

FairPrice CSR Online Report

Our Approach

Message by Group CEO

Doing the Right Things for Everyone

The concept of Corporate Social Responsibility is not new to FairPrice. In fact, our first supermarket was set up in 1973 with the social mission to moderate the cost of living in Singapore. Since then, this social mission remains an integral part of how we do business today. Over the years, we have extended our responsibility beyond moderating prices of essential items in Singapore. We believe that being a responsible corporate citizen is about how we conduct our business and how our profits are generated. That is why we aim to be the leading responsible retailer, caring and doing the right things for our customers, our staff, our community and our environment.

FairPrice has always strived to integrate Corporate Social Responsibility into our business operations. In 2005, FairPrice became one of the pioneer signatories of the Singapore Compact, committed to aligning our operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. In 2010, we set up the FairPrice Corporate Social Responsibility (CSR) Committee helmed by senior management across key departments to consolidate and drive our CSR efforts in a more strategic manner. A CSR Committee at Board level has also been put in place to track the progress of CSR work in FairPrice.

We have identified four key sustainable priorities for our business, namely responsible retailing, building a wonderful workplace, community care and maintaining a sustainable environment.

Responsible Retailing is at the heart of our business activity. It determines how we buy and sell the food and daily necessities that pass through our stores to our 2.8 million customers each week. We establish long-standing relationships with our suppliers with regular audits to ensure food safety is never compromised and product quality is upheld. We work in partnership to bring exciting new and healthy ranges to our customers, like our very own Pasar Organics. Only through responsible retailing can we deliver on our promise to be the Best Place to Shop, providing customers with the best value, quality products and excellent service.

An organisation is made up of its people and our strong team of over 7,000 employees is what makes FairPrice a Wonderful Workplace. We value and invest in the teamwork, professionalism and customer focus of every single employee, ensuring FairPrice maintains its focus on being the Best Place to Work. We believe that we can only have happy customers if we have happy employees. It is important to be able to attract, motivate and retain the right people and develop each individual to his fullest potential with a culture of continuous learning. Besides providing competitive remuneration, it is equally important to provide a satisfying, safe and caring work environment as well as a roadmap for career development.

Community Care is synonymous with FairPrice and remains core to our business mission and values. We are at the heart of the communities we serve and whether we are redistributing used textbooks, fulfilling Christmas wishes for needy families, or reaching out to those in need through FairPrice Foundation, we are deeply committed to providing a better life for the community.

As one of Singapore's leading retailer with over 100 supermarket and hypermarket stores, we recognise that our large network has an impact on the environment, which is why Sustainable Environment is another key focus in our CSR framework. Our commitment to be the Best Corporate Citizen means that we manage resources as carefully and as responsibly as we can and we treat our environmental performance as one of our business priorities.

This CSR Microsite will give you more details about each of these important areas, outlining some of our commitments and accomplishments, and sharing our vision for the future. I hope you find something of interest to you and a reminder of why FairPrice is 'Singapore's Very Own Retailer, with a Heart'.

Tan Kian Chew
Group Chief Executive Officer
NTUC FairPrice

About FairPrice

An Overview of FairPrice

At FairPrice, we are guided by our vision to be 'Singapore's Leading World Class Retailer with a Heart', and this has been fundamental in the way we do business and what makes us so different.

Our Vision

To be Singapore's Leading World-Class Retailer with a Heart

Our Mission

To provide customer with the best value, quality products and excellent service, be a preferred employer, to moderate the cost of living in Singapore and serve the need of our members, the labour movement and the community.

FairPrice aims to be the

Best Place to Shop

Best Place to Work

Best Corporate Citizen

FairPrice Governance Structure

The structure, activities and remit of governance at FairPrice aligns to the guidance set out in the Code of Corporate Governance (published 2005). At FairPrice, the most senior committee within the organisation is the **FairPrice Board of Directors**, chaired by Mr Ng Ser Miang, a non-executive. The role of the Chairman is to provide leadership and guidance during the Board discussions, and to ensure that discussions are fairly, objectively and independently conducted.

