

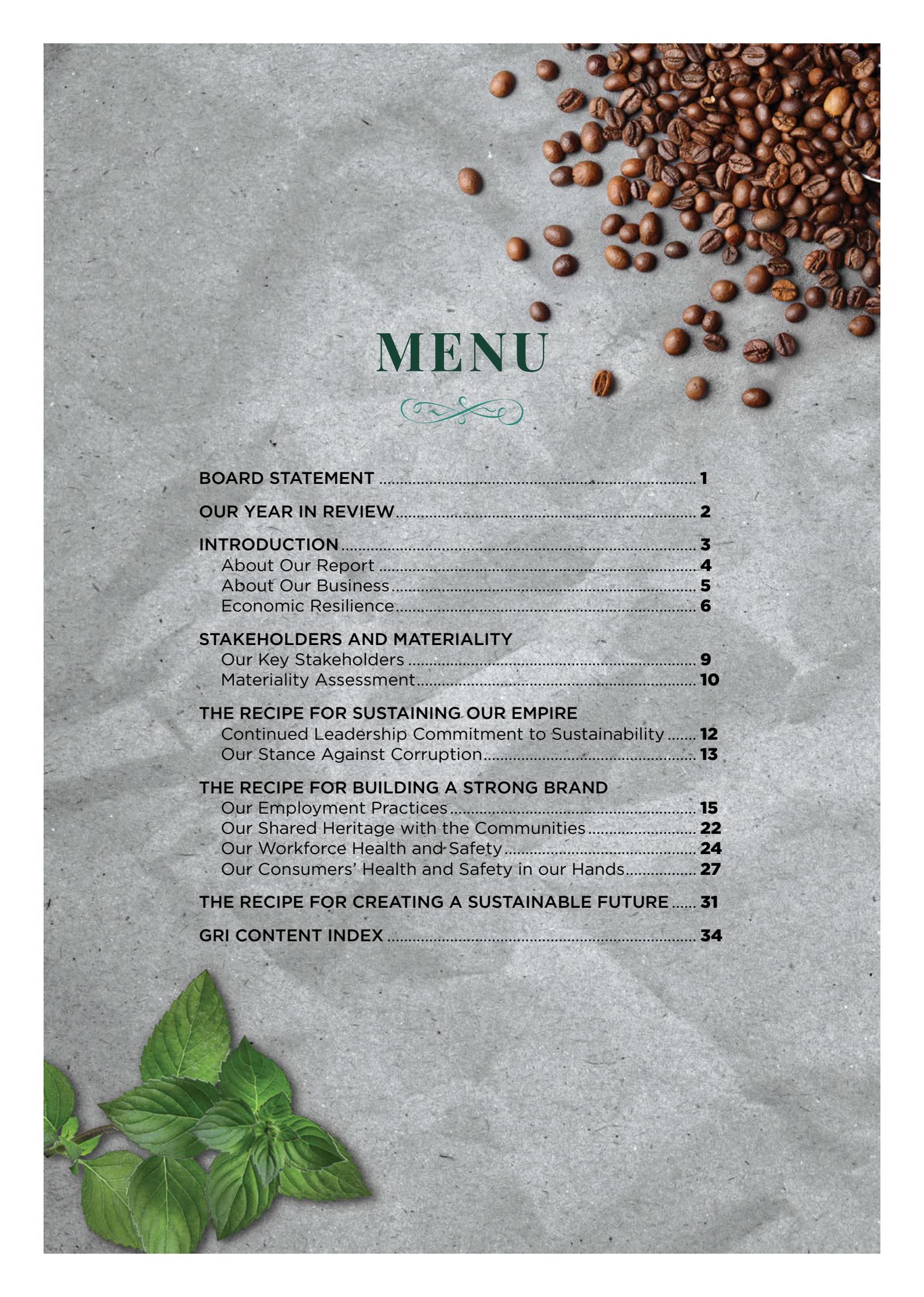


RECIPE FOR A

SUSTAINABLE EMPIRE

FOOD EMPIRE HOLDINGS LIMITED

SUSTAINABILITY REPORT 2018



MENU



BOARD STATEMENT	1
OUR YEAR IN REVIEW.....	2
INTRODUCTION	3
About Our Report	4
About Our Business.....	5
Economic Resilience.....	6
STAKEHOLDERS AND MATERIALITY	
Our Key Stakeholders	9
Materiality Assessment.....	10
THE RECIPE FOR SUSTAINING OUR EMPIRE	
Continued Leadership Commitment to Sustainability	12
Our Stance Against Corruption.....	13
THE RECIPE FOR BUILDING A STRONG BRAND	
Our Employment Practices.....	15
Our Shared Heritage with the Communities.....	22
Our Workforce Health and Safety.....	24
Our Consumers' Health and Safety in our Hands.....	27
THE RECIPE FOR CREATING A SUSTAINABLE FUTURE	31
GRI CONTENT INDEX	34



BOARD STATEMENT

[GRI 102-14]

The Board of Directors (the “Board”) is pleased to present the second Sustainability Report of Food Empire Holdings Limited (“Food Empire” or together with its subsidiaries, “the Group”) for the financial year ended 31 December 2018. The report outlines the Group’s sustainability performance as well as insights on the opportunities and challenges proceeding the implementation of our sustainability strategies.

The Board which specifically considered sustainability issues as part of its strategic formulation has reviewed and approved material Environmental, Social and Governance (“ESG”) matters for reporting. Two new material matters; Occupational Health and Safety, and Employment Practices have been identified during the review. A total of five material ESG matters are reported in this period. Further, the reporting scope is expanded to include the Group’s manufacturing and distribution activities in Vietnam.

The Board ensures that those ESG matters are monitored and managed and remains committed to work closely with the management to drive the sustainable growth of the company and to deliver long-term value for our stakeholders.



OUR YEAR IN REVIEW



5.5% GROWTH
in revenue
year-on-year to
US\$284.3
million



2,053
total employees in
Singapore, Russia
and Vietnam



ZERO
confirmed cases of
corruption and
non-compliance to
applicable law and
regulations



ZERO
work-related
fatalities in all our
operations



ZERO
confirmed incidents
of non-compliance
concerning consumer
health and safety.

INTRODUCTION

[GRI 102-14]

The Recipe for a Sustainable Empire

At Food Empire, we are committed to bringing delights to people and the planet. In our second Sustainability Report, we remain focused on the three areas where we can make the biggest difference to our stakeholders. We greatly emphasise the importance of ethics and integrity in our day-to-day operations to create value for our people and customers as well as to safeguard a future for all generations to come.



ABOUT OUR REPORT

REPORTING FRAMEWORK

[GRI 102-52] [102-54]

The report is prepared in compliance with Practice Note 7F Sustainability Reporting Guide of the Singapore Exchange Securities Trading Limited (“SGX-ST”) and in accordance to 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 SGX-ST Listing Rule 711A and the primary components of Sustainability Reporting as set out in Listing Rule 711B.

REPORTING PERIOD & SCOPE

[GRI 102-50] [102-3]

The report covers information on our sustainability performance from 1st January 2018 to 31st December 2018 (“FY2018”), with the performance from the prior year (FY2017) 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 our headquarter in Singapore. The following table summarises the subsidiary entities included in this report.

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

[GRI 102-56]

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

FEEDBACK

[GRI 102-53]

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.



ABOUT OUR BUSINESS

Our Purpose

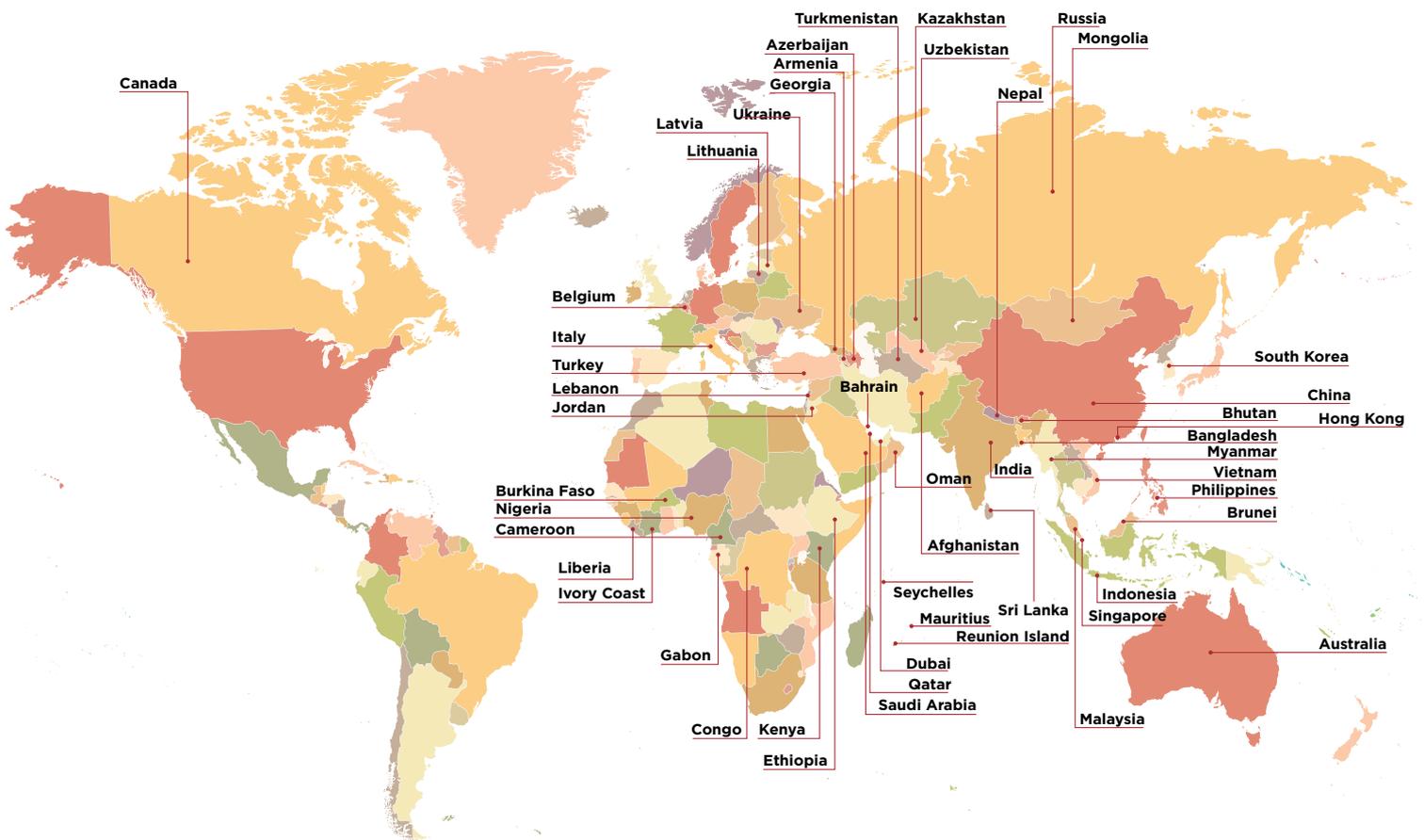
Our mission is to be a leading global food and beverage company providing quality products and services. We will achieve this goal as we have the people, the passion and the enterprising spirit to make a difference

