

# WIN-WIN WITH EMPLOYEES

Recognising the values employees have been bringing to the Group, Ausnutria devotes great amount of efforts and resources in building an outstanding team and maintaining a win-win relationship with them. As the Group's business grows, Ausnutria embraces the diverse background and unique characteristics of each employee and seeks to maximise their potential. This is achieved by treating employees with dignity and respect and providing a harmonious and healthy workplace for the wellbeing of employees.

Above all, Ausnutria strictly adheres to applicable laws and regulations regarding employment practices in its operating locations. Ausnutria prohibits the use of child and forced labour within its operational control and runs background check for job applicants to prevent such issue. In case of any contravention, management will be notified immediately and act in the best interests of the individual.

Code of Conduct and Employee Handbooks are introduced at subsidiaries to outline Ausnutria's core values, standards and expectations towards employees' daily performance of duties. Relevant policies and procedures are also established for the sake of managing issues ranging from employment relationships and training and development, to equal opportunities and non-discrimination, and occupational health and safety. The information is effectively communicated to all employees through formal channels during their early onboarding stage or whenever updated.

The Group's three-year plan on improving employment practices has been carried out smoothly, progressing well towards the goal to align with the Group's business development strategies and rapid growth. Under the plan, the Group opened up a Management Trainee Program and conducted a series of recruitment talks at universities to recruit young elites. The Group is also in the process of standardising its employee performance evaluation framework.



Newly recruited management trainees are trained to become high potential leaders under the program to support the Group in driving its business forward.

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## ATTRACTING AND RETAINING TALENT

On top of all statutory requirements, the Group intends to provide employees considerable and competitive rewards in returns for their great contributions. Employees are entitled to leaves, allowances, bonus, health checks and subsidies based on their positions and year spent with Ausnutria. The Group also grants share options to selected employees or selected personnel invited by the Board as incentives and rewards for their contribution to the Company. Three batches of options have been issued as of the publication date of this report.



- NCP celebrated with employees who reached their 10th anniversary at the company, recognising their countless contributions to the development and achievement of the company.

Ausnutria understands and appreciates the importance of families, and respects the roles and responsibilities its employees hold in their families. For instance, employees at some subsidiaries are allowed to pursue flexible working arrangement to help them balance their personal and work life. On special occasions such as Children's Day, working parents are welcome to bring their children to work and enjoy a family games day.



- Employees and their children at Ausnutria's second Family Carnival



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Ausnutria also celebrated with its female employees in the PRC on International Woman's Day by organising a photography competition. Further, Ausnutria promotes mother-friendly measures including breastfeeding facilities and flexible working arrangement for mothers-in-need.

## EMBRACING EMPLOYEES

The Group recognises that mutual communication is critical for creating an efficient workplace and delivering high quality of products. Thus, effective communication channels are developed and promoted across the Group, encouraging employees to share their thoughts and exchange ideas between themselves and with the Group's management.

The Workplace Communication and Consultation Policy, Communication Protocol or similar programs are rolled out at subsidiaries to outline the guidelines, rights and responsibilities for employees and management in establishing meaningful conversations within the organisation. For instance, the Group encourages employees to talk to their managers and supervisors regularly on their career and personal development. Exit interviews are also conducted in all subsidiaries to collect valuable feedback about the subsidiary from resigning employees.



## CASE STUDY



- The winner of this year was awarded with cash for his suggestion to improve product logistics at one of the production facilities. Two other employees were also recognised for the originality of their ideas.

## The Suggestion Box

The Suggestion Box was introduced in the Netherlands for employees to contribute ideas for the Company's improvement, hoping to encourage them to take ownership in their work and increase engagement with the Company. After nearly a year, a number of innovative ideas in varying aspects were received. A majority have already been reviewed by a committee of department representatives on the feasibility for implementation.

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Regular or one-off communication meetings and sharing sessions are organised to allow a more direct and formal discussion on job instructions, duties and satisfaction among management and employees. In the PRC, employees with outstanding performance are invited to share their experience to junior staff. Casual sharing sessions with employees from other external organisations based in the PRC are also regularly held to promote knowledge exchange and to improve relationship with local organisations at a working level.

If employees feel unfairly treated or observe any conflicts in employment relationship, they have the right to report the issue to their managers or supervisors under the guideline laid out in the Code of Conduct and Employee Handbook. All grievances are addressed in good faith in a timely manner. If the issue cannot be settled satisfactorily, it will be escalated to involve the HR department and senior management until an agreement is reached.