The FairPrice Board comprises 14 non-executive members, 4 of whom are women. Twelve members of the Board are Chinese, one Malay and one of Indian origin. The Board meets, as a minimum, every 3 months and has a number of key responsibilities. The basic responsibility and functions of the Board is to oversee the work and performance of the Management Team. It also evaluates, approves and monitors forward looking plans and budgets. In addition, responsibilities and tasks such as determining the remuneration policy and auditing corporate accounts are delegated to the various Board Committees.

Governance on CSR

The CSR Board Committee reports directly to the FairPrice Board, as do the Audit, Establishment, Risk, and Finance & Investment Board Committees.

FairPrice Board members Ms Adeline Sum, Dr Chua Sin Bin, Mr John De Payva and Mr Wahab Yusoff are also members of the CSR Board Committee to which an operational CSR Committee reports. Mr John De Payva is the Chairman and leads the team in offering guidance on FairPrice's CSR strategies and direction, specifically in the areas of retailing, community, environment and workplace. The CSR Board Committee meets every quarterly.

FairPrice's charitable arm, FairPrice Foundation, is also led by a Board chaired by Mr Ng Ser Miang, with members that include Ms May Ng, Mr Willie Cheng and Mr Tan Kian Chew.

Who we are

The idea of a co-operative supermarket was first conceived during the economic and social turmoil of the 1970s, with the global oil crisis in 1973 leading to fears of food shortage. To curb profiteering, the National Trades Union Congress (NTUC), in consultation with the government, set up NTUC Welcome Supermarket to ensure that essential items were made available to Singapore at affordable prices.

This very first store opened its doors to Singapore in Toa Payoh on 22 July 1973, graced by then Prime Minister Lee Kuan Yew. In 1983, NTUC Welcome merged with the Singapore Employees Co-operative to form NTUC FairPrice Co-operative Limited, the brand we continue to trade under. Today, FairPrice is one of 12 Social Enterprises within NTUC, and we continue to uphold our founding social mission, to moderate the cost of living in Singapore.

What we do

From a single supermarket in Toa Payoh, FairPrice has grown to become one of Singapore's leading retailers, with more than 100 supermarkets, 7000 employees and 2.8 million customers per week.

We also operate in 6 different store formats (FairPrice Supermarkets, FairPrice Finest, FairPrice Xtra, FairPrice Xpress, Cheers and FairPrice Online), a Fresh Food Distribution Centre and a centralised warehousing and distribution company, Global Logistics of Singapore Pte Ltd. Beyond Singapore, FairPrice has also recently entered into a joint venture to open a hypermarket chain in Vietnam.

Our Financial Performance

Our total revenue in the last fiscal year stood at \$2.4 billion, while group profit from operations before finance costs and rebates was \$166.3 million. After contributions to the Central Co-operative Fund and the Singapore Labour Foundation, the Group's overall net profit was \$87.8 million. More details of our financial performance can be seen in our Annual Report for 2010/2011 [here](#).

Our stakeholders

As a supermarket we serve 2.8 million customers each week, but our engagement goes far beyond that. Be it community organisations partnering with us, the Health Promotion Board driving forward healthy eating initiatives, the Singapore Food Manufacturers Association exploring packaging reduction activity or The National Environment Agency raising environmental awareness, we are involved in many conversations as a business. All of these conversations count and influence the many decisions we make every day as we run this supermarket group.

The tables below outline in a bit more detail who those important people are and how we engage with them:

Pillar	Stakeholder	How We Engage
Responsible Retailing	Customers	<ul style="list-style-type: none"> • Customer service desks and notice boards in-stores • In-store and online customer feedback forms • 'Contact Us' portal in FairPrice Online • Customer service hotline and email • Online newsletter "FairPrice Buzz" • Annual General Meetings • Customer research groups
	Suppliers	<ul style="list-style-type: none"> • Supplier business review sessions • Supplier joint business planning sessions • Supplier circular updates • Supplier visits and audits • Supplier training sessions • Annual Chinese New Year lunch with suppliers
	Government agencies	<ul style="list-style-type: none"> • Relevant project and engagement meetings
Community Cares	Voluntary Welfare Organisations (VWOs)	<ul style="list-style-type: none"> • Engagement meetings with VWOs whom we work with through FairPrice Foundation
	Community Development Councils	<ul style="list-style-type: none"> • Relevant project and engagement meetings
	Schools	<ul style="list-style-type: none"> • Engagement with schools whom we work with in the ongoing Share-A-Textbook Project
Sustainable Environment	National Environment Agency	<ul style="list-style-type: none"> • Regular update meetings • Jointly-led supply chain workshops
	Singapore Food Manufacturers Association	<ul style="list-style-type: none"> • Regular update meetings
	Singapore Environment	<ul style="list-style-type: none"> • Engagement meetings