Our Presence

[GRI 102-4] [102-6]

As a leading food consumer company, our strength lies in creating influential brands and crafting quality products for diverse market.

Food Empire is a global branding and manufacturing company serving the food and beverage sector. Have been listed in SGX Mainboard since April 2000, our portfolio of products includes instant beverages, frozen convenience food, confectionery and snacks. Globally, we operate eight manufacturing facilities and 24 representative and liaison offices to serve our consumers in over 50 countries. The primary markets of our products are Russia, Ukraine, Kazakhstan and other members of the Commonwealth of Independent States (CIS), Indochina and more.



Our Passion

[GRI 102-2]

Our growing portfolio of trusted brands reflects our passion and commitment to consistently delight our consumers and create value for all stakeholders.

Food Empire has over 17 brands covering a wide range of products, from beverages to frozen food and snacks. Aside from producing a wide variety of instant beverages such as instant coffee, chocolate and tea products, the Group also produce an assortment of snacks and easy-to-prepare frozen foods. In addition to consumer retail products, we also sell raw ingredients such as non-dairy creamers and instant coffee to other food manufacturers as part of our business-to-business arm.

Our Brands

INSTANT BEVERAGES

Bolt	MacCereal
Café PHO	MacChocolate
CaféRite	MacCoffee
FesAroma	MacFito
Hillway	NutriRite
Klassno	Petrovskaya Sloboda
MacTea	

SNACK FOOD

Kracks	Chizzpa
--------	---------

FROZEN FINGER FOOD

OrienBites

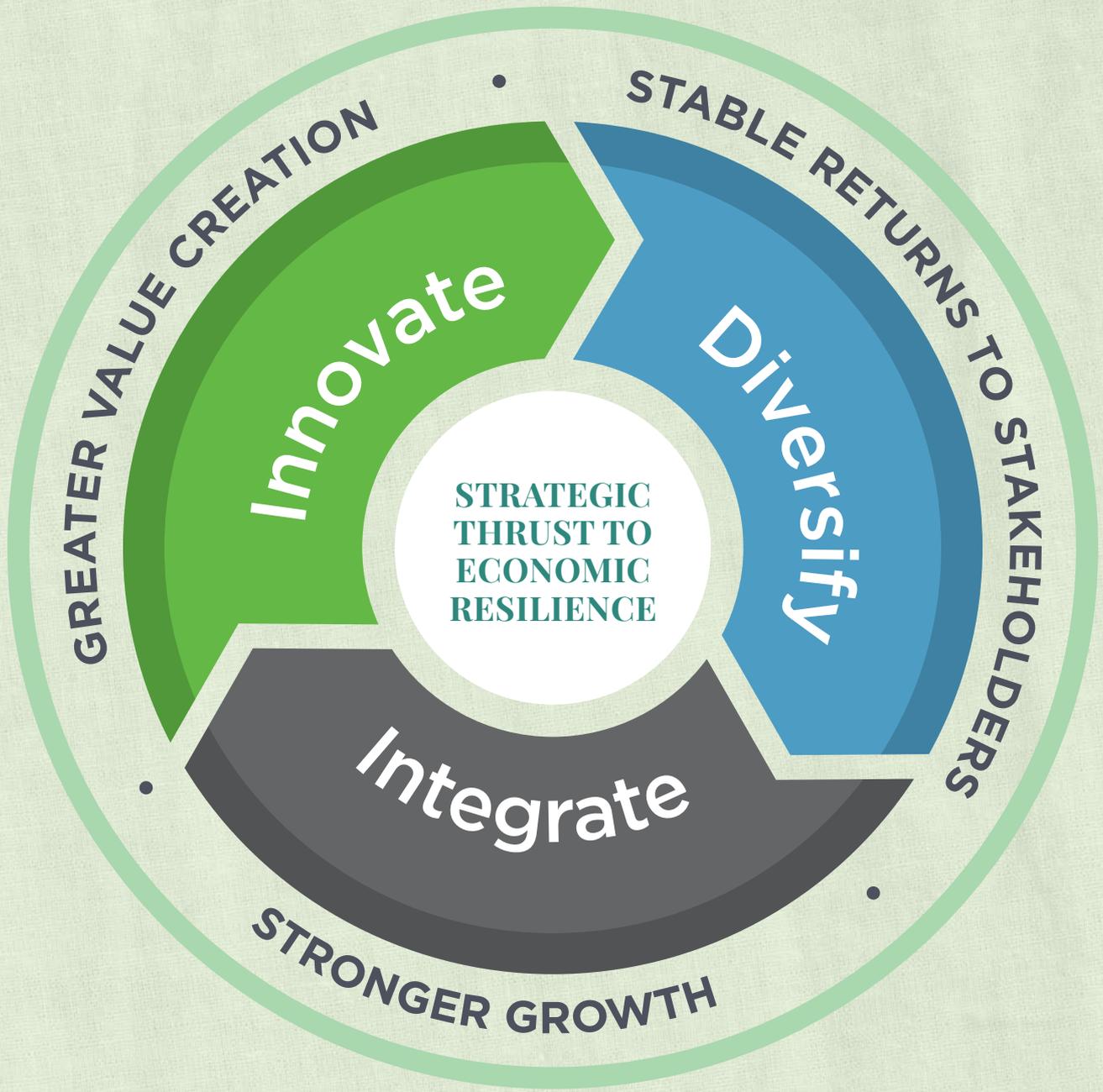
COFFEE CAPSULES

Tazzanera

ECONOMIC RESILIENCE

Economic resilience remains a key thrust of Food Empire. Despite the challenges in our operating environment, we have constantly strived to overcome them. Our main focus has been on diversifying our key markets, innovating new products, and driving upstream expansion along the value chain. This has allowed us to deliver positive results leading to stronger growth, greater value creation and stable return to stakeholders. In FY2018, the Group achieved 5.5% growth in revenue year-on-year to US\$284.3 million.¹

1. For more details on the financial performance, please refer to Food Empire Holdings Limited's Annual Report 2018, available at <http://foodempire.listedcompany.com/ar.html>



INNOVATE

An expression of Food Empire’s focus on innovation: Café Ket

Innovation is Food Empire’s key strategy towards strengthening our economic resilience. Every year, we closely monitor changes in our markets and think about innovative ways to ensure that we remain ahead of the curve.

Vietnam accounts for the bulk of Food Empire’s Indochina sales. The introduction of Café PHO in 2013 in the country has successfully boosted Food Empire’s sales in the region. In the instant beverage sales category, Café PHO managed to reach an all-time high sales revenue of USD 41.2 million which represents more than five-fold in sales revenue compared to when it first relaunched in 2014. Today, Café PHO is ranked among in the top 5 instant coffee players in the 3-in-1 segment in Vietnam. After our

success with Café PHO in Vietnam, it has been selling into Canada, Uzbekistan and in Azerbaijan.

In an effort to gain more market share in a rich coffee-drinking culture in Vietnam, Food Empire launched a new product: Café Ket in 2018. Café Ket came from a thorough study to evaluate the opportunity in the instant coffee market combined with the defined product positioning and exciting marketing campaign. Food Empire launched a marketing campaign for Café Ket in the first half of 2018, which include nation-wide sampling promotions and roadshow in Ho Chi Minh City, in addition to television commercial (TVC), social media campaign, and billboards marketing.

Café Ket sampling promotions were held in markets, business districts, industrial areas and other public spaces spanning from Ho



Chi Minh City to Quang Nai, while the roadshow took place in Ho Chi Minh City. Through these campaigns, Food Empire expects to reach approximately 9 million people in introducing the new brand. The case illustrated how Food Empire consistently innovate to develop new, viable offerings for our consumers.

DIVERSIFY

Ensuring continued resilience through diversification: MacCoffee Cappuccino di Torino

Cappuccino is one of the most widely consumed beverages in Russia. As a popular beverage in the country, locals have long been relishing and consuming cappuccino after each meal of the day, as a snack, or even as a dessert.

Food Empire is highly aware of the cappuccino market potential and is eager to capture a larger customer base. We are confident that our experience in the traditional and popular cappuccino market could propel us to excel in capturing higher-end consumer base requiring a more premium and sophisticated product. Through a series and round of product testing both internally and externally, we have crafted a well-made and well-received premium product, MacCoffee Cappuccino di Torino.

