a guideline in ensuring that a consistent and systematic approach is taken to the management of career development activities for employees of the company, including performance appraisal, succession planning, and training and development. |

To effectively implement employment policies across our operations, we delegate the day-to-day Human Resources (“HR”) operation to our local HR team. Our corporate HR in Singapore is accountable to set the Group’s key policies and track the implementation of the said policies in our operations.

At the operational level, the HR departments are responsible for adopting the Group’s employment policies which are subsequently tailored to include specific employment provisions from applicable regulations in the country. The local HR team reports key resources statistic to the Group HR quarterly.

The existing structure ensures consistency in human resources practices across the Group while still providing flexibility to adapt to different regulatory requirements at operating countries.



Food Empire takes every opportunity to ensure that we provide a positive working environment that is free from harassment and discrimination. However, we acknowledge that it is not possible to fully prevent all of such incidents. In the case where such incidents of harassment is alleged to have taken place, Food Empire has implemented an informal and grievance procedure through which employees are able to raise an issue.

During an informal grievance procedure, employees are able to raise grievances to their immediate superior who will attempt to identify possible resolutions with the employees. During this process, if the matter is unable to be resolved, the case would be escalated to a formal grievance procedure.

During a formal grievance procedure, an employee will submit an official report to his/her superior or the head of Group HR. A grievance manager will investigate, where applicable, until the matter is resolved or when employees decide to withdraw the grievance. Employees are allowed to appeal the decision in the case when the matter is not sufficiently resolved.



Food Empire is committed to create a fair and inclusive working environment for our employees and workers.

INITIATIVES AND PERFORMANCE

PROFILE OF OUR WORKFORCE

[GRI 102-8]

In 2019, Food Empire had a total of 2,001 employees in Singapore, Russia and Vietnam. The majority of our employees (88%) were hired as full-time staff on a permanent basis.

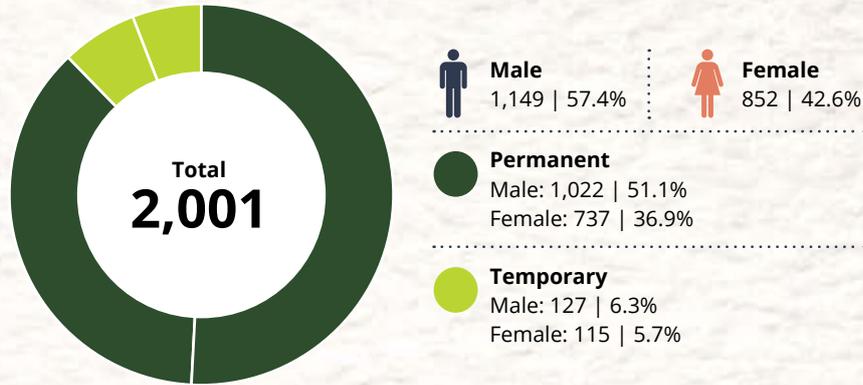
In Singapore, where the headquarters is located, the number of employees remained stable at 47 people in 2019. The majority of employees in Singapore are working in corporate support functions.

Vietnam accounts for 55% of the total workforce. The number of employees remained stable with 1,101 employees. The majority of staff worked in sales and production to support the business growth.

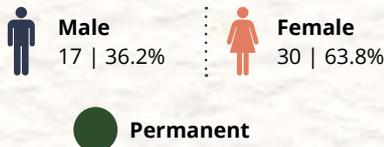
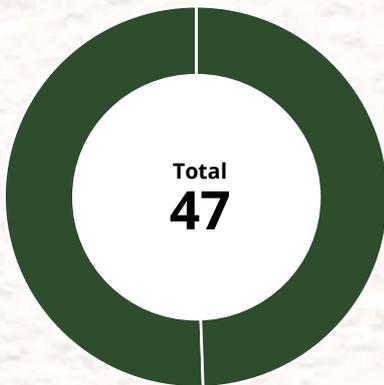
Russia accounted for 42% of our total workforce. Compared to the previous year, there was an increase in the number of temporary employees working in Russia. The majority of employees were involved in production. Due to manpower shortages in Russia, it is the industry practice for manufacturing companies to employ temporary workers. All our temporary workers are entitled to a full-benefits package which is comparable to permanent workers. The entitlements include free meals, official transport, payment of primary and periodic medical examination.



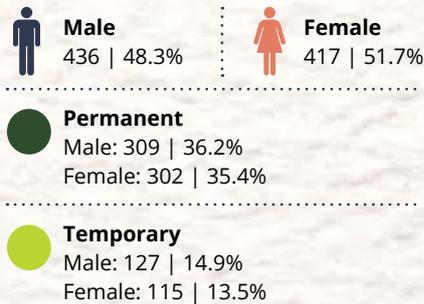
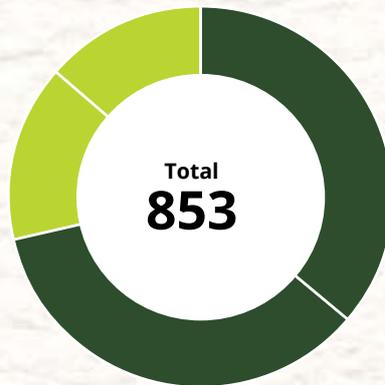
GROUP EMPLOYEES PROFILE BY GENDER AND EMPLOYMENT CONTRACT



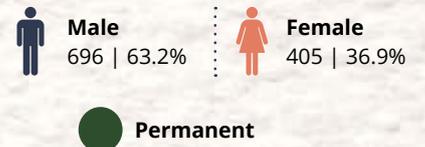
SINGAPORE EMPLOYEES PROFILE BY GENDER AND EMPLOYMENT CONTRACT



RUSSIA EMPLOYEES PROFILE BY GENDER AND EMPLOYMENT CONTRACT



VIETNAM EMPLOYEES PROFILE BY GENDER AND EMPLOYMENT CONTRACT



NEW HIRES AND TURNOVERS¹

[GRI 401-1][GRI 401-2]

