

08

CREATING SHARED VALUE

WITH



EMPLOYEES





PROMOTING EMPLOYEE GROWTH NURTURING TALENTS

Ausnutria relies on its experienced and passionate employees to create exceptional value for its customers and stakeholders. Employees are valuable to Ausnutria and the Group understands the importance of adding value to its employees.

A strategy meeting was held in 2017 among senior management in the PRC to plan for Ausnutria's human resources strategy. A three-year plan regarding employees' recruitment, development and retention was developed, aiming to support the rapid growth of business while aligning with the Group's business development strategy.

Through recruitment and a number of acquisitions in recent years, the Group had more than 3,000 employees under its subsidiaries in the PRC, the Netherlands, and Australia. The larger employee base, the more Ausnutria is encouraged to take extra care of them. Ausnutria provides competitive remuneration, a safe and inclusive working environment, and sufficient resources to support employees' personal and career development. Regular and one-off internal engagement work was also carried out during the year to promote communication and collect feedback for future improvements.

ATTRACTING AND RETAINING TALENT

Ausnutria relies on its talents to develop and produce innovative and quality dairy and nutritional products for the markets it serves. As such, the Group strictly complies with applicable laws and regulations in all of its operating locations to safeguard its employees' interests. Use of child or forced labour and discrimination based on gender, race, age, religion or other characteristics are not tolerated in the Group.

CASE STUDY



Encouraging employees with diverse backgrounds to communicate through cultural exchange activities

Enhancing social cohesion through employee engagement activities

As a multinational company, provision of a working environment that embraces diversity and inclusiveness is an essential factor to attracting and retaining talent from different parts of the world. During the year, different offices actively organise activities that suit their local circumstances to increase cohesion in the workplace.

In Australia, Australia Day, Chinese New Year and Diwali are celebrated to demonstrate inclusion of different cultures in the working environment. These celebrations aim not only to help employees learn more about each other's culture, but also encourage people from different parts of the world to communicate openly and comfortably in such events.





Paintings created by employees at the party



In the Netherlands, an employee event was organised to promote work-life balance and foster closer bonds among employees. Workshops and activities such as painting, cocktail-making, golf and dancing were held.

All employees and their families in the PRC were invited to join the “Family Day” event held in August 2017. The event is aimed to show appreciation to employees while strengthening their family bonds.



Open house for the new factories in Heerenveen, the Netherlands

In September 2017, an “Open House” was organised in the Netherlands. A total of about 400 visitors, including staff and their family members, were welcomed to join an open house at the Group’s new Ausnutria Heerenveen Factories. Employees and their family members

were welcomed with cakes and drinks. A presentation on the new factories followed by a factory tour was conducted, during which the employees and the family members gained a deeper understanding of the processes at the Group’s new production sites.



Improving employee benefits through continuous communication

To demonstrate care for Ausnutria's employees and safeguard their benefits, formal communication and feedback channels are available.

An internal newsletter and WeChat group have been established for all PRC employees to provide updates on Ausnutria and to promote effective two-way communication.

In the Netherlands, a periodical internal newsletter and magazines, "The Formula" and "m.elk", is also published to share interviews of employees and updates on Ausnutria. In addition, an introduction program have been launched in the Netherlands to introduce new colleagues into the organization by giving them a good understanding of Ausnutria, its people, products and processes.



The Formula
and m.elk,
December 2017
edition

Facilitating the transition of newly acquired subsidiaries into the Ausnutria family

Ausnutria has adopted various approaches to understand the perspectives of employees from newly acquired subsidiaries, showed the Group's respect for their original working culture, and facilitated their transition into the Ausnutria family.

Streamlining recruitment procedures and employee development plans has been Ausnutria's top priority since the completion of the acquisition of NCP in September 2016. Ausnutria also pays great attention to the needs of its employees by opening up doors of communication between employees and management, allowing employees to freely express matters of importance to them. A corporate core value project, with the aim to integrate employees' values into Ausnutria's values, will be introduced in NCP in which employees will be invited to share the values that they consider as important through online surveys and classroom workshops.

After the acquisition of ADP in July 2017, the focus has been placed on improving employee involvement through encouraging communication. For instance, employees who have resigned are invited to exit interviews whenever possible to understand their perspective and help Ausnutria identify areas for improvement.

Internal newsletter for
the PRC employees



FOSTERING EMPLOYEE DEVELOPMENT

Employee development has been a core focus of the Group's human resources strategy. Aiming to cultivate an active learning environment within Ausnutria, the Group ensures that sufficient learning opportunities are provided for employees. Through the delivery of structured training programmes internally and with external training institutions, the Group helps employees to unlock and meet their full potential in all roles and duties. During the year, the Group provides training to over 80% of employees, delivering over 27,000 hours of training.