Launched in Russia, December 2017, our MacCoffee Cappuccino di Torino has been greatly welcomed by the market. Our initial marketing efforts were fully focused on expanding and driving consumer survey. We offered thousands of free cappuccino cups in our key outlets to raise market awareness and the product’s popularity. We also roll out modern marketing campaigns through internet marketing project to attract a younger audience. We engaged

social media influencers to promote our newly created MacCoffee Cappuccino di Torino. Such efforts have resulted in a total of more than 25 million views on social media within the first year of the production.

Our efforts and commitments toward growing the brands have paid off, with MacCoffee Cappuccino di Torino being named as a product that was the quickest to break into the market and win the trust of consumers. The success of our newly established cappuccino brand has paved the way for Food Empire to expand its target market outside of Russia. We are expecting to start production in Ukraine in the later part of 2019. Separately, we are also pushing for market entrance in Armenia, Georgia and Belorussia to replicate our success in the Russian market. In the new markets, we will strive to spark love from the first sip of MacCoffee Cappuccino di Torino.



STAKEHOLDERS AND MATERIALITY

Our Key Stakeholders

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

Food Empire works with a diverse range of stakeholders across our value chain. In this report, we have identified the key stakeholder groups who are instrumental to the success of Food Empire. We engage our stakeholders through open and transparent channels of communications, consider their interests and respond promptly to their concerns.

Key Stakeholder Groups	Key Engagement Modes and Frequency		Key Interests	Our Goal for the Stakeholder Group
Shareholders	• Annual report and sustainability report	Annual	<ul style="list-style-type: none"> Financial and operational performance of Food Empire Good corporate governance of Food Empire Sustainability of Food Empire Transparency 	Our goal is to create long-term sustainable value for our shareholders. We seek to deliver an atmosphere of trust using transparent and timely communication and provide relevant and reliable information.
	• Annual shareholder meeting	Annual		
	• Announcements and circulars	Regular		
	• Investor relations channel	Active		
	• Investor presentations, roadshows, dialogue sessions	Regular		
	• Quarterly reports	Quarterly		
Employees and Workers	• Annual report and sustainability report	Annual	<ul style="list-style-type: none"> Engagement in Food Empire's business Equal opportunities and non-discrimination Health, safety and wellbeing Job satisfaction Remuneration Training and development opportunities 	Our goal is to connect and strengthen relationships with our people through building working environments that foster communication and participation. We seek to enhance their growth, development and align their vision and values with that of Food Empire.
	•	Regular		
	• Control self-assessment for Senior Management	Regular		
	• Human resource channel	Active		
	• Staff appraisal	Regular		
	• Surveys and interviews	Ad hoc		
	• Training and development programs	Regular		
	• Volunteer and community activities	Ad hoc		
Consumers	• Annual report and sustainability report	Annual	<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 	Our goal is to sustain brand loyalty and trust of our consumers through a unique brand experience to meet their well-being and enjoyment. We seek to innovate and strive for the highest quality standards in our products.
	• 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		
Suppliers and business partners	• Annual report and sustainability report	Annual	<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 	Our goal is to achieve sustainable, long-lasting business relationships with our suppliers and partners across our value chain. We seek for close collaboration and mutual development.
	• Direct communication, meetings and discussions	Regular		
	• Evaluation and monitoring	Ad hoc		
	• Joint initiatives and programmes	Ad hoc		
	• Site visits and audits/checks	Ad hoc		
	• Surveys	Ad hoc		
Communities	• Annual report and sustainability report	Annual	<ul style="list-style-type: none"> Contributions to economic and social development Environmental impact of operations Local employment 	Our goal is to contribute to the economic, environmental and social development of the communities we operate in. We support the development of communities through philanthropy and volunteerism.
	• Corporate social responsibility initiatives	Ad hoc		
	• Sponsorship and philanthropy	Ad hoc		
Government and Regulators	• Annual report and sustainability report	Annual	<ul style="list-style-type: none"> Compliance to applicable laws and regulations Contributions to economic and social development Environmental impact of operations 	Our goal is to support governments and regulators and contribute to societal and global progress. We seek to be fully compliant with all applicable environmental and socioeconomic laws and regulations.
	• Industry sector participation channels	Ad hoc		
	• Participation in conferences, meetings and discussions	Ad hoc		
	• Site visits and audits/checks	Ad hoc		
Financiers	• Annual report and sustainability report	Annual	<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 	Our goal is to exercise a high level of financial discipline and demonstrate strong competence in managing the performances of our business. We seek to cultivate and sustain relationships with our lenders to ascertain the financial flexibility for our growth opportunities.
	• Direct communication, meetings and discussions	Annual		
	• Announcements and circulars	Regular		

Materiality Assessment

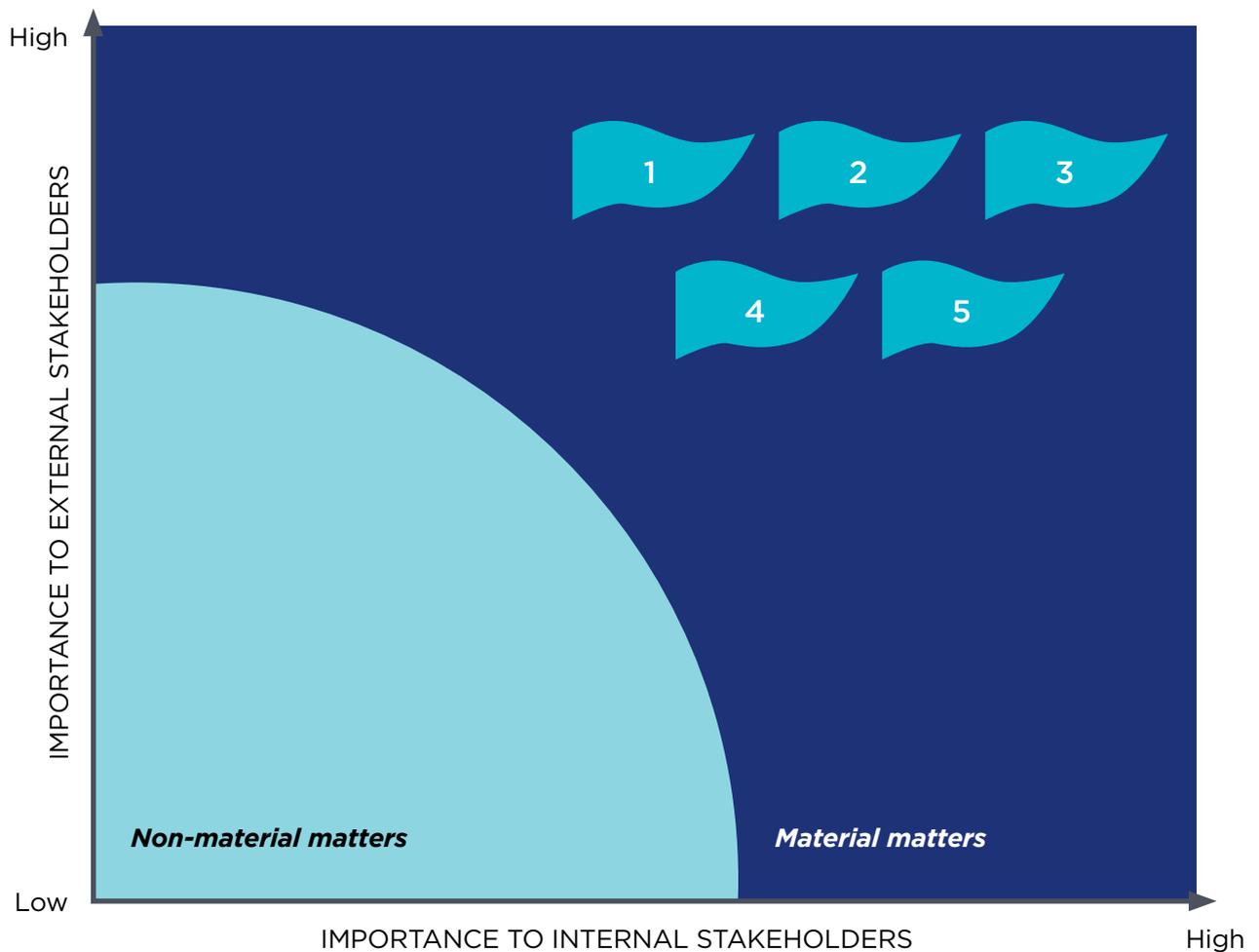
[GRI 102-46] [102-47]

Food Empire defines material sustainability matters as topics that encompass our significant ESG impacts and substantially influences the decision-making process

of our stakeholders. Following our last materiality assessment in 2017, we did a review of our material sustainability matters to reassess and prioritise our key ESG matters. From this review, we identified two additional material matters relevant to our business and stakeholders. Our materiality assessment process and result are summarised below.



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



THE RECIPE FOR SUSTAINING OUR EMPIRE

Continued Leadership Commitment to Sustainability

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

Sound corporate governance practices remain at the core of all our sustainability policies and practices. Having a strong core of governance allows Food Empire to achieve sustainability at all level of our organisation.