	Council	
Wonderful Workplace	Employees	<ul style="list-style-type: none"> • Weekly in-store staff meeting • Executive learning days • Annual executive and team leader retreats • Quarterly full business briefings • Orientation programmes for new employees • Hotline for staff
	NTUC-wide colleagues and members	<ul style="list-style-type: none"> • Regular update meetings • Annual General Meetings
	Singapore Labour Foundation	<ul style="list-style-type: none"> • Regular update meetings • Annual General Meetings

Our CSR Strategy

Our 4 pillar strategy

In 2009, FairPrice undertook an internal assessment and benchmarking of our CSR activity. The recommendation made to the business was that we adopt a strategic approach and establish a CSR committee with the task of identifying gaps in our activity, setting performance measures and implementing best practices.

With strong support by the FairPrice management, the establishment of a cross functional CSR Committee followed in 2010. This group quickly worked to establish what the key impact areas of the business were and how they could effectively be managed. This important exercise produced the 4 pillar strategy which identifies our key CSR priorities - Responsible Retailing, Community Care, Sustainable Environment and Wonderful Workplace.

Our CSR Committee

The CSR Committee, established in 2010, meets quarterly and is an operational sub-committee to the FairPrice CSR Board Committee. The CSR Committee is led by Group Managing Director, Mr Wee Leong How and comprises senior management from business functions such as the human resource, purchasing, operations, organisation development and corporate communications. These FairPrice personnel are the guardians of our policies, performances and targets in relation to our 4 CSR pillars.

Our CSR Values

Having looked at the issues that are important to our business, and developing a 4 pillar strategy, we took the decision to communicate these 4 themes as 'CSR Values' alongside our corporate Vision and Mission. Our CSR Values convey to our employees and other stakeholders the central role of these themes within our business and how they align to our overall vision.

Our Vision

To be Singapore's Leading World-Class Retailer with a Heart

Our Mission

To provide customer with the best value, quality products and excellent service, be a preferred employer, to moderate the cost of living in Singapore and serve the need of our members, the labour movement and the community.

FairPrice aims to be the

Best Place to Shop

Best Place to Work

Best Corporate Citizen

CSR Values

Buying and Selling Responsibly

Sharing with the Community

Protecting the Environment

Caring for our staff

About this Microsite

The content of this Microsite covers the supermarket operations of FairPrice in Singapore and in compiling the content of this microsite, we have been guided by three key influences.

Firstly, we are guided by our vision and mission, as well as our desire to constantly engage our stakeholders and hear from them.

Secondly, we are guided by the work we have done as an organisation to identify issues that are relevant and 'material' to our business and the retail sector in general.

Thirdly and most importantly, we have developed this Microsite's content paying close attention to some of the globally accepted standards that guide best practices in this area, such as the Global Reporting Initiative (GRI) standard.

It is our intention as we move forward to continue applying the requests of our stakeholders, our organisational direction and accepted best practice as the sensible filter for our CSR communications.

Our Targets

To ensure that our activity drives the improvements and progress that we expect, we have established a set of indicators to help us monitor performance. It is our intention to update these indicators and to add to them as we improve our methods of collecting complete and robust data across our fuller business operations.

Below are tables which capture indicators that are currently established within FairPrice and reflective of both our priorities to date and our ambition for the future:

Pillar	Current performance	Target
Responsible Retailing	84.5%	To maintain at least *80% in our overall performance as a retailer and in our trading relationship with suppliers <i>*Rating assessed through an ongoing survey conducted by a third-party research firm.</i>
	Achieved score of 95% in our Internal Quality Audit in FY 2010	To achieve score of 97% in our Internal Quality Audit in 2016. <i>*Our audit covers the scope of ISO 9001 and HACCP standards of the branch which is conducted yearly.</i>
Community Cares	Donated more than \$28 million to date.	To donate \$50 million to the community by 2018.
	100 staff involved in volunteering activities since April 2011	Increase the number of staff volunteers to 750 by 2016
	12 volunteering activities implemented	Run 50 staff volunteering activities per year by 2016
Sustainable Environment	6 million plastic bags saved in FY 2010.	10% year-on-year increase in number of plastic bags saved through to 2016.
	Developing an energy consumption management system by end 2012	*Average 5% reduction in energy consumption of renovated stores (from 2013- 2016) <i>*Inclusive of additional electrical equipment installed during renovation.</i>
	8 outlets currently comply by the *5 eco-friendly design guidelines <i>*The 5 eco-friendly design guidelines are (1) All lighting, including signboard lighting, to be LED; (2) All refrigeration system fan motor to be EC type which is more energy-efficient; (3) Lighting circuit design for 30%, 60% & 100% lighting; (4) Refrigeration system to be installed with Energy Savings System; (5) Motion sensor installed for office, preparation rooms, and storerooms.</i>	All outlets to abide by all 5 eco-friendly design guidelines by 2016
Wonderful Workplace	4.3%	Maintain 4% employee turnover rate by 2016
	73%	Reach 75% by 2016 for the overall satisfaction score in our employee opinion survey

	25 hours	Achieve average of 40 training hours per employee per year by 2016
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Our CSR Journey

Year	Event
1983	The first NTUC Welcome Supermarket was opened in 1973, followed by the formation of NTUC FairPrice Co-operative Limited in 1983.
	The Used Textbooks Project was launched to help needy students, recycle and encourage thrift.
1985	FairPrice Housebrand products were introduced offering better value to customers.
1994	FairPrice launched a basket of Everyday Low Price essential items .
2000	FP has been supporting the Boys' Brigade Sharity Gift Box since 2000
2002	The FairPrice Training Institute was officially opened with the objective of enhancing skills training for our staff.
	Million Dollar Food Voucher Scheme for needy families was launched
	Senior citizens shoppers who are 60 years and above enjoy a 2% discount off their grocery bills at FairPrice every Tuesday.
	"Best Corporate Citizen" added to original mission of "Best Place to Shop, Best Place to Work".
2003	The first supermarket retailer to achieve the HACCP certification
	FairPrice became the first supermarket retailer to have its own Fresh Food Distribution Centre (FFDC).
2005	FairPrice became one of the pioneer signatories of Singapore Compact, showing our commitment to CSR
2007	FairPrice participated in NEA's Bring Your Own Bag Day campaign and also launched a new range of "Love Nature" recycle bags.
	FairPrice continued with this initiative by being the first retailer to develop our own daily "Green Rewards Scheme" initiative to reward customers for bringing their own bag with 10¢ rebate for a minimum S\$10 purchase.
	Green Committee launched to manage FairPrice's environmental initiatives, including our own internal Green Policy.
	The "Stretch Your Dollar" programme kicked off with a 5% discount on 500 essential FairPrice Housebrand products, and 8 tips to help consumers fight inflation.
2008	NTUC FairPrice partnered the Agri-Food & Veterinary Authority of Singapore (AVA) to encourage consumers to choose frozen meat in order to eat well for less
	NTUC FairPrice Foundation , a registered charity that is fully funded by NTUC FP, was launched with a pledge of S\$50 million over 10 years
	FairPrice launches new housebrand Pasar Organic .
2009	FairPrice opened Singapore's 1st eco-friendly supermarket in City Square Mall.
	Opening of FairPrice's first eco store in Singapore's first eco mall, City Square
	FairPrice won the CSR Recognition Award 2009 by Singapore Compact
2010	FairPrice supported WWF's Earth Hour by switching off unnecessary lights and donating \$10,000 to WWF for its continued eco efforts.