Providing structured training in all offices to cultivate social talents

Structured training initiatives were established in the Group's subsidiaries with the goal of assisting employees in their personal and career development. For instance, induction training is provided for all new employees of the Group to equip them with the necessary knowledge and skills to perform their daily duties and facilitate their integration into the workplace.

In the Netherlands, Ausnutria has partnered with regional training institutions, including Van Hall in Leeuwarden, Windesheim and Landstede, to provide training to production workers on food technology.

Ausnutria University – Pragmatic, professional with integrity



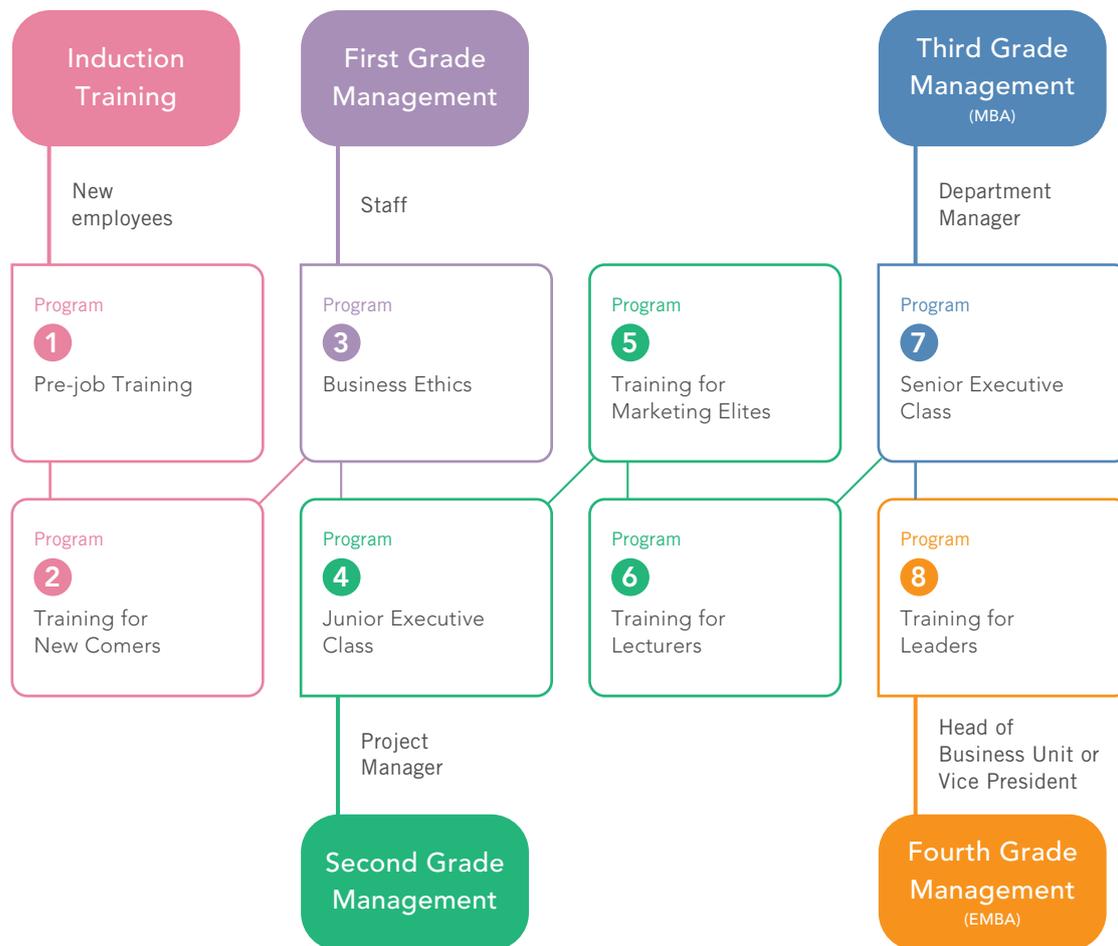
澳优大学
Ausnutria University

— 务实进取, 专业诚信 —

Established in the PRC in 2015, Ausnutria University is a corporate university designed to foster talent, provide learning support, and develop a culture of continuing education for the employees of the Group, in order to cope with the Group's "Golden Decade" strategic plan. The three core goals of Ausnutria University are (i) boosting staff quality; (ii) optimising organisational performance; and (iii) nurturing a culture of excellence. It is equipped with about 40 professional tutors to address employees' needs and unleash their potential. Ausnutria University has organised MBA and EMBA courses for the Group's management and senior management to cater to their career development. In 2017, Ausnutria University included training on career planning, business writing, customer management and power of branding to enrich the course lists. In the next phase, Ausnutria University will focus on developing professional serial and online courses, including training on marketing, purchasing, supply chain, administration, human resources and finance, to further help employees to achieve their career goals.