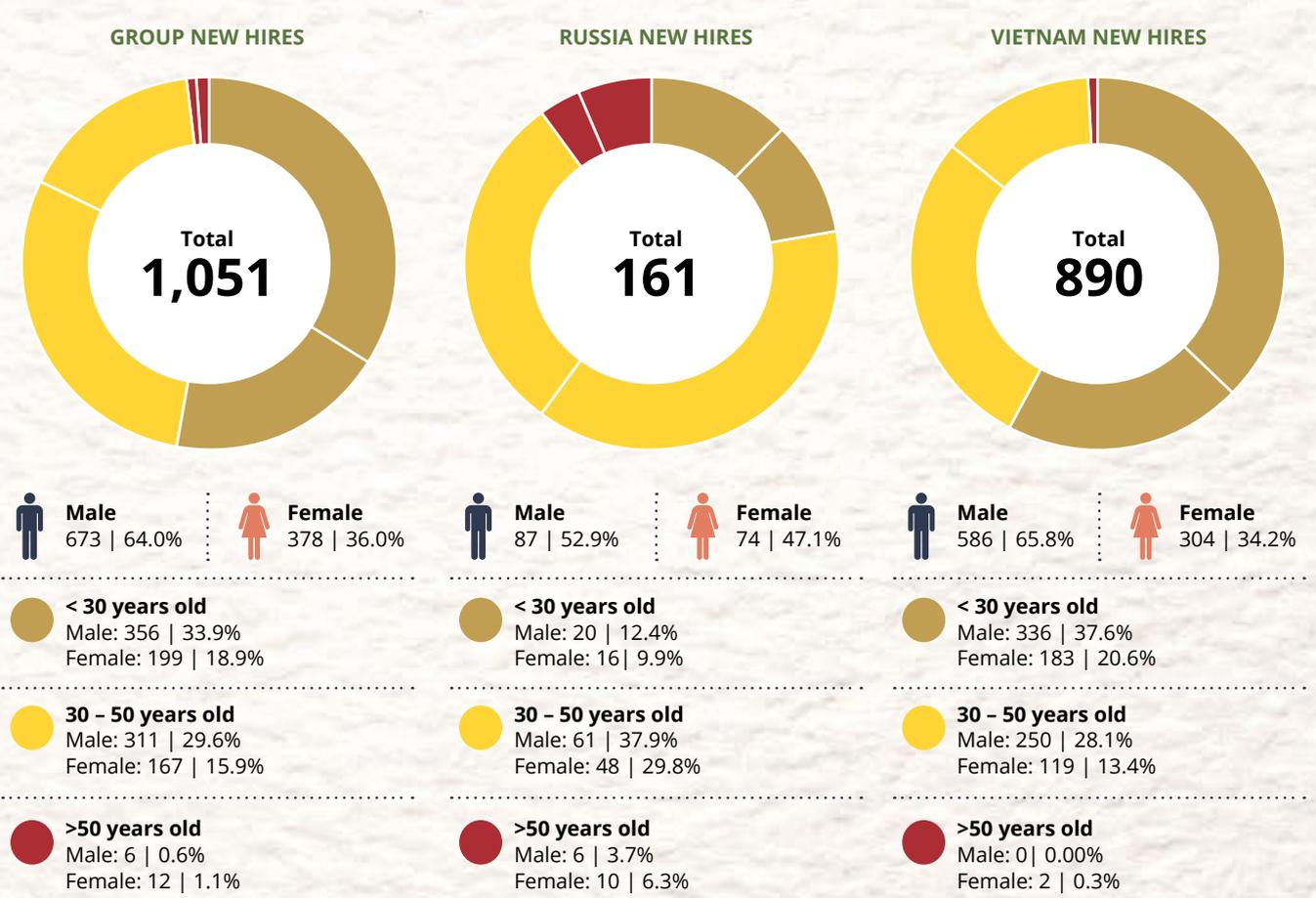
In this reporting period, Food Empire welcomed a total of 1,051 new employees across our operations in Russia and Vietnam. There were no new hires in Singapore in 2019. The hiring rate for 2019 was 52.5% across all our operations.

Conversely, Food Empire also saw a turnover of 1071 employees across our operations in Russia and Vietnam. There were no turnovers in Singapore in 2019. The turnover rate was 53.5% across all our operations.

Vietnam accounts for most of our new hires and turnover in 2019. Most of these changes in our employees occurred within our sales division. As discussed in previous years, it has been an

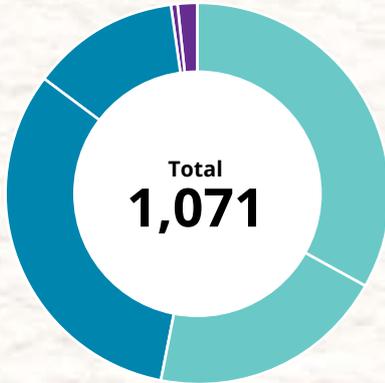
industry trend in Vietnam for sales jobs to have a high turnover rate due to the demographics of individuals. Sales jobs which mainly attract young males, who have a higher tendency to value flexibility in their employment, are more likely to change jobs. This trend accounts for both the new hire and turnover rates in 2019. Overall, the number of employees working for Food Empire in Vietnam has remained stable throughout the years.

Although our new hires and turnover rates are within the national industrial average of the respective countries, Food Empire understands that there is opportunity to further improve talent retention within the company.



¹ The number of new hires in Russia does not include temporary foreign workers that need to leave the companies to reapply for their permit as it does not accurately reflect the turnover

GROUP TURNOVER



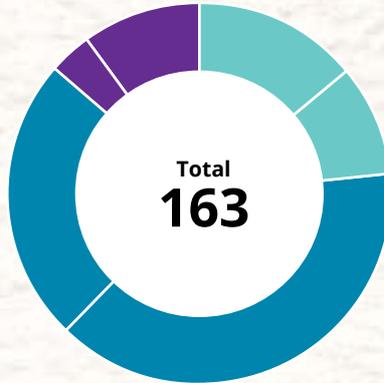
Male 704 | 69.1% **Female** 367 | 36.9%

< 30 years old
Male: 357 | 33.3%
Female: 214 | 20.0%

30 – 50 years old
Male: 344 | 32.1%
Female: 135 | 12.6%

>50 years old
Male: 7 | 0.4%
Female: 18 | 1.6%

RUSSIA TURNOVER



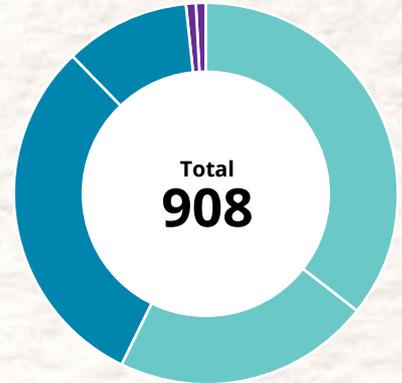
Male 93 | 57.1% **Female** 70 | 42.9%

< 30 years old
Male: 24 | 14.0%
Female: 15 | 9.2%

30 – 50 years old
Male: 63 | 38.6%
Female: 39 | 23.9%

>50 years old
Male: 6 | 3.6%
Female: 16 | 9.7%

VIETNAM TURNOVER



Male 611 | 67.8% **Female** 297 | 32.2%

< 30 years old
Male: 329 | 36.2%
Female: 199 | 21.9%

30 – 50 years old
Male: 281 | 30.9%
Female: 96 | 10.6%

>50 years old
Male: 1 | 0.2%
Female: 2 | 0.2%

EMPLOYMENT BENEFITS

[GRI 401-2]

Over the years, the Group provided all necessary employment benefits and welfare to our dedicated employees. In all operations, we provide employees with medical insurance and healthcare benefits. All employees enjoy entitled annual paid leave, parental leave and statutory retirement provision. Other various benefits include transport reimbursements, recreation activities, mobile phone subscription reimbursements, parental benefit-related gifts, overtime meal allowance and service awards.