	FairPrice spearheaded its first FairPrice Cares! Campaign in conjunction with Earth Day, to encourage customers to recycle. FairPrice Foundation also donated \$60,000 to 3 community organisations as part of the campaign initiative.
	FairPrice formed our own organisation-wide CSR Committee
	FairPrice won the Community Developer Award for CSR by Singapore Compact
	FairPrice won the Singapore Health Award (Gold) for Promoting Healthier Work Environment by Health Promotion Board
	FairPrice won the Green Office Label by Singapore Environment Council
2011	FairPrice developed our CSR strategy under 4 key pillars; Responsible Retailing, Community Care, Sustainable Environment and Wonderful Workplace
	FairPrice continued to support Earth Hour and Earth Day through FairPrice Cares, raising \$30,000 for local community organisations. FairPrice launched our CSR Microsite and conducted own survey among customers on Social Responsibility Organised second Partners' Convention 2011 with CSR focus

RESPONSIBLE RETAILING

Our commitments

As a business we have a commitment not only to be the 'Best Place to Shop' but also to be the 'Best Corporate Citizen'. Responsible Retailing is about being both. We have put in place a number of commitments to guide our activity throughout our supply chain from the fields where our products are grown to the plates of our Customers. Those commitments are:

1. Promoting health and wellbeing through our products, our marketing and our in-store information channels
2. Promoting Responsible Consumption and raising awareness amongst our customers of how and where their purchases are produced
3. Selling safe and wholesome products to our customers
4. Providing better nutritional information and healthy product options to promote a healthier lifestyle
5. Ensuring responsible marketing techniques that provide accurate, clear and up-to-date information to our customers
6. Ensuring that our products and operations comply with all relevant standards and regulatory requirements
7. Supporting long-term partnerships with our suppliers with clear and fair contracts that are respected by all parties
8. Promoting transparent, fair and unbiased trading with our suppliers
9. Understanding and integrating social and environmental factors into our supply chain where possible
10. Adopting a uniform pricing policy to ensure price consistency

Our practices

Our promise to customers is based on the simple standards of quality, value and service. Some of the ways in which we demonstrate our commitment to that promise is treating all customer data as confidential, providing clear pricing and taking back or exchanging any defective product.

It is for reasons such as these that for five years running, the Reader's Digest Trusted Brand Award has recognised FairPrice with a Platinum Award in the supermarket category, reflecting consumers' choice of their most trusted and favourite brands.

This tells us that at FairPrice, we are recognised for placing Responsible Retailing first. Whether it is ensuring food safety, sourcing our products responsibly, or developing new products and ranges to meet changing customer needs, FairPrice sets a high standard for responsible retailing in Singapore. Below are some of the activities that define this agenda at FairPrice.

Healthy eating

Emerging issues of public health and wellness mean our customers' information needs are greater than ever before and as a food retailer, people look to us for guidance. This is why at FairPrice we have ensured that majority of our housebrand food products have nutritional labelling to help shoppers make more informed purchase decisions.

Furthermore, FairPrice has undertaken a programme of reformulating housebrand products to eliminate trans-fats, a key contributor to heart disease and other health conditions. So far we have more than 100 housebrand products that are trans-fat free and in 2007 we were among the frontrunners in developing a 'trans-fat free' label to continually improve the information we provide to our customers.

Although a nutritional information label is only mandatory on products making specific health claims, we took the decision that the inclusion of nutritional values is useful for our customers and as such, they are now on the majority of our housebrand products. We also work with our suppliers more broadly to ensure that nutritional claims on their products are approved by the relevant authorities and not misleading to consumers seeking to make healthy choices.

At The Reader's Digest Trusted Brands Awards we have been awarded the Gold Trusted Brand Award for the FairPrice Housebrand cooking oil for four consecutive years from 2008 to 2011, as well as FairPrice Housebrand rice in 2009 and 2011. FairPrice entered the only housebrands to receive such recognition. In both cases it has been the wide range of choice in those categories with products allowing the health conscious or those with specific dietary needs to find a product that suits them that has met the judges criteria of brands demonstrating trustworthiness, innovation, understanding customer needs and social responsibility.

More Than 100 Trans-fat Free Housebrand Products

FairPrice has undertaken a programme of reformulating housebrand products to eliminate trans-fats, and we have more than 100 housebrand products that are trans-fat free.

World No Tobacco Day

Beyond healthy eating we also annually support the 'World No Tobacco Day' by not selling cigarettes on 31st May every year in any of our supermarkets.

Product quality and safety

The globalised nature of our food chain brings with it even greater need for robust food safety procedures. Fairprice's commitment to food safety is absolute and we have developed a number of programmes to ensure we never compromise on this. Below is an outline of the 8 building blocks to food safety at FairPrice that comply with international standards and have been in place for over two decades.