- Employees meet face-to-face regularly to discuss and share joint instructions, duties and satisfaction



The Group also makes use of various media to deliver information to employees periodically about its business development, policy updates, and activity invitations. For example, internal newsletters and WeChat group have been the major channels for all PRC employees to access updated information; while in the Netherlands, periodical internal newsletter and magazines, “The Formula” and “M.elk”, are published to share stories of individual employee and company updates.



## FOSTERING EMPLOYEE DEVELOPMENT

Employee development has been a core focus of the Group’s HR strategy. Employees are offered with sufficient learning opportunities to unlock their full potentials. All new joiners are provided with a comprehensive induction training session during their early on-boarding stage at Ausnutria to equip them with the necessary knowledge and to facilitate their integration into the new environment. Based on the job nature and duties, corresponding on-the-job trainings are further provided as their careers progress. The Group aims to develop not only their technical knowledge, but also other transferable skills such as communication and leadership that would help employees to improve productivity and work quality.

The Group delivered close to  
**20,000 hours of trainings**  
 during the year



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Established in 2015 in the PRC, Ausnutria University is a corporate university with the purpose to provide learning support and develop a culture of continuing education for Ausnutria's employees. It is Ausnutria's goal to boost staff quality, optimise organisational performance, and nurture a culture of excellence.



Over forty professional tutors are invited to deliver trainings for Ausnutria University. A series of structured trainings are offered to employees over the course of their career progressions at Ausnutria, from pre-employment and induction trainings for new joiners and trainings on business ethics for general employees, to trainings on fundamental management and marketing skills for project managers and

management trainings (MBAs and EMBA)s for middle and senior management. The Group ensures that all employees are well-equipped for further advancement within the company so as to cope with the growing demand for talent under the Group's "Golden Decade" strategy.



In 2018, Ausnutria University was selected as "2018 Most Excellent Corporate Universities in the PRC," by Shanghai Jiao Tong University and was presented a "Gold Award" in the third Chinese Society for Talent Development (CSTD) National Learning Design Competition.

In the Netherlands, Ausnutria has partnered with regional training institutions, including Van Hall in Leeuwarden, Windesheim and Landstede, to provide trainings to frontline employees on food technologies. Ausnutria also offers financial subsidies to employees who participate in external training programs.

Additionally, the Group uses formal performance reviews to evaluate employees' performance and career advancement opportunities. The reviews cover a wide range of performance indicators, closely tracked on a regular basis to continuously enhance employees' capabilities at work.



● Ausnutria University offered tailored trainings to employees throughout the year

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## MAINTAINING A SAFE AND HEALTHY WORKPLACE

The Group is dedicated to ensuring its employees can work in an environment that is free from safety and health hazards and protecting them from work-related injuries and illness. Ausnutria strictly complies with local occupational health and safety (“OH&S”) laws and regulations and has adopted related policies in all its subsidiaries outlining safety standards at production factories. A health and safety committee or officer is appointed at each production facility to ensure health and safety plans are effectively implemented and to monitor health and safety performance. Periodically, external consultants are engaged to conduct detailed safety risks assessments at production facilities to improve safety performance.

Shifting to a highly automated operation environment is another way for the Group to reduce labour work, hence improved safety. All newly constructed production facilities, including the Ausnutria Heerenveen Factories, PNL Factory and Smart Factory are designed with highly automated production lines. Existing production facilities such as that in Australia have also undergone upgrades during the year to reduce manual handling processes.

Apart from undergoing formal documentation of OH&S injury cases, Ausnutria is taking a further step to conduct regular health and safety consultation and meetings, sharing the risk investigation and evaluation reports and safety accident reports with general staff in the Netherlands. It is expected to gain attention from staff on OH&S risks and existing blackspots to avoid recurrence of similar incidents. To cultivate a deep-rooted consciousness of work safety, Ausnutria delivers regular OH&S trainings to employees on both general workplace hazards and duty-specific



● PNL Factory

risks, covering topics from first-aid to electrical installation. Ausnutria Netherlands is currently working to develop an online training platform targeted for health and safety for its frontline employees, hoping to supplement regular safety trainings by providing readily accessible learning materials. Employees in Australia are also sponsored to participate in external events such as the “Melbourne Health and Safety Month Conference 2018”, providing them an opportunity to learn from external OH&S experts.

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