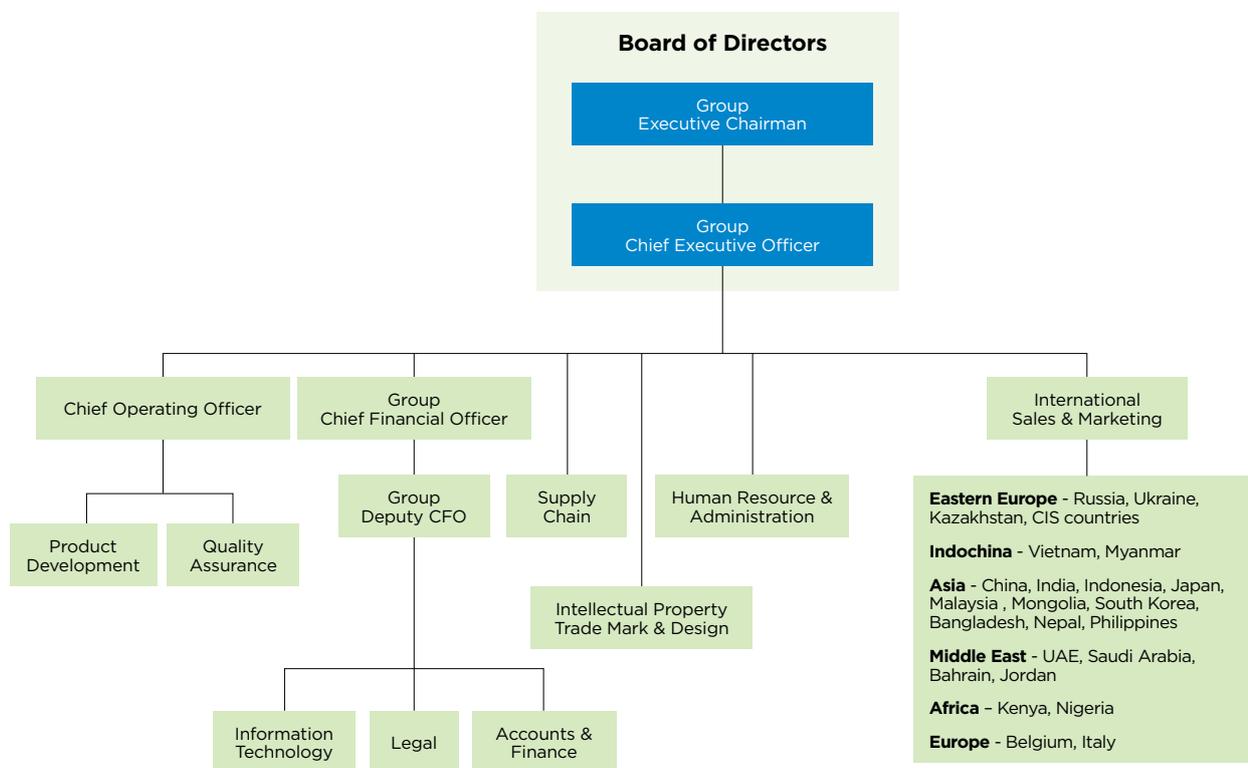
A clear governance structure ensures that individuals are aware of their responsibility towards achieving sustainability in all of Food Empire’s operations.

ROLE OF THE BOARD

The Group’s core mission towards attaining sustainability in our business is driven by The Board of Directors (“the Board”). The Boards sets Food Empire’s strategic direction on matters of sustainability. The prime body responsible for Food Empire sustainability reporting and integration of sustainable principles in our value chain lies in the Board. The Board validates Food Empire’s material sustainability matters and oversees the monitoring and management of the material sustainability matters and their respective policies, performance and targets.

ROLE OF MANAGEMENT

The management team works in tandem with the board to recommend and implement key initiatives to improve the sustainability of Food Empire. For all matters relating to sustainability, the management team seeks approval from the board. The range of these matters includes key material matters to the groups, sustainability-related policies, practices and targets for adoption as well as oversees the preparation of data and information for sustainability reporting.



Our Stance Against Corruption

WHY IS ANTI-CORRUPTION IMPORTANT TO FOOD EMPIRE?

[GRI 103-1]

Corruption has the possibility of causing significant harm to the organisation and our stakeholders. This includes reputational damage as well as possible legal proceedings depending on the nature of the corruption incident. For society at large, corruption can also result in socioeconomic and environmental discrimination to vulnerable groups. As a responsible member of society, we are committed to 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]

Policy

Food Empire sets high expectation to our employees to ensure that they uphold the highest ethical standards when interacting with our key stakeholders.

The conduct is primarily governed by Food Empire's Business Ethics and Code of Conduct which is communicated to all our employees and directors. The table below provides a summary of the key aspects of this code.

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: <ol style="list-style-type: none"> High Standard of Honesty and Integrity Loyalty to Company Conflict of Interest Cost Effectiveness

Targets

Perpetual target	FY2018 performance
Zero cases of non-compliance with all applicable laws and regulations	● Achieved
Zero cases of confirmed incidents of corruption	● Achieved

Grievance procedures

For the entire group, our grievance mechanism is governed by Food Empire’s Whistleblowing Policy. It is an independent and confidential channel for employees to raise concerns of any wrongdoings, financial malpractice, illegal acts or questionable business practices. The Group has provided an independent channel for this purpose to protect employees’ interests 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



THE RECIPE FOR BUILDING A STRONG BRAND

Our people are at the centre of all Food Empire's operation. Without the commitment and efforts of all our employees, we would not be able to enjoy the success that we have thus far. The group makes all efforts to value our employees through the continuous improvement of our human resources practice and creating a fair and conducive working environment.

Our Employment Practices

WHY ARE EMPLOYMENT PRACTICES IMPORTANT TO FOOD EMPIRE?

[GRI 103-1]

Food Empire always strived to be an employer of choice. We believe that diversity within our workforce is a significant differentiator in our industry and do not base our hiring preferences on race, ethnicity, religion, gender, age, etc. It is our firm belief that diversity and inclusivity are two integral aspects of enhancing teamwork, confidence and performance. Further, we recognise the importance of having established human resources policies for our group. Sound policies will enable us to attract and retain the right talent which translates to a profound impact of the company's performance.

PROFILE OF OUR WORKFORCE ²

[GRI 102-8]

In Singapore, Russia and Vietnam, we have a total strength of 1,889 employees in 2018 (2017: 1,702). The majority of our employees are full-time and permanent employees.

Vietnam accounted for about 60% of the total workforces. 100% of Vietnam employees are working on a full-time

basis and hired on a permanent contract. As a growing market, our workforce in Vietnam is dominated by sales and production employees to support business growth.

In Russia, our manpower requirement is mainly for production. Due to manpower shortage, 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 such as free meals, official transport, payment of primary and periodic medical examination.

Meanwhile, in Singapore, where the headquarter is located, most of the employees are working in a corporate support function. Comprising a total of 47 employees, all employees in Singapore are full-time permanent employees.

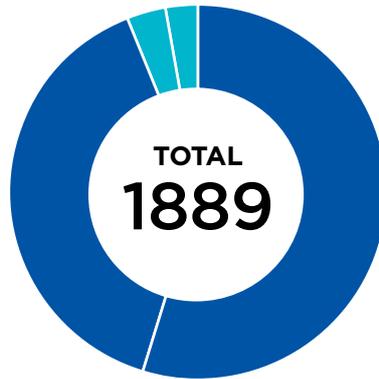
It has been observed that gender diversity remained quite stable over the past year, with females representing almost 41% of our workforce (2017: 41%).

We believe that diversity within our workforce is a significant differentiator in our industry and do not base our hiring preferences on race, ethnicity, religion, gender, age, etc. It is our firm belief that diversity and inclusivity are two integral aspects of enhancing teamwork, confidence and performance.

2. Vietnam's employee data is included in the 2017 statistics presented in this section for comparison purposes. The difference in figures with the 2017 Sustainability Report is attributed to the fact that our previous report scoped to only include our Singapore and Russia operations.

DISTRIBUTION BY EMPLOYMENT CONTRACT AND GENDER

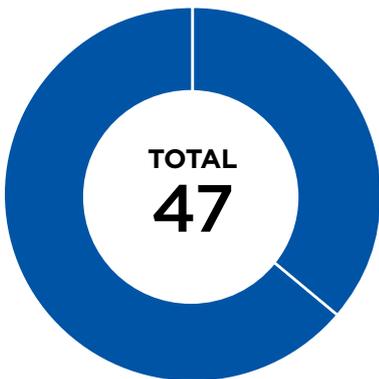
GROUP EMPLOYEES PROFILE BY GENDER AND EMPLOYMENT CONTRACT



Male 1098 | 58.12% **Female** 791 | 41.88%

Permanent			Temporary		
Male	1037	54.89%	Male	61	3.24%
Female	741	39.22%	Female	50	2.65%

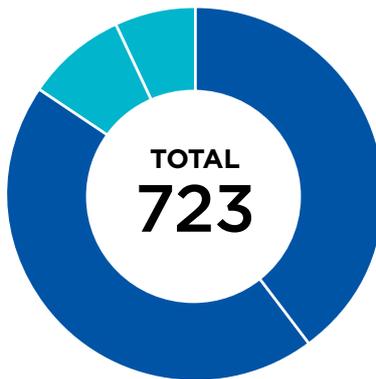
SINGAPORE EMPLOYEES PROFILE BY GENDER AND EMPLOYMENT CONTRACT



Male 17 | 36.17% **Female** 30 | 63.83%

Permanent		
Male	17	36.17%
Female	30	63.83%

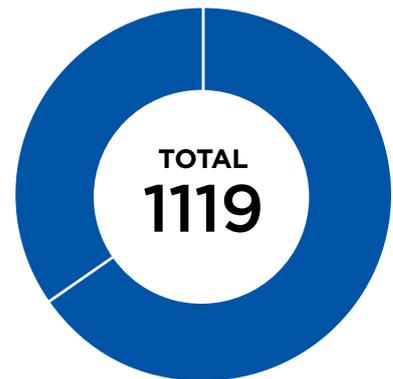
RUSSIA EMPLOYEES PROFILE BY GENDER AND EMPLOYMENT CONTRACT



Male 349 | 48.27% **Female** 374 | 51.73%

Permanent		
Male	288	39.83%
Female	324	44.81%
Temporary		
Male	61	8.44%
Female	50	6.92%

VIETNAM EMPLOYEES PROFILE BY GENDER AND EMPLOYMENT CONTRACT



Male 732 | 65.42% **Female** 387 | 34.58%

Permanent		
Male	732	65.42%
Female	387	34.58%

MANAGEMENT APPROACH

[GRI 103-2] [103-3]

Policy

Creating an inclusive workplace where every employee has the same opportunity to grow in our diverse working environment is critical for our business. In line with this belief, we implemented various policies across our operations to ensure fair employment in the company. Our employment policies are covering 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 operation 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 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.