The 8 building blocks of food safety:

1	Commitment from Management
2	Robust Standards
3	Regular Audit of all facilities
4	Product Assurance for quality
5	Food Protection programme targeting high risk products
6	Maintain Awareness and Training
7	Food Safety Champions in store
8	Supplier Development Programme for end to end best practice

Along with product ingredients and country of origin, the expiry date is one of the important safety criteria that we include on our product labels. We ensure all our food and non-food products comply with the labelling requirements set by the relevant authorities such as AVA, HSA, NEA and SPRING. Beyond food safety our product labelling also helps the customer make informed choices, selecting halal certified products for example, at a glance. That product labelling is both compliant with relevant authorities and straightforward for our customers is an essential part of being a supplier to FairPrice and something that our Internal Audit team continually monitors.

Partnerships in Healthy Eating

As well as being a 'Gold Sponsor' of the National Healthy Lifestyle Campaign, we also participated in the Health Promotion Board's roll out of the Healthier Choice Symbol 'Higher in Wholegrains' logo in 2009, which is now found on various FairPrice housebrand products.

Beyond working together on the Healthier Choice labelling initiative, FairPrice has partnered the Health Promotion Board with initiatives such as in store cooking demonstrations, supermarket tours, roadshow events, development of wellness recipes and sampling of wholegrain products all designed to reinforce the message of healthy diet and lifestyle. In April 2001, FairPrice also signed up to the Health Promotion Boards 'Healthier Food Pledge'. This commits FairPrice to working with the rest of the food industry in Singapore in removing 25 billion calories from the food chain by 2013 through the development of healthier products and promotion of healthier choices.

In-store sampling and promotion is a frequently used means of raising consumer awareness around general health issues and supporting our suppliers in their own CSR activity. It was the basis of our 2009 partnership with Nestle and Fonterra to raise awareness around Osteoporosis and the importance of diet in its prevention, and we have since continued to partner with them in conducting in-store promotions and bone-scans thereafter. We also partner with Colgate to raise awareness on maintaining healthy gums.

Organic certification

In the last decade customer demand for organic food has grown significantly. There has also been much attention given in the media to food falsely labeled as organic being sold at a premium. Working closely with growers in Thailand we decided to launch our own range of organic fruit and vegetables, affordable and fully traceable from farm to store. With those suppliers and with input from Agrifood Technologies, FairPrice developed the NTUC FairPrice Organic Assurance Programme (NOAP) which successfully led to the arrival on shelves of the Pasar Organic range of fresh produce with an Asian twist in July 2008.

The Pasar Organic range today offers customers over 40 fresh product lines and sits alongside over 800 varieties of organic products as part of our 'Just Organic' section in designated supermarkets.

Our supply chain relationships

Singapore is a country reliant on imports to feed its growing population and since opening its doors, FairPrice has been a proactive partner to the Singapore Government in developing new supply chain relationships all over the world. For example, we introduced rice from Vietnam in September 2007, and rice from Cambodia in September 2010. We continue to do the majority of our buying through mission trips which take us direct to our suppliers' doors. The benefits of this are that it cuts out the middle men, ensures we have a relationship with the people who grow the products we sell and provides our customers a fuller and more varied choice of products.

Fair treatment of people who produce the food we eat is at the heart of our supply chain relationships. We base our supplier relationships on openness and fairness and have many long standing relationships that are testament to that. In 2009 we allocated \$30 million to accelerate payment by 30 days to small and medium sized suppliers experiencing difficulties due to the economic downturn. Each year we host a lunch during Chinese New Year attended by key suppliers to thank them for their contribution to our business. The quality of our trading relationships is regularly assessed by independent 3rd parties and FairPrice outperforms its sector with 86% of its suppliers describing their trading relationship with FairPrice as 'Excellent' or 'Good'.

Supply chain standards

Our Code of Conduct for Buyers and Category Managers sets out clearly the standards to which we align our buying processes. This code, among other things, covers the FairPrice approach to environmental requirements, quality assurance and gifting, and outlines the expectation that in all business dealings the highest standards of transparency, responsibility and communication are in place.

FairPrice works with its foreign suppliers to adopt standards similar to the 'Good Agricultural Practices for Vegetable Farming' set out by the AVA in Singapore. These standards address farming practices, land use, farm maintenance, farm techniques, water management and pest control among others. A supplier that is assessed as being 'high risk' is audited once or twice annually and FairPrice works with that supplier to address any areas requiring corrective action. In the event that the supplier fails to remedy identified problems, the ordering of product from them will be suspended.