Our benefit schedules comply with local laws and regulations where applicable. For example, in Vietnam, we comply with Internal Labour Regulations which was set based on Labour Code of 2012 regarding minimum annual leave, working hours, types and formats on leave of absence.

CASE STUDY

BUILDING A STRONGER TEAM

LUNAR NEW YEAR CELEBRATION (SINGAPORE)

Every year, Food Empire takes the opportunity to recognise our employees and celebrate their contribution to the business. This is often done through celebrating the festivities with our employees. This year, Food Empire celebrated Lunar New Year at the “Lunar New Year Lohei Lunch 2019”. As the festivities are a time for reunion, we invited all our directors, partners, business associates, staff and guests to celebrate the special occasion with us.



ANNUAL COMPANY OUTING TRIP AT PHAN THIET - MUI NE (VIETNAM)

Food Empire Vietnam organises company outing trips annually. This year, the company outing was held in April 2019 at Phan Thiet – Mui Ne. Centered around the theme of ‘Change for growth’, nearly 300 employees attended the event. Activities that were carried out during the trip was focused on improving communication and promoting solidarity amongst our employees. Most importantly, the trip provided a fun avenue for employees to recharge to ensure that they have the zeal to work towards another successful year.



SPORTS AND RECREATION DAY AT FES (RUSSIA)

The “Sports & Recreation day” for FES management team was held at a recreation centre in Dmitrov, Russia. This event pitted teams of our employees in a series of fun and engaging competition. It was aimed at promoting unity, teamwork, staff-bonding and instilling a sense of motivation in achieving common goals of the team.



OCCUPATIONAL HEALTH AND SAFETY

WHY IS OCCUPATIONAL HEALTH AND SAFETY IMPORTANT TO FOOD EMPIRE?

[GRI 103-1]

Food Empire understands that the provision of a safe and healthy environment is the most important commitment we have towards our employees. Promoting a strong workplace with a good health and safety culture is of key importance to Food Empire. We are cognisant of the shared responsibility that management and employees have towards maintaining a safe and healthy workplace environment.

MANAGEMENT APPROACH

[GRI 403-1]



The safety of our staff remains our top priority. We are committed to work towards the goal of zero work-related fatalities, with a workforce that puts safety-first in mind. Both of our operations in Russia and Vietnam have put in place policies and procedures to meet our goals. These include:

| Policies and procedures | Coverage of Policies | Summary |
|---|----------------------|---|
| Accident management procedures | Group-wide | This procedure outlines the steps that need to be taken when an accident occurs, which includes accident reporting process. |
| Emergency response procedures | Group-wide | This procedure provides the appropriate protocols that should be followed in the case that there are emergencies. |
| Safety, health, and environment ("SHE") policy | Vietnam | This policy serves as a framework to protect the safety and health of our employees and outlines the company's principle "all occupational accident, disease, and environmental incident shall be prevented" |
| Labour Safety Management System | Russia | This policy aligns our Safety, health, and environment ("SHE") policies with regulations in Russia. This policy outlines roles, responsibilities and procedures to ensure that there is a high standard of safety in our Russian operations |

Our workforce's health and safety are managed down to the operational level. Each of our operating countries will have a dedicated health and safety management system and committees that oversee its implementation. Country-specific safety management systems and the committees are established to provide greater flexibility in responding to different regulations on health and safety in every country where we operate.



| Targets | FY2019 performance |
|---|--|
| Perpetual target of zero confirmed work-related fatalities in all our operations | ● Achieved |
| Achieve zero work-related injuries lost day by 2021 | ● Achieved in Vietnam In progress in Russia |
| 100% of workers receive at least one safety training annually | ● Achieved |

INITIATIVES AND PERFORMANCE

[GRI 103-2] [103-3][403-2]

RUSSIA

In Russia, we strive to align our health and safety practices with the relevant regulations in the country. The Labour Safety Management System (“LSMS”) developed in accordance with the Labour Code of the Russian Federation and other federal laws concerning workforce safety. Our LSMS also managed to obtain external certifications as described below.

| Standards-certified | Description of standard |
|---|---|
| GOST 12.0.230-2007² Occupational safety standards system | This standard outlines the general requirements of occupational safety and health management system. |
| GOST R 12.0.007-2009 Labor protection management systems in organisations | This standard sets out the requirements on the development and implementation of safety management system which also sets the requirement for audit and improvement plan. |

The LSMS provides guidance on the implementation of our safety management systems in Russia. The manual sets out the roles and responsibility that each key personnel have and the correct application of protocols to ensure that safety is upheld within our operations. A safety committee oversees the application of the LSMS. This committee meets up regularly to conduct safety inspections and discuss potential areas of improvement in the case when safety breaches were identified.

To ensure that all employees have the correct knowledge to carry out their work in a safe manner, Food Empire has established an annual training regime for our employees. All employees undergo mandatory safety training sessions. Instances of unsafe practices at work are communicated and highlighted to our employees during routine pre-work briefings.

During the year, there were no fatalities and two cases of injuries in Russia. This represents a significant decrease in injury rate of 1.39 injuries per million manhours worked, from 2.57 injuries per million manhours worked in 2018. These incidents were minor in nature and pertained to injuries in the breakroom. Food Empire will continue to implement reminders to all employees to ensure that they take care of their own safety, as well as look out for the safety of their fellow co-workers.

VIETNAM

A health and safety committee oversees the implementation of health and safety policies in Vietnam. Committee meetings are held regularly to discuss potential areas of improvements, as well as to highlight any unsafe practices that have the potential to cause harm to our employees.

A key aspect of Vietnam’s health and safety policy includes a risk assessment process that is reviewed annually to ensure its continued relevance to our operations. This risk assessment process forms a core part of the health and safety trainings that are conducted by us.

Annually, all employees in Vietnam are required to attend general safety training and role-specific safety training. In 2019, 100% of employees attended the annual OSH training. Safety trainings were also conducted for high-risk activities and includes training on electrical safety, metal cutting and welding, and forklift operations. In addition to the formal training sessions, an emphasis was also placed on creating a culture of safety. These include monthly health and safety talks, as well as weekly health and safety patrol in which any employee can take part in. All these trainings contribute to the continued low rates of injuries in Vietnam.

This year, there were no fatalities nor injuries that occurred in Vietnam. This was a significant improvement from 2018 where the injury rate was 3.84 injuries per million manhours worked.