Ausnutria University provides eight programs to promote the comprehensive growth of employees from five different categories



**Ausnutria University received
The 2017 Excellent Corporate
Universities honour**

Ausnutria University was recognised as the 2017 Excellent Corporate Universities in the PRC in December 2017. This honour reflects the Group's commitment to the development of Ausnutria University, the excellent education provided by Ausnutria University, and the cooperation and support of all employees.

Ausnutria University will continue to work towards becoming one of the best corporate universities in the PRC in the next three years. The Group will export its teaching experience to business points in the Netherlands, Australia and New Zealand with the aim of serving as an excellent education institution in the international dairy and nutrition industry.



CASE STUDY

Ausnutria University – A Cradle for Nurturing Future Leaders



In November 2017, Ausnutria University was recognised by the Chinese Society for Talent Development (CSTD) in Beijing. Out of the 210 participating learning projects, “The Pursuit of Excellence – The Leadership Talent Development Project” by Ausnutria won the gold medal in the “National Learning Design Competition”, which is a highly recognised honour in the corporate training industry.

Following the “Golden Decade” strategic plan, Ausnutria emphasises the concepts of professionalism, efficiency and quality in its operations. To this end, higher requirements have been set for Ausnutria’s management team through the introduction of “The Pursuit of Excellence – The Leadership Talent Development Project” to facilitate their learning progress. Ausnutria believes that maintaining its outstanding and professional senior management talent is crucial to achieving Ausnutria’s dream.

The “Pursuit of Excellence – The Leadership Talent Development Project” aims to develop talents with a complete talent training system, including one-on-one coaching, intensive courses and assessments. The project has inspired senior management and helped them achieve their leadership potential, and resulted in rapid improvement of Ausnutria’s performance.



Ausnutria was recognised by CSTD in 2017



MAINTAINING A SAFE AND HEALTHY WORKPLACE

The Group is dedicated to ensuring its employees can develop their potential at its workplace and protecting them from work-related injuries and illness. During the year, Ausnutria fully complied with all local laws and regulations regarding health and safety in all business operating areas.

Protecting human capital through occupational health & safety initiatives

At Ausnutria, group-wide occupational health & safety (OH&S) initiatives have been introduced to secure the safety of its valued employees, particularly at its production facilities where manual handling is sometimes required. A H&S Committee or Officer is present at all facilities to review OH&S key performance indicators. Regular meetings are held among the committees to discuss and review OH&S procedures and policies. The Group also provides safety training at all facilities to increase the safety awareness of its frontline employees and familiarise them with emergency procedures and escape routes to minimise injuries and casualties in case of accidents.

Other OH&S initiatives are in place to meet different local regulations and needs. At the factories in the Netherlands, safety risk assessments are conducted every three years by an external party to identify key health and safety risks. A detailed risk assessment on all machines and equipment was recently conducted at the factory in Leeuwarden, Netherlands, in 2017 to improve safety performance. An OH&S audit was also conducted at NCP in 2017, and the findings will be reviewed to identify priorities for next steps to reduce OH&S risks.



Continuous improvement to reduce OH&S risks

Working together with the subsidiaries, the Group focuses on reducing OH&S risks to safeguard human capital. In particular, subsidiaries in Australia and the Netherlands have allocated additional resources to achieve this objective.

The Ausnutria Heerenveen Factories in the Netherlands, which commenced operation in 2018, are highly automated. Its innovative design creates an ultimate safe working environment. Similarly, NCP in Australia is also planning to upgrade its production lines in 2018 to reduce manual handling processes and hence reduce safety risks.

The Group taking a further step by forming a subsidiary-level H&S Committee to oversee all five factories in the Netherlands for more effective communication and easier coordination. The committee will be inaugurated in 2018 as the Ausnutria Heerenveen Factories enter full operation. Meanwhile, an online training platform on health and safety is being developed, which is expected to be rolled out in 2018. The online platform will enable the frontline employees to access readily available health and safety learning materials at their convenience.

Safety training is provided to all employees at all factories to protect human capital