All non-food products purchased by FairPrice are audited against the regulatory framework provided by the National Environment Agency and the Standards, Productivity and Innovation Board (SPRING).

Local Sourcing

Many of the products we sell are not grown or available in Singapore, but where we can we look to buy locally, and we seek every opportunity to showcase excellent local products. For example, in 2009 we began our support of the Tasty Singapore labeling initiative, a two week in-store celebration labelling homegrown products at their best such as Laksa, Satay and Roti Prata. We support around 30 products each year this way in a tri-partite initiative with the Singapore Manufacturers Federation and International Enterprise Singapore. In markets such as Hong Kong and Taiwan, this initiative has seen the sale of labelled products increase three fold. Our other efforts to support local suppliers include our partnership with the local Fish Farmer's Cooperative to promote local farmed fish and make them available in our supermarkets to customers.

Our targets

	Current performance	Targets
Vendor Performance Scorecard	84.5%	To maintain at least *80% in our overall performance as a retailer and in our trading relationship with suppliers <i>*Rating assessed through an ongoing survey conducted by a third-party research firm.</i>
Internal Quality Audit	Achieved score of 95% in our * Internal Quality Audit in FY 2010	To achieve score of 97% in our Internal Quality Audit by 2016 <i>*Our audit covers the scope of ISO 9001 and HACCP standards of the branch which is conducted yearly.</i>

Case studies

1) Organic Assurance for Own label products

Until 2008 the availability of organic fresh produce in Singapore was limited, the majority of that came from Australia, New Zealand and Europe, there was no local certification process in place and organic food was retailing at twice the price of conventional alternatives.

Against this backdrop on 31st July 2008, Fairprice unveiled Pasar Organic, its new range of affordable housebrand organic products fully traceable from farm to store. All Pasar Organic produce is grown and sourced from well-selected and managed organic farms certified by relevant authorities such as Thailand's Department of Agriculture and compliant with the international standards of agencies such as CODEX and IFOAM.

There are 4 key steps in the journey of Pasar Organic from farm to store:

Step 1: At the Farm

Pasar Organic produce is grown in well-selected and managed farms in Thailand operating to the Organic Agriculture principles of a clean water supply, non-GM or chemical plant materials, vegetable or eco-friendly fertilizers and pest management systems and enhanced soil from regular crop rotation.

Step 2: At the Processing House

Once harvested the products arrive in a dedicated facility segregating them from non-organic produce all through the packing process making it easier to protect their organic integrity and trace their source.

Step 3: At the Storage Facility

As with all products it is when FairPrice receives produce for sorting and onward distribution that it checks that packaging is intact and food safety preserved. But Pasar Organic products are received into a dedicated part of the storage facility and their segregation from non-organic produce retained through storage in sealed boxes.

Step 4: At the Stores

The Pasar Organic products then arrive in store for a final check on the condition of the packaging, clear labelling of the product and then display on shelf, their fully traceable journey is complete.

The process outlined above is known at FairPrice as the NTUC FairPrice Organic Assurance Programme (NOAP) and NOAP is the first quality assurance programme of its type in Singapore. NOAP was developed with input from Agrifood Technologies, a subsidiary of Agri-Food and Veterinary Authority of Singapore (AVA). The products are also regularly audited by Agrifood Technologies to ensure they meet NOAP standards.

Pasar Organic's range includes more than 30 types of vegetables including Asian varieties which complement the selection of organic produce sold from the US and Australia.

2) Food safety partnership with AVA

Product safety and safe food handling is a vital element of FairPrice's business. Through its centralised distribution system, FairPrice is able to move its stock efficiently and offer fresh produce. Optimal temperature controls, inventory management and high standards of food and safety hygiene allow for fresher produce to be able to be delivered with reduced spoilage.