² Gosudarstvennyy Standart (GOST) refers to a set of technical state standards maintained by the Euro-Asian Council for Standardisation, Metrology and Certification (EASC), a regional standards organisation operating under the auspices of the CIS. These state standards are an analogue of the corresponding International Organisation for Standardisation (ISO) standards.

The table below provides a summary of the fatality rate, rates of high consequences injury and work-related injury rate in 2019 in Russian and Vietnam.

| | 2018 | | 2019 | |
|--|-----------|-----------|-----------|-----------|
| | Russia | Vietnam | Russia | Vietnam |
| Number of hours worked | 1,168,368 | 2,364,624 | 1,441,302 | 2,657,392 |
| Number of fatalities | 0 | 0 | 0 | 0 |
| Fatality rate | 0 | 0 | 0 | 0 |
| Number of high consequence injuries ³ | 0 | 0 | 0 | 0 |
| Rate of high consequence injuries | 0 | 0 | 0 | 0 |
| Number of work-related injuries | 3 | 1 | 2 | 0 |
| Work-related injury rate ⁴ | 2.57 | 0.42 | 1.39 | 0.00 |

CASE STUDY

CREATING A CULTURE OF SAFETY IN FOOD EMPIRE VIETNAM



In Vietnam, the emphasis is placed on creating an environment in which all employees are expected to actively look out for safety issues by themselves and their coworkers. One of the key initiatives has been the Safety Training Observation Programme (“STOP”). Through this initiative, employees can point out to their fellow co-workers instances where an unsafe act was conducted and write a STOP report to highlight the issue to the management. Examples of unsafe acts include improper storage of wires resulting in tripping hazards and excessive stacking of boxes that may lead to topple hazards. When such instances are reported, communication measures are instituted to ensure that employees do not exhibit the unsafe practices again.

Additionally, employees could also report design problems with equipment that may lead to injury. One example highlighted was the bag sealing machinery which lacked a protective cover which can result in finger injury when the machine is operational. To address this issue, a protective hood was installed to reduce the likelihood of incidents.

Through this programme, 445 instances of unsafe acts and unsafe working conditions were highlighted. Employees who reported the problem were given awards for their conscientiousness. In all cases, appropriate measures were implemented to ensure that these safety breaches were addressed.

³ Under GRI, high consequence injuries refers to injuries where the worker cannot, does not, or is not expected to fully recover to pre-injury health status within 6 months

⁴ Work-injury is calculated based on the number of injuries per 1,000,000 hours worked

CONSUMER HEALTH AND SAFETY

WHY IS CONSUMER HEALTH AND SAFETY IMPORTANT TO FOOD EMPIRE?

[GRI 103-1]

As Food Empire’s business is primarily focused on the manufacture of consumer goods, the management of the health and safety risk arising from the consumption of our product is of key importance to the Group. Products of poor quality can pose a significant material risk and result in a loss of reputation, as well as potential fines for breaches to relevant product safety laws. In addition, we believe it is a moral obligation to ensure that the food we produce would not lead to any health risk amongst our consumers. We take every effort to ensure that the quality of our products meet the needs and expectations of our consumers. By providing a product of exceptional quality, we can create loyalty to our brands and ensure continued patronage of our products.

MANAGEMENT APPROACH

[GRI 103-2]



Food Empire constantly reviews our policies to ensure that they account for both regulatory changes and changes to customer preference. Through such robust policies, we are able to ensure that our products are of the highest quality, thus ensuring continued customer confidence in our products. These policies are implemented at country level to ensure compliance with local regulations. The table below outlines the policies set out in both of our operations.

RUSSIA

| Policies and procedures | Summary |
|--------------------------------|---|
| Quality and Food Safety | <ul style="list-style-type: none"> ▶ Manufacture products that meet or exceeds our quality and food safety standards and statutory and regulatory requirements ▶ Develop and implement the Quality Management System and Product Safety System and validate their effectiveness through internal and external verification processes ▶ Engage with vendors on their quality systems and specifications for inspection, handling, storage, and despatch of raw materials and packaging materials ▶ Communicate with consumers on product storage and other consumer guidelines |

VIETNAM

| Policies and procedures | Summary |
|--|--|
| Food Safety Policy | ▶ Outline food safety and quality management system and guidelines to meet the food safety standard |
| Quality manual | ▶ Set out the key steps in quality control procedures |
| Good manufacturing practices (“GMP”) manual | ▶ Provide guidance on best practices in manufacturing process to ensure the health and safety of our product |
| Supplier control manual | ▶ Outline the controls to ensure the quality of the supply |
| Warehouse standard manual | ▶ Set out the requirements for safe storage; for example; hygiene practices, humidity level and temperature. |
| Transportation manual | ▶ Provide guidelines to our drivers on how to maintain the quality of our supply and product during transportation |



| Perpetual target | FY2019 performance |
|--|--------------------|
| Zero confirmed incidents of non-compliance with all applicable laws and regulations concerning consumer health and safety. | ● Achieved |

INITIATIVES AND PERFORMANCE

[GRI 103-3] [416-1] [416-2] [417-2]

RUSSIA

In Russia, our Food Safety and Quality Management system is certified by the GOST standards. These standards are a regulatory requirement for food manufacturers in Russia. The table below summarised our current food safety and quality certifications⁵.

| Standards-certified | Description of standard |
|---|---|
| GOST R ISO 22000-2007 (ISO 22000: 2005) Food Safety Management Systems | This standard sets out the requirements for a food safety management system and maps out what an organisation needs to do to demonstrate its ability to control food safety hazards and ensure food safety. |
| GOST R 54762-2011 (ISO/TS 22002-1:2009) Prerequisite Programmes on Food Safety – Part 1: Food Manufacturing | This standard sets out the requirements for establishing, implementing and maintaining prerequisite programmes to assist in controlling food safety hazards. |
| GOST ISO 9001-2011 (ISO 9001:2008) Quality Management Systems – Requirements | This standard sets out the criteria for an effective quality management system and it is designed to help organisations ensure that they meet the needs of stakeholders, statutory and regulatory requirements. |

To ensure that all potential issues with food manufacturing can be accounted for, we take a systematic approach to assess the health and safety impact of our products across our life cycle. This assessment ensures that feedback and areas of improvement can be contributed by and communicated to all our stakeholders. By consistent implementation of our management system, we have managed to maintain zero non-compliance with all applicable laws and regulation concerning consumer health and safety in this reporting period.

VIETNAM

In Vietnam, our Food Safety and Quality Management system is certified and in accordance with the requirement prescribed in ISO 22000:2005. To ensure continued compliance with the standards, policies and practices in Vietnam have been updated to strengthen the quality control of products.

| Standards-certified | Description of standard |
|--|---|
| ISO 22000: 2005 Food Safety and Quality Management Systems | This standard sets out the requirements for a food safety management system and maps out what an organisation needs to do to demonstrate its ability to control food safety hazards and ensure food safety. |

An integrated team of management, human resources, business comprises of management, human resources, business, maintenance, and production teams was established to ensure compliance to the Group’s food safety standards. The team is responsible for tracking and reviewing the performance in Vietnam to ensure that quality in our products is upheld. Relevant members of the team also undergo annual trainings such as ISO certification training, GMP training, and hazard analysis and critical control points (“HACCP”) training.