Commitment

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



INITIATIVES AND PERFORMANCE

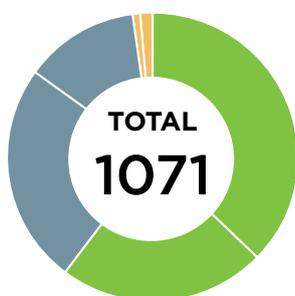
New Hires

[GRI 401-1]

In this reporting period, Food Empire welcomed a total of 1,071 new employees across our operations in Russia and Vietnam, as well as our headquarters in Singapore. In this reporting period, the Group's new hire rate is 56.7%.

Most of our new hires came from the operations in Vietnam, with around 860 personnel joined the company in 2018. A sizeable portion of our new hires in Vietnam is to replace the high turnover in the sales team due to the prevailing characteristic of sales job in the country. The profile of our new hires in Vietnam comprises relatively young males due to the demand for frequent travelling as part of the sales responsibility. The profile of our new hires in Singapore and Russia are largely comparable with last year.

GROUP NEW HIRES

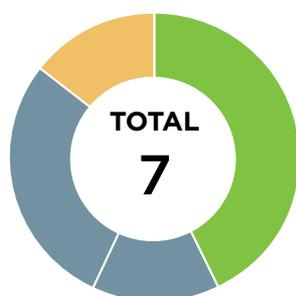


Male
674 | 62.93%

Female
397 | 37.07%

< 30 years old		
Male	401	37.44%
Female	246	22.97%
30-50 years old		
Male	266	24.84%
Female	137	12.79%
> 50 years old		
Male	7	0.65%
Female	14	1.31%

SINGAPORE NEW HIRES

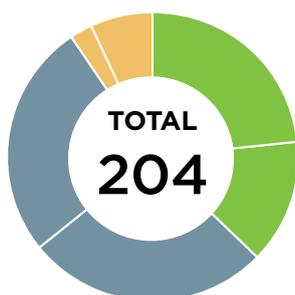


Male
2 | 28.57%

Female
5 | 71.43%

< 30 years old		
Male	0	0%
Female	3	42.86%
30-50 years old		
Male	1	14.29%
Female	2	28.56%
> 50 years old		
Male	1	14.29%
Female	0	0%

RUSSIA NEW HIRES

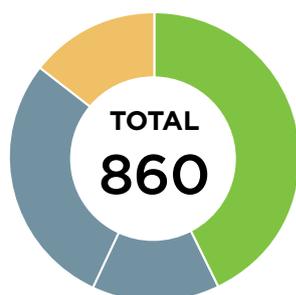


Male
108 | 52.94%

Female
96 | 47.06%

< 30 years old		
Male	48	23.53%
Female	28	13.73%
30-50 years old		
Male	55	26.96%
Female	54	26.47%
> 50 years old		
Male	5	2.45%
Female	14	6.86%

VIETNAM NEW HIRES



Male
564 | 60.87%

Female
296 | 39.13%

< 30 years old		
Male	449	34.38%
Female	268	20.52%
30-50 years old		
Male	338	25.88%
Female	223	17.08%
> 50 years old		
Male	8	0.61%
Female	20	1.53%

Turnover

[GRI 401-1]

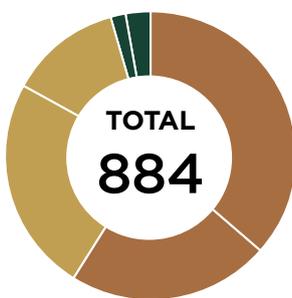
The turnover rate for the Group is 46.8%, with the significant portion of it from our operation in Vietnam.

Due to the nature of the industry, the turnover in Vietnam is mainly with the sales department. While most of the industry players prefer to outsource their sales function to avoid volatile turnover, all of our sales staff in Vietnam

are full-time employees as evidence of our commitment to provide stable employment for the people.

The Group recognises the opportunity to improve talent retention within the company and aims to deepen our employee engagement practices by conducting more regular interactions and providing channels for capturing employees' aspirations.

GROUP TURNOVER



Male
550 | 62.22%

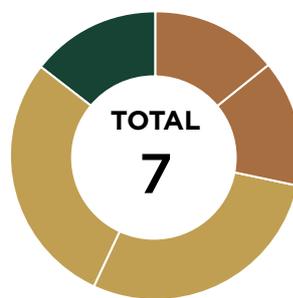
Female
334 | 37.78%

< 30 years old		
Male	323	36.54%
Female	198	22.40%

30-50 years old		
Male	214	24.21%
Female	112	12.67%

> 50 years old		
Male	13	1.47%
Female	24	2.71%

SINGAPORE TURNOVER



Male
4 | 57.14%

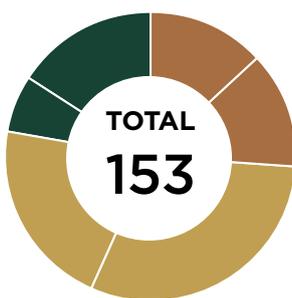
Female
3 | 42.86%

< 30 years old		
Male	1	14.29%
Female	1	14.29%

30-50 years old		
Male	2	28.57%
Female	2	28.57%

> 50 years old		
Male	1	14.28%
Female	0	0%

RUSSIA TURNOVER ³



Male
77 | 50.33%

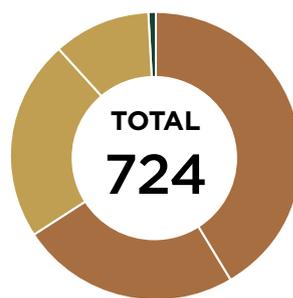
Female
76 | 49.67%

< 30 years old		
Male	20	13.07%
Female	20	13.07%

30-50 years old		
Male	47	30.72%
Female	32	20.92%

> 50 years old		
Male	10	6.54%
Female	24	15.68%

VIETNAM TURNOVER



Male
469 | 64.78%

Female
255 | 35.22%

< 30 years old		
Male	302	41.71%
Female	177	24.45%

30-50 years old		
Male	165	22.79%
Female	78	10.77%

> 50 years old		
Male	2	0.28%
Female	0	0%

3. The number of turnover 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. As explained under Profile of our workforce section, the company seeks to rehire those workers when their permits are successfully renewed. In 2018, we rehire 100% of them.

THE RECIPE FOR BUILDING A STRONG BRAND

Employment Benefits

[GRI 401-2]

Over the years, the Group provided all necessary employment benefits and welfare to our dedicated employees. The range of benefits covers insurance and healthcare, annual paid leave, transport reimbursements, recreation activities, overtime and meal allowance and long 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



TEAM BUILDING EVENT - VIETNAM

Food empire's operations in Vietnam span across the country, from our operations in Delta Mekong area, the main office in Ho Chi Minh City and to our operations in the north of the country. We are aware of the importance of building a strong team morale to deliver solid performance in our business. In 2018, we arranged a team building session in Nha Trang, Vietnam, with more than 200 staffs participating in the event.

Through the event with the theme of "ONE FES TOGETHER WE WIN", we aim to improve productivity, increase motivation, and collaboration among our staffs. The exercises have been tailored to nurture a successful company culture by cultivating team-work, increasing employees' confidence and improving communication among others.

DURIAN PARTY - SINGAPORE

Our corporate office in Singapore gathered together at a casual event with a feast of durians and other seasonal fruits. This was held to cultivate a sense of togetherness and serve as an opportunity to encourage team spirit. It was a fruitful get-together for the team.



NEW YEAR CELEBRATION - RUSSIA

The new year marks an important milestone for Food Empire and it serves as a new starting line for the business to set its journey. In Russia, we celebrated this by organising a corporate event for our employees to get together in a more informal setting as compared to their daily interaction in the office. Through this event, we aim to bring the team closer together, boost the employees' morale and kickstart a brand new year.

RECOGNISING OUR PEOPLE

LONG SERVICE AWARDS - SINGAPORE

The Long Service Award commemorates the long-term commitment of employees who have reached significant milestones in service at Food Empire. In 2018, we presented the award to five personnel who has served the company for more than 5 years. Through this honour, we wish to recognise the hard work, dedication and loyalty of those employees who have contributed to our business growth.



BEST SALES REPRESENTATIVES - VIETNAM

We always believe that our people are the greatest assets of the company. Through this event, we recognise the staffs who exemplify great efforts to achieve the company's business goals.

As the front-line team who drives the business growth, our sales team hold a critical role in the company. In appreciation of their performance, our operation in Vietnam conducts an annual sales team awards to recognise outstanding individuals. The awards were presented to both the best sales representatives and the best sales promoters who have been working tirelessly to deliver positive business performance.

BEST EMPLOYEE AWARD - RUSSIA

In Russia, we celebrate the achievement of our top performing employees through the Best Employee Award. At the end of each month, the best performing individuals from different functions are recognised for their contribution to the overall company's financial and operational performance. Pictures of the awardees would be posted on the company's bulletin board.



Our Shared Heritage with the Communities

In Food Empire, we believe that sustainable prosperity can only happen if the communities prosper as well. We emphasise on the importance of giving back to local communities. Through staff volunteerism and community investment, the Group hopes that our global operations will grow together with the communities where we operate in.

CSR ACTIVITIES IN SINGAPORE



“BRINGING NDP TO SENIORS 2018” CELEBRATION

In FY 2018, Food Empire is honoured to be one of the sponsors for ACE Senior’s “Bringing NDP to Seniors 2018” celebration. In this celebration, Food Empire contributed through staff volunteerism and provided our delicious food products which reached out to more than 90,000 seniors across 15 nursing homes and community hospital. We are heartened to have made a difference in our seniors’ day as we celebrate Singapore’s National day together.

NATIONAL DAY DINNER 2018

Food Empire is honoured to support the National Day Dinner 2018, organised by the Bedok Reservoir – Punggol Division. At this annual event, we gathered with the local communities to foster relationship and to celebrate Singapore’s 53rd National Day.



PROJECT SUNSHINE - CHARITY DINNER FOR CHAI CHEE BREAD RECIPIENTS

Food Empire brings cheer in Chai Chee as it sponsored the annual charity event for the Chai Chee Bread Recipients. The residents were delighted through a buffet dinner and gift vouchers. Through this event, we strive to create a positive impact to the community around us.

CSR ACTIVITIES IN RUSSIA



CELEBRATING THE SCHOOL GRADUATES IN DMITRIOV

This year, Food Empire took part in celebrating the achievement of school graduates in Dmitriov. We shared the special days with the students by providing delights with our products. In this event, we recognised outstanding school graduates who have achieved the highest grade in the state exams.

HONOURING THE VETERANS

Food Empire is heartened to support an event to honour the sacrifices, courage and patriotism of the men and women who have fought the war in 1945. This event serves as an opportunity to express our gratitude to the veterans who have served the country.



Our Workforce Health and Safety

WHY IS OUR WORKFORCE HEALTH AND SAFETY IMPORTANT TO FOOD EMPIRE?

[GRI 103-1]

At Food Empire, we highly value the health and safety of our workforce. We believe that creating a healthy and safe working environment is critical for staff morale and sustainable business growth.

MANAGEMENT APPROACH ⁴

[GRI 103-2]

Policy

The safety of our staff remains our top priority. We are committed to works toward 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 goal, which includes:

Policies and procedures	Summary
Safety, health, and environment (“SHE”) policy	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”
Accident management procedures	This procedure outlines the steps that need to be taken when an accident occurs, which includes accident reporting process.
Emergency respond procedure	This procedure outlines the procedure in responding to any emergencies.

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 the committee 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

Perpetual target	FY2018 performance
Perpetual target of zero confirmed work-related fatalities in all our operations	● Achieved
Achieve zero work-related injuries lost day by 2021	On going
100% of workers receive at least one safety training annually	● Achieved

4. As the headquarter in Singapore is limited to corporate support function, only our operations in Russia and Vietnam are included in this topic.

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 12.0.230-2007 ⁵ 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 manual defines the roles and responsibilities for the implementation of the safety management system. It provides specific guidance on the risk assessment process, safe work practices, incident reporting process and performance monitoring process. A safety committee has been established to supervise the implementation of the system. This committee is also responsible for establishing and maintaining safety and health initiatives and programmes at the operation. Regular workplace inspections are conducted by the committee, in which following each inspection, any areas for improvement will be highlighted and a follow-up action will be implemented promptly.

Creating a safe work environment can only be achieved when we equip our employees with the proper skills and knowledge for them to work safely. We have established training programmes for all our workers which include

mandatory safety induction training for new-hires and various safety training on specific topics. Routine pre-work briefings and ad-hoc safety briefing have also been implemented to support the implementation of our safety programmes.

Despite our best effort in maintaining a safe working environment in Russia, we encountered three work-related incidents during this reporting period. Most of the incidents involved hand injuries and the other pertained to lifting safety. To prevent reoccurrences, follow-up investigations and root cause analyses have been conducted for these cases. Further, ad-hoc safety briefings for all operators have been conducted to share the lesson learned of the incidents and corrective actions have also been implemented in the operation. Aside from the incidents, there is no occupational related illness recorded in FY2018.

Vietnam

A robust management system is also established in Vietnam for health and safety risk management. A committee which comprises of cross-functional team oversees the implementation of SHE policy. A regular health and safety committee meeting is held to evaluate the implementation of the company’s safety performance and programmes.

Risk assessment process has also put in place to prevent any work-related incidents. Risk registers was developed and reviewed annually to ensure its relevance to the changes in operation. A training matrix is prepared to ensure all personnel are equipped with the necessary safety training to work safely. This matrix includes training for newcomers, accident management, and emergency response. To create a strong safety culture in the workforce, regular safety meetings are held in our factories. Each department is designed to have pre-work briefings with a strong emphasis on safety before starting any works. Our safety department has also launched a “Create Safety Moment” which comprises of key programmes such as safety training, talks, and posters. Apart from the practices as mentioned above, our workers in Vietnam are also equipped with a SHE handbook which contains the summary of safety practices, incident reporting and first-aid.

5. 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 RECIPE FOR BUILDING A STRONG BRAND

During this reporting period, we encountered one work-related incident, outside of production. A female employee experienced burned injury after hot water was accidentally spilled over due to improper handling of a hot-water jug. An incident investigation was conducted and measures to prevent reoccurrences have been implemented. This incident was also raised during the

pre-work briefings to share the lesson learned. Posters of the safe practice for handling hot-water jug are hung in employees' break room. There is no work-related illness recorded during this reporting period. Table below summarises the health and safety performance in Russia and Vietnam, which include injury rate⁶, lost day rate⁷, and absentee rate⁸.

FOOD EMPIRE	2017		2018	
	RUSSIA	VIETNAM	RUSSIA	VIETNAM
Injury rate (Total)	0.95	0	2.57	3.84
Injury rate (Female)	0	0	0	11.11
Injury rate (Male)	1.98	0	5.37	0
Lost day rate (Total)	74.43	0	126.67	19.21
Lost day rate (Female)	0	0	0	55.53
Lost day rate (Male)	154.32	0	264.79	0
Absentee rate (Total)	0.039	0.013	0.044	0.009
Absentee rate (Female)	0.026	0.018	0.046	0.011
Absentee rate (Male)	0.055	0.011	0.042	0.009

Case Study

SAFEGUARDING OUR PEOPLE



RUSSIA

To equip our employees with the necessary skills in an emergency situation, we have deployed emergency preparedness training in our operations in Russia. This training includes basic fire-fighting technique, first-aid training and emergency evacuation drills. These training mostly held in our manufacturing facilities where the risk of incidents is higher compared to the office building. As an employer, we are committed to create a safe working environment for all employees by continuously providing essential knowledge for them to work safely.

VIETNAM

Create Safety Moment is a new safety programme implemented in Vietnam this year. This programme comprises of various training and interactive talks such as first-aid, fire-fighting and fire protection training as well as emergency and evacuation drills. Both in-house trainer and external trainer were involved in the programmes' execution. The programmes are mostly targeting our factories' workers due to the higher risk their work possessed, compared to our staffs in the office.

With the implementation of this programme, the management aims to promote a safety culture among the workers and to manifest the goal of zero work-related incidents in the operations.



6. Injury rate refers to the number of work related incidents per million manhours worked.

7. Lost day rate refers to the number of man-days lost for every million hours worked.

8. Absentee rate refers to number of day lost due to incapacity of any kind, not just as the result of work-related injury or disease, which expressed with the proportion to the total days scheduled to be worked.

Our Consumers' Health and Safety in our Hands

Our consumers are at the heart of our business. We placed a strong emphasis on ensuring that all our products meet and exceed their expectations. We always believe that providing the highest quality of our products starts as early from creating each recipe. We uphold high standards of practices in ensuring the quality and food safety of our products throughout our supply chain.

WHY CONSUMERS' HEALTH AND SAFETY IS IMPORTANT TO FOOD EMPIRE?

[GRI 103-1]

Our consumers deserve the best. With this in mind, we strive to ensure all our products are safe for consumption and of the highest quality. We strictly monitor all our products to ensure its compliance with all laws and

regulations concerning food safety. We understand that lapses in the safety of our products may have a significant impact on the group's reputation and affect the sales of our product. In such a competitive market that we are in, we do not compromise with quality and aim always to deliver the utmost standard for our customers.

MANAGEMENT APPROACH⁹

[GRI 103-2]

Policy

The quality of our products is our main differentiator in the market. In a bid to meet and exceed our stakeholders' expectation, we understand the importance of having a system to manage our constant supply of quality goods. We have implemented several policies and procedures in our operations in Russia and Vietnam to maintain confidence in our products. The table below outlines the policies sets 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

9. As the operation in Singapore is limited to corporate support function, only our operations in Russia and Vietnam are included in this topic.

Policy

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

Targets

Perpetual target	FY2018 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]

At Food Empire, we consistently challenge ourselves to set the highest quality and safety standards. All our operations are committed to continuous improvement, which is measured, evaluated and validated through internal and external verifications. Our Quality Management System and Product Safety System are certified by various external certification centres on compliance with the following standards.