Before signing a contract with our suppliers, supplier audit procedures are carried out annually to review the food safety performance of our suppliers. This is done to ensure that at every step of the supply chain, our high standards of food safety management is upheld. A comprehensive assessment was performed to identify operational prerequisite programmes (“ORP”) and critical control point (“CCP”) in our key processing steps. Robust monitoring procedures are implemented in these ORPs and CCPs to maintain the highest standards of our products.

There were no cases of non-compliance with all applicable laws and regulations concerning consumer health and safety in Vietnam.

⁵ These certifications relate to the entity FES Products LLC in Russia, whose principal activities include the manufacturing and distribution of our products.



OUR COMMUNITY

CSR ACTIVITIES IN SINGAPORE



FOOD EMPIRE SUPPORTS "GIVE A LINE, CHANGE A LIFE" PROJECT

In 2019, together with Industrial & Services Co-operative Society Ltd ("ISCOS"), Food Empire initiated the "Give a Line, Change a Life" project by providing basic smart phones with Zero1 Unlimited Data Plan and pre-installed ISCOS Mobile App to new releasees. This project aims to ease ex-offenders' integration into society by giving them ready access to modern-day mobile technology to keep them abreast of the latest happenings while providing them an effective avenue to reconnect with their family and friends.



TEMASEK POLYTECHNIC STUDENTS' VISIT TO FOOD EMPIRE MOSCOW OFFICE

In 2019, Food Empire hosted a group of students from Temasek Polytechnic's School of Informatics & IT at our Moscow's office during their Overseas Study Trip. During the programme, Food Empire shared with the students about the Food Empire journey - how the company and our brands including our flagship brand, MacCoffee, have evolved over the years, as we manoeuvred through global economic and political changes, as well as to meet the ever-changing demands of the markets and consumers.

CSR ACTIVITIES IN RUSSIA



HOLIDAY CELEBRATIONS AT AN ORPHANAGE

In Russia, Food Empire partnered with several civil society groups in Dmitrov to hold a holiday celebration for children in a local orphanage. Food Empire believes that everyone, regardless of their circumstances, should be allowed to celebrate the festivities. During the event, we provided volunteer support and over two hundred gifts for the children.



SUPPORTING LOCAL ATHLETES IN YAKHROMA AND DMITROV

The towns of Yakhroma and Dmitrov have a tradition of sporting excellence and many outstanding Russian athletes grew up in these towns. FES Products LLC plays an active role in supporting the development of local sporting talents through the provision of financial assistance to the Yakhroma state sports and recreation complex.

CSR ACTIVITIES IN VIETNAM



BINH PHUOC CENTER FOR SOCIAL PROTECTION

In Vietnam, Food Empire partnered with Binh Phuoc Center to provide assistance to its beneficiaries. The Center supports vulnerable groups such as orphaned children, elderly at-risk of social isolation and individuals with special needs. It ensures that the basic material and emotional needs of these vulnerable groups are being taken care of. About thirty Food Empire employees participated in the event to provide assistance by donating and distributing essentials such as clothes, books and money to support these vulnerable individuals.



CHARITY TRIPS TO PAGODAS IN VIETNAM

This year, employees from Food Empire Vietnam conducted visits to the Phat Minh Pagoda and Tu An Pagoda to distribute books, cash and daily necessities to the underprivileged homeless children living at the Pagoda. In total, there were 240 beneficiaries to our charitable giving. We believe that providing back to the community is an important part of our mission in Food Empire.

PLANET

In the past decade, the threat of climate change has become a central issue for businesses. Climate change can have a deep impact on the way we operate our business. Food Empire recognises the role it plays as a global citizen to combat climate change and work towards a more sustainable low carbon future.

OUR ENVIRONMENT

WHY ARE ENERGY AND EMISSIONS IMPORTANT TO FOOD EMPIRE?

[GRI 103-1]

As a manufacturer of food products, Food Empire is particularly susceptible to disruptions within its supply chain. Climate change is expected to become one of the most dominant forces that can result in disruptions to our supply chain. The coffee plant is particularly affected by climate change as yields can be impacted by the direct increase in temperatures, instability in

precipitation as well as increases in pests in the regions where coffee is grown. Food Empire is fully aware of the detrimental effects of climate change and remains committed to improving our environmental practices to ensure that our operations do not exacerbate the problem.

MANAGEMENT APPROACH

[GRI 103-2]



In an effort to manage our operations' carbon footprint, Food Empire implemented various energy conservation initiatives at facility-level across our operations. We always strive to align our energy and emissions management with the various country-specific energy regulations and policies.

RUSSIA

In Russia, the "Federal Law on Energy Conservation and Energy Efficiency" outlines the requirement to reduce the intensity of electricity, heat, water and gas consumption of companies. In 2018, we initiated an "Action Plan to Phase-Out Incandescent Lamps in Russia and to Promote Demand for Energy Efficient Light Sources" which was approved by the government. In 2019, we managed to complete the replacement of our light sources to more efficient LED bulbs.

In addition to the replacement of our lighting fixtures, we have also purchased new production equipment which are significantly more efficient in terms of energy usage. With the modernisation of our equipment, we are able to better manage our energy consumption and GHG emissions.

VIETNAM

Our operation in Vietnam has installed new energy efficient LED lamps and implemented bulk capacity production practices. In addition to the infrastructural changes, Vietnam also promotes a culture of energy-saving within its employees. This is done by closely monitoring the amount of electric consumption monthly and setting specific energy efficiency targets as part of our production's key performance indicators. This has encouraged many new electricity-saving initiatives in both production and office staff.