RUSSIA

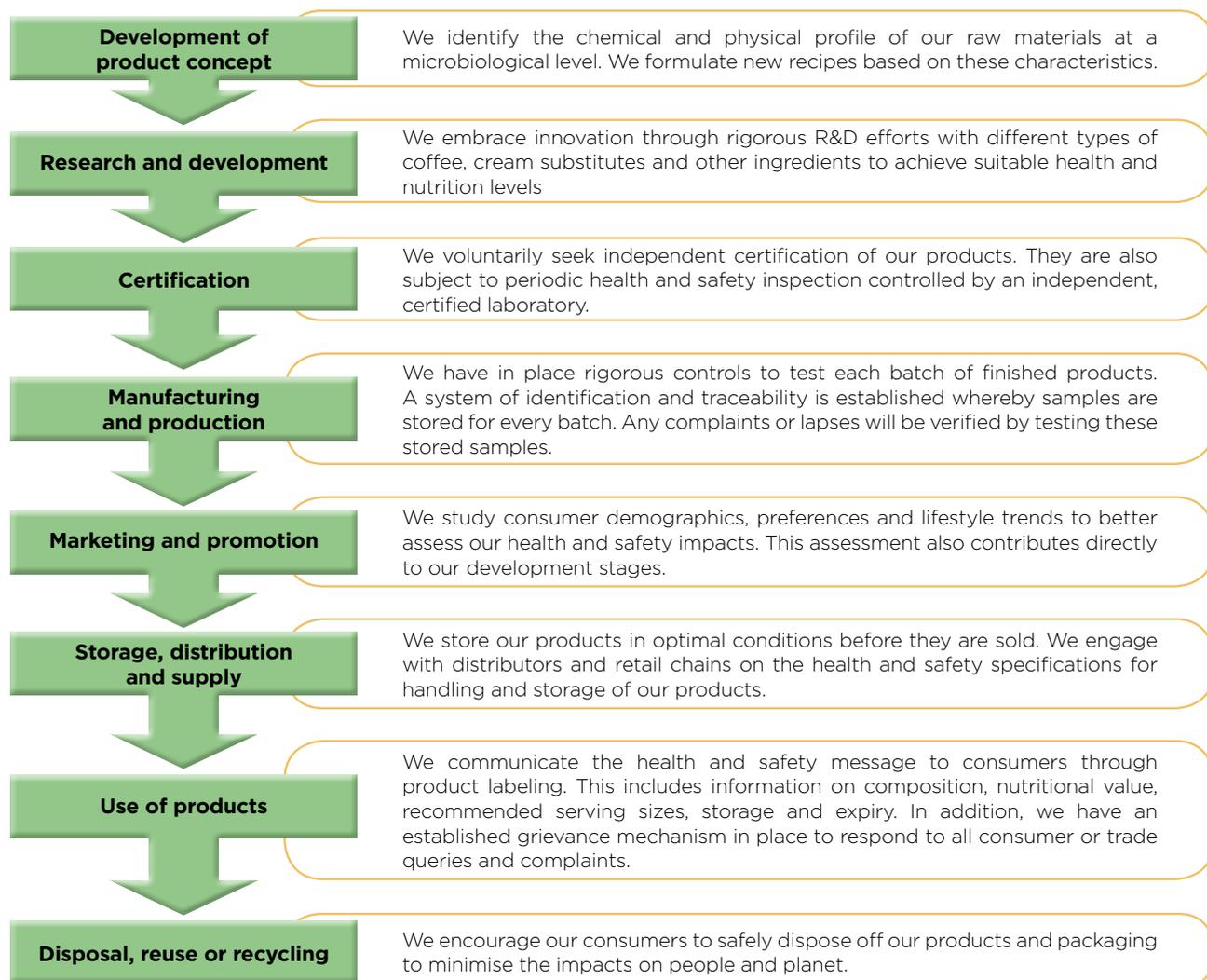
In Russia, we managed to obtain several certifications related to the quality and safety of our products. This year, we remain focused on implementing the standard required by the certifications to deliver high-quality products. The table below summarises our current food safety and quality certifications .

Standards-certified	Description of standard
GOST¹⁰ 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.

We take systematic efforts to assess the health and safety impacts of our products across its life cycle. We communicate our assessment to our stakeholders and gather inputs on areas for improvement. Through a consistent implementation of our management system, we managed to maintain zero non-compliance with all applicable laws and regulations concerning consumer health and safety in this reporting period. To better illustrate our approach in managing food safety in our operations, the figure below presents the steps taken to ensure the quality of our products.

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

THE RECIPE FOR BUILDING A STRONG BRAND



VIETNAM

In Vietnam, our Food Safety and Quality Management system is certified and in accordance with the requirement prescribed in ISO 22000:2005.

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.

A team comprises of management, human resources, business, maintenance, and production teams were established to oversee the implementation of our food safety and quality management system across the operations in Vietnam. This team meets on regular basis to track and review the company's performance. Multiple trainings concerning food safety also provided to relevant

personnel, including ISO certification training, GMP training, and hazard analysis and critical control points (HACCP) training.

Supplier audits are conducted annually to review the performance of our suppliers, including food safety and quality of raw material. In our manufacturing facilities, a high standard of food safety management system is implemented. 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.

In Vietnam, we provided internal and external communication channels for our stakeholders to provide feedbacks for any issues with our products. A hotline and a social media fan page are among the available channels provided by the company. As a testament to our effort in managing the health and safety of our product, we have zero incidents of non-compliance with all applicable laws and regulations concerning consumer health and safety.

THE RECIPE FOR CREATING A SUSTAINABLE FUTURE

At Food Empire, our operations are susceptible to climate change impacts. Vietnam is currently standing at the top 5th on the climate risk index, being one of the ten most vulnerable countries to climate change. Russia is also seeing stronger climate change impacts in the form of extreme weathers. It is critical that Food Empire is engaged and do our part to combat climate change and contribute to a sustainable low carbon future.

WHY ARE ENERGY AND EMISSIONS IMPORTANT TO FOOD EMPIRE?

[GRI 103-1]

Climate change affecting agriculture businesses is no longer a study based on theories or research. Concrete evidence has indicated that climate change affects agricultural production and businesses. The United States Environmental Protection Agency states that a higher CO2 level in vegetation has been scientifically proven to causing adverse impacts on plant's yield. Our food

security is therefore at stake; climate change also affects coffee-growing areas which are crucial for Food Empire's businesses. For our businesses to sustain years ahead, Food Empire is fully aware of the detrimental effects of climate change and remains committed to improving on our environmental practices. In addition, climate change also has profound impacts on our consumers; for example, limit consumption during adverse weather events and long-term change in consumption behaviours due to economic activities disruption.

MANAGEMENT APPROACH¹¹

[GRI 103-2]

Policy

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. An "Action Plan to Phase-Out Incandescent Lamps in Russia and to Promote Demand for Energy Efficient Light Sources" were also approved by the Government. This action plan sets out the requirement for organisations to increase their adoption of energy efficient lighting.

Over the years, our manufacturing plant in Russia has allocated resources to manage our energy consumption and GHG emissions better. In 2018, we evenly distributed resources throughout our facilities, ranging from the installation of new ventilation systems and modernisation of production equipment to the replacement of fluorescent lamps with motion sensor LED bulbs.

Vietnam

Our operation in Vietnam contributes to the company's energy efficiency efforts by installing LED lamps in their facilities and implementing bulk capacity production practices, installing additional machines in the same area to increase production capacity. This initiative resulted in lower electricity consumption compared to normal operation.

11. As the headquarter in Singapore is limited to corporate support function, energy and GHG emissions topic is deemed immaterial. Hence, the operation has been excluded for this topic.

Initiatives and Performance

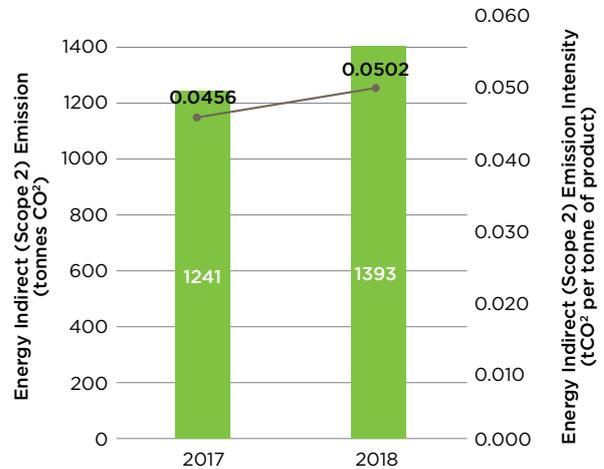
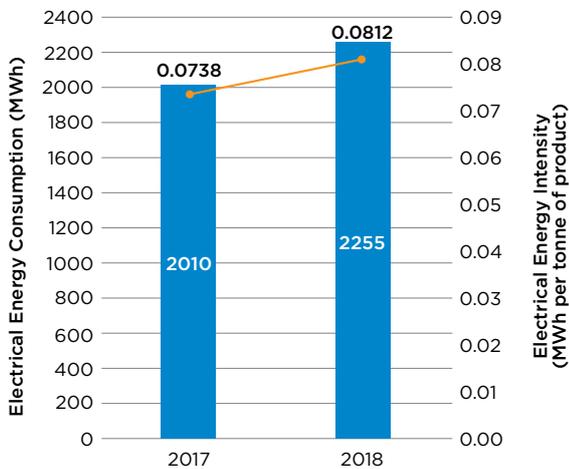
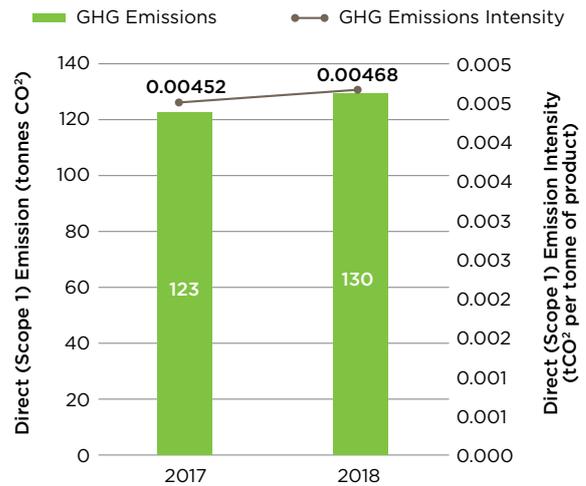
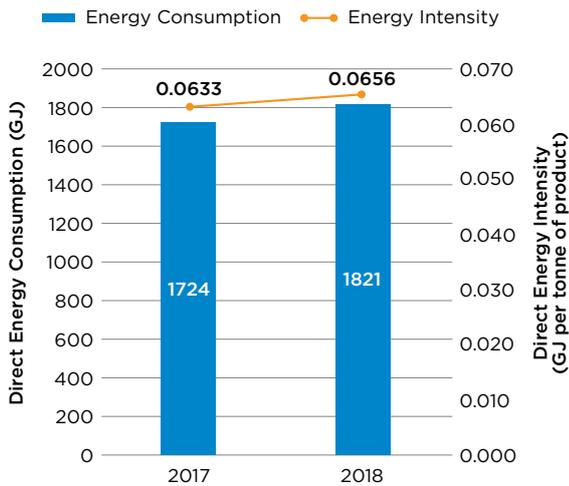
[GRI 302-1] [302-3] [305-1] [305-2] [305-4]

This year, we will continue to implement a phased approach in managing our environmental impacts. Our primary goal is to continuously improve our energy efficiency performance across our facilities.