INITIATIVES AND PERFORMANCE

[GRI 302-1] [302-3] [305-1] [305-2] [305-4]

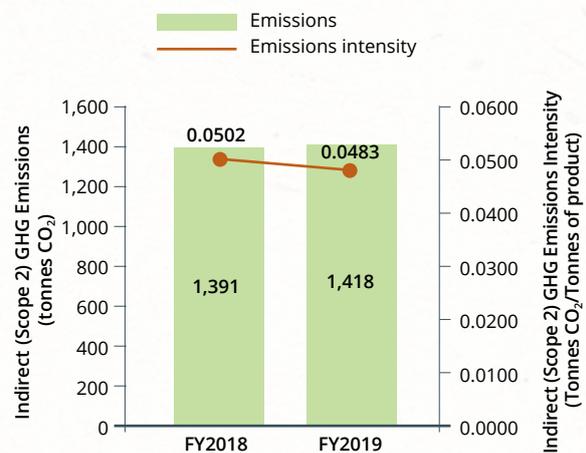
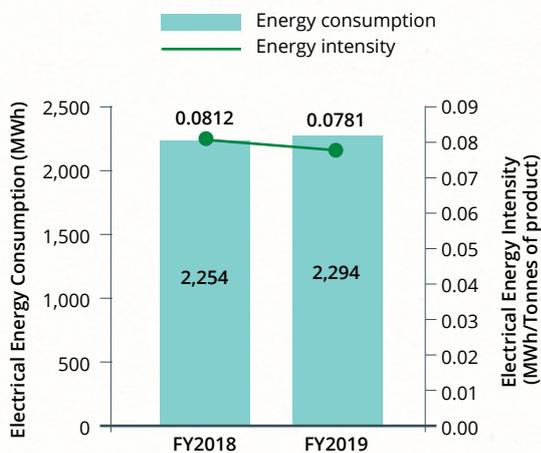
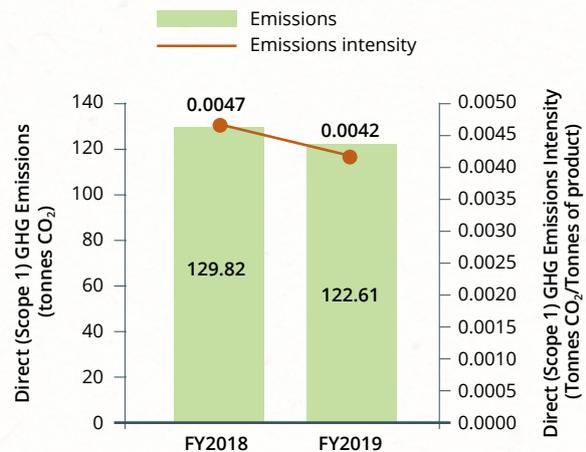
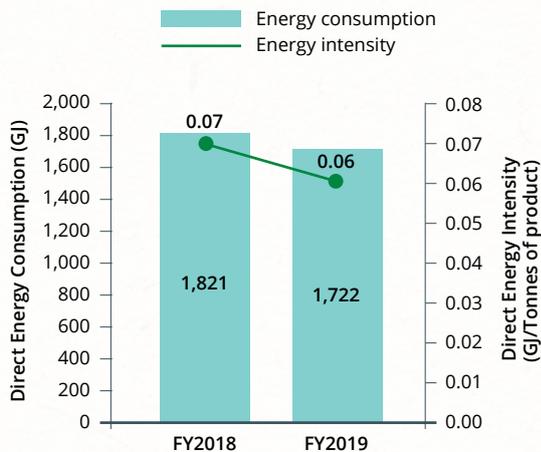
RUSSIA

Purchased electricity remains a significant portion of our energy consumption in the country. In the previous report, our Russia operation was unable to separate the consumption of electricity into production and non-production related activities. This year, we have worked towards rectifying this issue through the installation of new meters to capture information about electricity used by our production activities. However, to enable like-for-like comparison with the previous year performance, we will continue reporting aggregated electricity consumption in Russia in this report. Next year, production and non-production electricity consumption will be reported separately.

In 2019, our operations in Russia consumed a total of 2,294 MWh of energy resulting in 1,418 tonnes of CO₂ produced. This

was a marginal increase of 1% of electrical energy consumed compared to 2018, due to the increased in production within our factories. However, the electrical energy intensity decreased from 0.0812 MWh/Tonnes of product to 0.0781 MWh/Tonnes of product. This increase in efficiency is the result of the introduction of new production equipment that is significantly more energy efficient.

In addition to electricity, liquefied petroleum gases (“LPG”) and motor gasoline were used to fuel forklifts and company’s vehicles. In FY2019, our operations in Russia consumed a total of 1,722 Gigajoules (Gj) of direct energy from fuels resulting in 129 tonnes of CO₂ produced. This was a decrease of 5% compared to 2018.

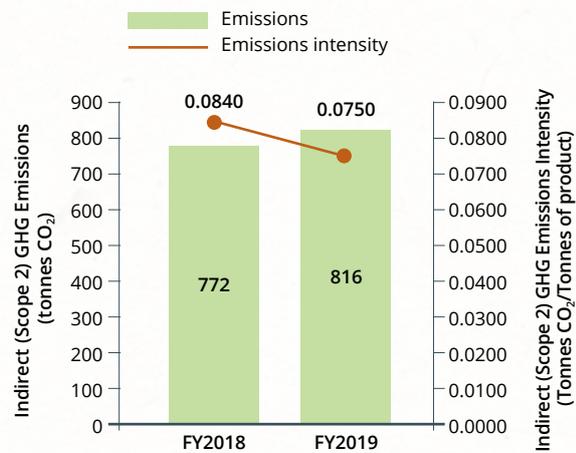
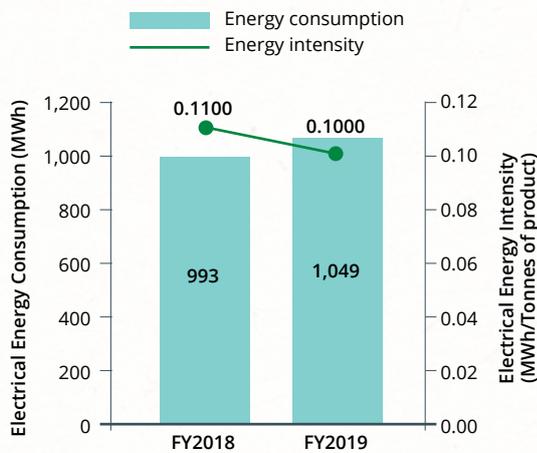
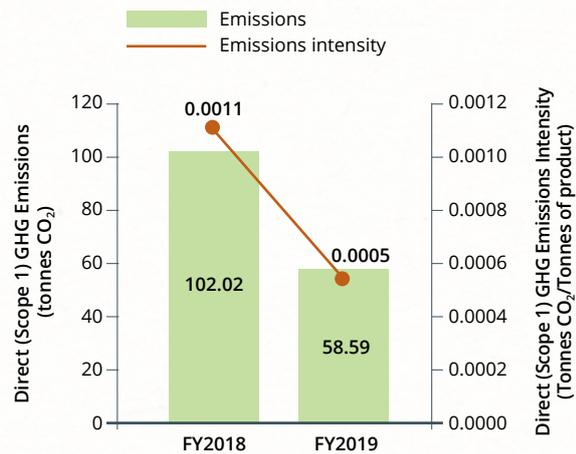
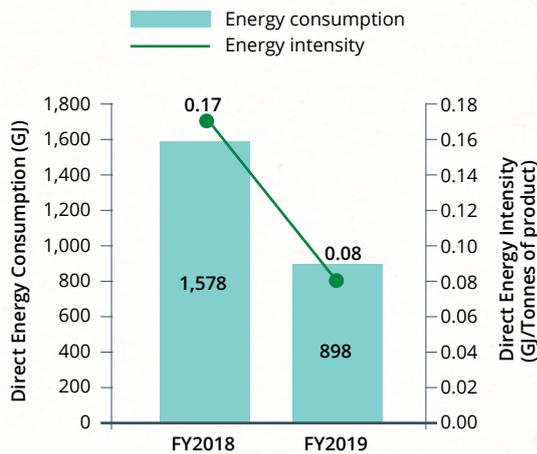


VIETNAM

Similar to Russia, Vietnam energy consumption includes purchased electricity and liquefied petroleum gases (LPG) and diesel were also used to fuel forklifts and company's vehicles. The total energy consumption presented signifies the usage for both production and non-production activities in the facilities.

For electrical energy, our operations in Vietnam consumed a total of 1,049 MWh of energy resulting in 816 tonnes of CO₂ produced. While the total electrical energy consumption increased 5% as compared to 2018 due to the increase in total production volume, the electrical energy intensity decreased from 0.11 MWh/tonnes of product to 0.10 MWh/tonnes of product.

The direct energy consumed was 898 GJ resulting in 58.59 tonnes of CO₂ emission. This was a significant decrease of 43% in direct energy consumed. Our decrease in fuel use can be attributed to newly introduced efficiency optimisation practices; including optimising routes and time taken to transport goods through agreement with our vendors, reducing operating time for forklifts with better inventory and production planning, and providing training for the forklift drivers on more environmentally friendly driving practices.



ABOUT OUR REPORT

REPORTING FRAMEWORK

The report is prepared in compliance with SGX-ST Listing Rule 711A and the primary components of Sustainability Reporting as set out in Listing Rule 711B. The Sustainability Reporting Framework applied is the Global Reporting Initiatives (“GRI”) Standards: Core option. We have chosen to report using the GRI Standards for its universally recognised and standardised approach in disclosing material sustainability matters. Reference has also been drawn from the SGX’s Practice Note 7.6 Sustainability Reporting Guide.

REPORTING PERIOD & SCOPE

The report covers information on our sustainability performance from 1st January 2019 to 31st December 2019 (“FY2019”), with the performance from the prior year (FY2018) included for comparison where possible.

This year, the reporting scope has been expanded to include our key operations in Vietnam in addition to our operations in Russia and headquarters in Singapore. The following table summarises the subsidiary entities included in this report.

| Country | Entities and Activities |
|---|--|
|  | Future Enterprises Pte Ltd Sales and marketing of instant food and beverages |
|  | FES Products LLC (“FESP”) Manufacturing and distribution of instant food and beverages FES Impex LLC Import/Export and trading activities in Russia |
|  | FES (Vietnam) Co., Ltd Manufacturing and distribution of instant food and beverages |

As we gradually mature and progress along our Sustainability Reporting journey, we will periodically review and reassess for the inclusion of more of our operations in our future editions. The ultimate goal is for us to eventually publish a comprehensive Sustainability Report that covers the full spectrum of Food Empire operations.

INDEPENDENT ASSURANCE

Independent assurance has not been sought for this report. We may consider external assurance as our reporting matures over time.

FEEDBACK

Food Empire is fully committed to all our stakeholders. We welcome all feedback, views and comments to improve our sustainability practices and reporting process. Please address your views and suggestions to corporate@foodempire.com.

APPENDIX A: ENVIRONMENT DATA REPORTING METHODOLOGY

This section explains the boundaries and calculation methodologies used in the computation of Food Empire's energy and greenhouse gas (GHG) emissions data.

REPORTING BOUNDARY

Operations in Vietnam and Russia has been included in the scope for environmental performance. As the headquarters in Singapore is limited to corporate support function, they were deemed to be insignificant and are excluded from the reporting boundary.

APPROACH

Food Empire adopts the Operational Control Approach, as outlined in the GHG Protocol Corporate Standard, to determine organisational boundaries. This attributes accountability for the GHG emissions from operations over which the organisation has control.

ENERGY CONSUMPTION

Energy consumption within Food Empire includes both fuel (including LPG, Diesel and Gasoline) and use of electricity from the grid.

For fuel use, energy consumption is expressed in Gigajoules (GJ). Energy use is calculated using the Net Calorific Value as prescribed by IPCC Guidelines for National Greenhouse Gas Inventory (2006).

- Diesel – 43 Terajoules/Gigagrams
- Motor Gasoline – 44.3 Terajoules/Gigagrams
- Liquid Petroleum Gas – 47.3 Terajoules/Gigagrams

For purchased electrical energy use, energy consumption is expressed in Megawatt hours (MWh) and values are obtained directly from invoices.

Intensity metrics are expressed as Gigajoules per tonnes of product and Megawatts per tonnes of product.

GHG EMISSIONS

Scope 1 emissions are calculated from the direct consumption of LPG and diesel in Vietnam, and consumption of gasoline and diesel in Russia, expressed in tonnes of CO₂.

Scope 1 emissions were calculated using the CO₂ emission factors as prescribed by IPCC Guidelines for National Greenhouse Gas Inventory (2006).

- Diesel – 74.1 Tonnes of CO₂/ Terajoules
- Motor Gasoline – 69.3 Tonnes of CO₂/ Terajoules
- Liquid Petroleum Gas – 63.1 Tonnes of CO₂/ Terajoules

Scope 2 emissions are calculated from the consumption of grid electricity in Vietnam and Russia, expressed in tonnes of CO₂.

Scope 2 emissions were calculated using the grid emissions factors as prescribed by the Institute of Global Environmental Strategies ("IGES") 2019; for Vietnam (0.777kg CO₂/kWh) and Russia (0.618kg CO₂/kWh)

Intensity metrics are expressed as tonnes of CO₂ per tonnes of product.