Russia

In Russia, fuel consumption mostly includes diesel oil and gasoline used to operate company vehicles. Purchased electricity remains a significant portion of our energy consumption in the country. Due to a limitation in our current system, we are unable to separate the electricity consumption from production and non-production activities. The total energy consumption shown will account for all activities ranging from production and warehouses to energy usage within the offices.

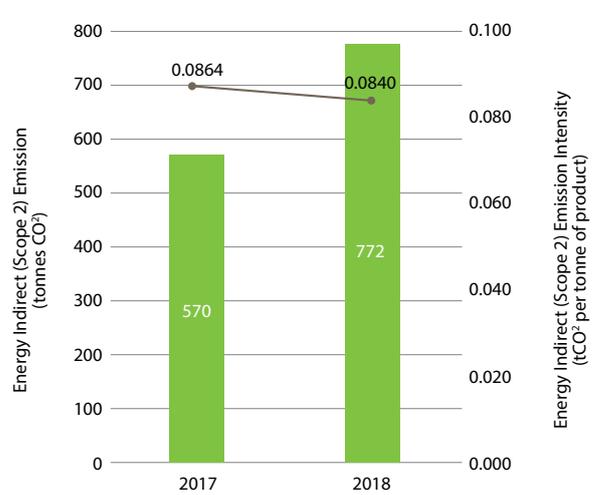
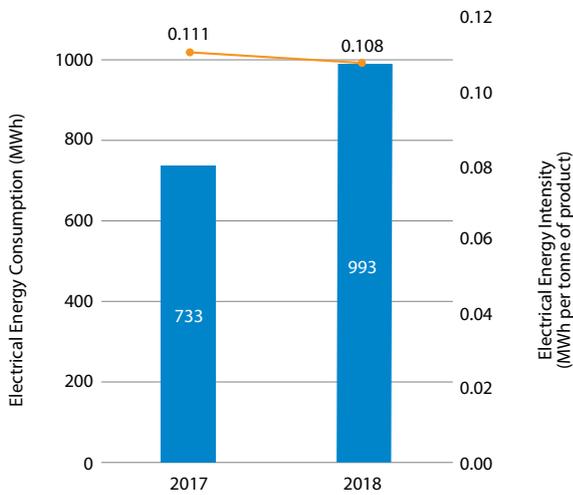
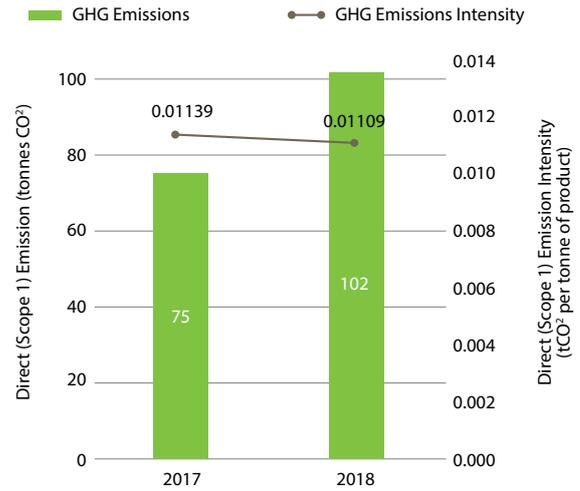
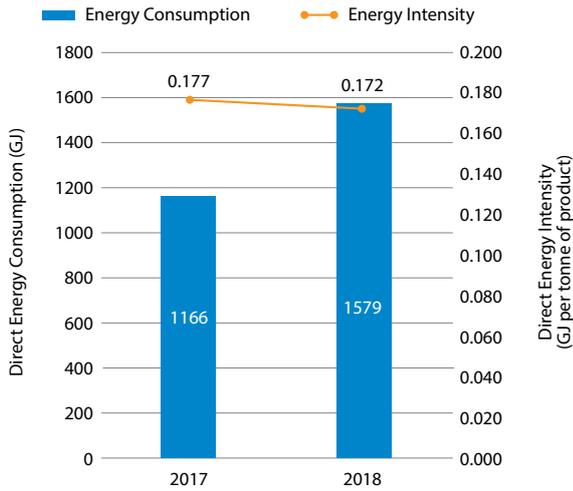
In 2018, we encountered an increase in both energy and GHG emissions intensity in Russia. The increment results from the operation of two new warehouses. Although the warehouses started its operations in late 2017, it is expected that the energy and emissions intensity is increased as these two warehouses are fully-operated during 2018. Previously, these warehouses were outsourced to third party; hence, their energy consumption were not included in our total consumption.



Vietnam

A significant portion of energy consumption in Vietnam was similarly contributed by the consumption of purchased electricity. Liquefied petroleum gases and diesel were also used to fuel forklifts and company's vehicles. The total electricity consumption presented signifies all electricity usage for both production and non-production activities in the facilities.

In 2018, our Vietnam operation encountered a significant increase in energy consumption which resulted in higher GHG emissions compared to the operation in 2017. This increase was primarily due to the massive leap of 39.4% increase in production quantity; hence, despite the rise in electricity consumption, the energy intensity decreased approximately 5.8% and GHG emissions intensity decreased 2% this year.

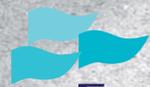


GRI CONTENT INDEX

[GRI 102-55]

GRI Standards Disclosures		Reference(s)	Reasons for Omission
General Disclosures			
Organisational Profile			
102-1	Name of the organisation		
102-2	Activities, brands, products, and services		
102-3	Location of headquarters		
102-4	Location of operations		
102-5	Ownership and legal form		
102-6	Markets served		
102-7	Scale of the organisation		
102-8	Information on employees and other workers		
102-9	Supply chain		
102-10	Significant changes to the organisation and its supply chain		
102-11	Precautionary principle or approach		
102-12	External initiatives		
102-13	Membership of associations		
Strategy			
102-14	Statement from senior decision-maker		
Ethic and Integrity			
102-16	Values, principles, standards, and norms of behavior		
102-17	Mechanisms for advice and concerns about ethics		
Governance			
102-18	Governance structure		
102-23	Chair of the highest governance body		
102-25	Conflicts of interest		
102-29	Identifying and managing economic, environmental, and social impacts		
102-32	Highest governance body's role in sustainability reporting		
Stakeholder Engagement			
102-40	List of stakeholder groups		
102-41	Collective bargaining agreements		
102-42	Identifying and selecting stakeholders		
102-43	Approach to stakeholder engagement		
102-44	Key topics and concerns raised		
Reporting Practice			
102-45	Entities included in the consolidated financial		
102-46	Defining report content and topic Boundaries		
102-47	List of material topics		
102-48	Restatement of information		
102-49	Changes in reporting		
102-50	Reporting period		
102-51	Date of most recent report		
102-52	Reporting cycle		
102-53	Contact point for questions regarding the report		
102-54	Claims of reporting in accordance with the GRI Standards		
102-55	GRI content index		
102-56	External assurance		

GRI Standards Disclosures		Reference(s)	Reasons for Omission
Material Topic: Anti-corruption			
Management Approach			
103-1	Explanation of the material topic and its boundary		
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
Anti-corruption			
205-2	Communication and training about anti-corruption policies and procedures		
205-3	Confirmed incidents of corruption and actions taken		
Material Topic: Energy consumption and GHG emissions			
Management Approach			
103-1	Explanation of the material topic and its boundary		
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
Energy			
302-1	Energy consumption within the organisation		
302-3	Energy intensity		
Emissions			
305-1	Direct (Scope 1) GHG emissions		
305-2	Energy indirect (Scope 2) GHG emissions		
305-4	GHG emissions intensity		
Material Topic: Consumer health and safety			
Management Approach			
103-1	Explanation of the material topic and its boundary		
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
Customer Health and Safety			
416-1	Assessment of the health and safety impacts of product and service categories		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		
Marketing and Labeling			
417-2	Incidents of non-compliance concerning product and service information and labeling		
Material Topic: Occupational health and safety			
Management Approach			
103-1	Explanation of the material topic and its boundary		
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
Occupational Health and Safety			
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities		
Material Topic: Employment Practices			
Management Approach			
103-1	Explanation of the material topic and its boundary		
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
Employment			
401-1	New employee hires and turnover		
103-2	Benefits provided to full-time employees that are not provided to temporary or part-time employee		



Food Empire

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