APPENDIX B: GRI CONTENT INDEX

| GRI Standards Disclosures | | Reference(s) | Reasons for Omission | Page |
|-------------------------------|--|-------------------------------------|----------------------|---------|
| General Disclosures | | | | |
| Organisational Profile | | | | |
| 102-1 | Name of the organisation | Board Statement | - | 1 |
| 102-2 | Activities, brands, products, and services | About Food Empire; About Our Report | - | 2-4, 31 |
| 102-3 | Location of headquarters | About Food Empire; About Our Report | - | 2-4, 31 |
| 102-4 | Location of operations | About Food Empire; About Our Report | - | 2-4, 31 |
| 102-5 | Ownership and legal form | - | Annual Report 2019 | - |
| 102-6 | Markets served | About Our Business | - | 2-4 |
| 102-7 | Scale of the organisation | About Our Report | - | 2-4 |
| 102-8 | Information on employees and other workers | Our Employment Practices | - | 15 |
| 102-9 | Supply chain | Economic Resilience | - | 7 – 8 |
| 102-10 | Significant changes to the organisation and its supply chain | - | Annual Report 2019 | - |
| 102-11 | Precautionary principle or approach | Our Business Ethics | - | 12 |
| 102-12 | External initiatives | Our Community | - | 25 – 26 |
| 102-13 | Membership of associations | - | Not applicable | - |
| Strategy | | | | |
| 102-14 | Statement from senior decision-maker | Board Statement | - | 1 |

| GRI Standards Disclosures | | Reference(s) | Reasons for Omission | Page |
|-------------------------------|--|---|--|---------|
| Ethic and Integrity | | | | |
| 102-16 | Values, principles, standards, and norms of behaviour | Our Business Ethics | - | 12 |
| 102-17 | Mechanisms for advice and concerns about ethics | Our Business Ethics | - | 12 |
| Governance | | | | |
| 102-18 | Governance structure | Sustainability Governance | - | 11 |
| 102-23 | Chair of the highest governance body | Sustainability Governance | - | 11 |
| 102-25 | Conflicts of interest | - | Annual Report 2019 | |
| 102-29 | Identifying and managing economic, environmental, and social impacts | Sustainability Governance | - | 11 |
| 102-32 | Highest governance body's role in sustainability reporting | Sustainability Governance | - | 11 |
| Stakeholder Engagement | | | | |
| 102-40 | List of stakeholder groups | Key Stakeholders | - | 9 |
| 102-41 | Collective bargaining agreements | - | Not Applicable | 9 |
| 102-42 | Identifying and selecting stakeholders | Key Stakeholders | - | 9 |
| 102-43 | Approach to stakeholder engagement | Key Stakeholders | - | 9 |
| 102-44 | Key topics and concerns raised | Key Stakeholders | - | 9 |
| Reporting Practice | | | | |
| 102-45 | Entities included in the consolidated financial | - | Annual Report 2019 | - |
| 102-46 | Defining report content and topic Boundaries | About Our Report | - | 30 |
| 102-47 | List of material topics | Materiality Assessment | - | 10 |
| 102-48 | Restatement of information | There has been a restatement in safety statistics in Vietnam for 2018 due to the change in estimated number of working hours. | | |
| 102-49 | Changes in reporting | - | Not Applicable | - |
| 102-50 | Reporting period | - | 1st January 2019 – 31st December 2019 | - |
| 102-51 | Date of most recent report | - | July 2019 | - |
| 102-52 | Reporting cycle | - | Annual | - |
| 102-53 | Contact point for questions regarding the report | Feedback | - | 30 |
| 102-54 | Claims of reporting in accordance with the GRI Standards | About Our Report | - | 30 |
| 102-55 | GRI content index | GRI Content Index | - | 33 - 35 |
| 102-56 | External assurance | About Our Report | Food Empire has not conducted external assurance | |

| GRI Standards Disclosures | | Reference(s) | Reasons for Omission | Page |
|---|--|---------------------|----------------------|---------|
| Material Topic: Anti-corruption | | | | |
| Management Approach | | | | |
| 103-1 | Explanation of the material topic and its boundary | Our Business Ethics | - | 12 – 13 |
| 103-2 | The management approach and its components | Our Business Ethics | - | 12 – 13 |
| 103-3 | Evaluation of the management approach | Our Business Ethics | - | 12 – 13 |
| Anti-corruption | | | | |
| 205-2 | Communication and training about anti-corruption policies and procedures | Our Business Ethics | - | 12 – 13 |
| 205-3 | Confirmed incidents of corruption and actions taken | Our Business Ethics | - | 12 – 13 |
| Material Topic: Energy consumption and GHG emissions | | | | |
| Management Approach | | | | |
| 103-1 | Explanation of the material topic and its boundary | Our Environment | - | 27 |
| 103-2 | The management approach and its components | Our Environment | - | 27 |
| 103-3 | Evaluation of the management approach | Our Environment | - | 27 |

| GRI Standards Disclosures | | Reference(s) | Reasons for Omission | Page |
|---|---|--|----------------------|---------------------|
| Energy | | | | |
| 302-1 | Energy consumption within the organisation | Our Environment; Annex A: Environment Data Reporting Methodology | - | 28 – 29; 31 – 32 |
| 302-3 | Energy intensity | Our Environment; Annex A: Environment Data Reporting Methodology | - | 28 – 29; 31 – 32 |
| Emissions | | | | |
| 305-1 | Direct (Scope 1) GHG emissions | Our Environment; Annex A: Environment Data Reporting Methodology | - | 28 – 29; 31 – 32 |
| 305-2 | Energy indirect (Scope 2) GHG emissions | Our Environment; Annex A: Environment Data Reporting Methodology | - | 28 – 29; 31 – 32 |
| 305-4 | GHG emissions intensity | Our Environment; Annex A: Environment Data Reporting Methodology | - | 28 – 29; 31 – 32 |
| Material Topic: Consumer health and safety | | | | |
| Management Approach | | | | |
| 103-1 | Explanation of the material topic and its boundary | Consumer Health and Safety | - | 22 - 24 |
| 103-2 | The management approach and its components | Consumer Health and Safety | - | 22 - 24 |
| 103-3 | Evaluation of the management approach | Consumer Health and Safety | - | 22 - 24 |
| Customer Health and Safety | | | | |
| 416-1 | Assessment of the health and safety impacts of product and service categories | Consumer Health and Safety | - | 23 – 24 |
| 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | Consumer Health and Safety | - | 23 – 24 |
| Marketing and Labelling | | | | |
| 417-2 | Incidents of non-compliance concerning product and service information and labelling | Consumer Health and Safety | - | 23 – 24 |
| Material Topic: Occupational health and safety | | | | |
| Management Approach | | | | |
| 103-1 | Explanation of the material topic and its boundary | Occupation Health and Safety | - | 19 – 21 |
| 103-2 | The management approach and its components | Occupation Health and Safety | - | 19 – 21 |
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| Occupational Health and Safety | | | | |
| 403-1 | Occupation health and safety management system | Our Workforce Health and Safety | - | 19 - 21 |
| 403-2 | Hazard identification, risk assessment and incident investigation | Our Workforce Health and Safety | - | 19 - 21 |
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| Material Topic: Employment Practices | | | | |
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| 103-1 | Explanation of the material topic and its boundary | Our Employment Practices | - | 14 - 18 |
| 103-2 | The management approach and its components | Our Employment Practices | - | 14 - 18 |
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| Employment | | | | |
| 401-1 | New employee hires and turnover | Our Employment Practices | - | 15 – 17 |
| 103-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employee | Our Employment Practices | - | 17 |





FOOD EMPIRE HOLDINGS LIMITED

31 Harrison Road, #08-01, Food Empire Building, Singapore 369649
T (65) 6622 6900 F (65) 6744 8977
www.foodempire.com