FairPrice has taken the initiative in working with the relevant authorities to raise the standards of food safety in Singapore for the Consumer. Indeed FairPrice has been certified against Hazard Analysis Critical Control Point (HACCP) since 2001 and ISO 9001 since 1999 and has been awarded the Food Safety Partner by Agri-Food and Veterinary Authority (AVA) every year since 2003. And for the first time in 2009 the FairPrice Fresh Food Distribution Centre was also awarded AVA's prestigious Food Safety Excellence Award in recognition of its consistent achievement of 'A' grading for our fresh food warehousing facility for five consecutive years.

FairPrice works with the relevant Singapore authorities to develop standards for receiving, storage, shipping and display of fresh food items such as fruit, meat and vegetables. Two examples of such programmes were the standards set for cold chain management of chilled pork and for vegetables. In both cases, FairPrice worked with the AVA to set standards for the company which are now applied industry-wide to ensure safe and fresh meat and produce for the consumer.

3) Comprehensive Food Safety Management at FairPrice

Fairprice's commitment to food safety is absolute and we have developed a number of programmes to ensure we never compromise on this. We are regularly audited by certified international bodies for our compliance to the top international food safety standards which cover our supermarkets, central butchery and warehouses.

We in turn, audit our stores monthly and bi-annually and have a product assurance programme in place in which we conduct weekly sensory sessions of up to 10 products to ensure consistency in quality. Regular risk assessments are conducted and products perceived as high risk sent for further testing.

We routinely audit our suppliers and work with them to ensure they are aware of our high standards of food safety and quality. Importantly, we train all our staff in food safety and hygiene and have instituted a Food Safety Champion programme for all stores in which food safety KPIs are monitored and performance benchmarked.

4) Working with Suppliers: Contract farming in Medan

FairPrice entered into a supply relationship with PT Horti Jaya, from Medan in Sep 2010 to supply us with leafy vegetables under our Pasar brand. The supply from Medan includes Xiao Bai Cai, Chye Sim, Bai Cai, Endive, Spinach, Fu Gui Chye, Japanese Mustard and brastagi potatoes, that are packed under our Pasar and Nature Best brands. This is an on-going strategy in the diversification of our vegetable products. At the same time, we also help to improve the Northern Sumatra farming communities' livelihood through the export of these vegetables to Fairprice.

5) Supplier Assistance Programme

During the financial downturn of 2009 many of the businesses most vulnerable were Small and Medium sized businesses (SME's) susceptible to the slow payment or defaulting on payment of other businesses. Recognising the strain that this was putting on many businesses in its supply chain FairPrice took the decision to set aside \$30 million to accelerate that payment of those businesses most in need.

This initiative from FairPrice entitled suppliers to a reduction of 30 days in FairPrice payment terms, discounts on listing fees and advertisements, and assistance in local promotions. 500 suppliers were eligible to participate and 283 took up the offer. This programme not only helped many of our local suppliers cope with the downturn, it also strengthened our partnerships further.

COMMUNITY CARE

Our commitments

Our role in the community is of core importance to us as a business and we ensure that our activity meets local community needs with the greatest impact possible by working to a series of commitments:

1. Assisting needy families and individuals to have access to daily essentials
2. Contributing to national causes that promote and develop our nation and build bonds within and across our communities
3. Fostering closer relationships between people and supporting the general well-being of the public
4. Encouraging suppliers, customers and members of the public to take part in community volunteer programmes
5. Contributing to the welfare of workers and their families in Singapore
6. Promoting and supporting employee volunteerism to strengthen community impact and to increase employee morale
7. Promoting the creation and development of local businesses and suppliers through our buying and investment programmes
8. Leveraging our operational impact to provide a positive contribution to the local economy
9. Contributing and promoting the employment and training of people from the local communities in which we operate
10. Understanding the impact of our operations and integrating community issues into our business where we can

Our practices

Making a difference to the communities we operate and serve in is a large part of our DNA and a role that we relish. There are many projects, partnerships and events which define our Community Care activity and they fall into the following three areas;

FairPrice Foundation

The FairPrice Foundation was launched in March 2008 to provide a better life for the community and gives structure and direction to the extensive corporate giving and community donations work that has become synonymous with the FairPrice brand since opening its doors in 1973. As a registered charity, the NTUC FairPrice Foundation is backed 100% by NTUC FairPrice and we have committed to donate \$50 million by 2018 through this charitable arm.

Since its formation in March 2008, the Foundation has donated over \$28 million of cash and in-kind contributions to causes which fall inside the Foundation's three key focus areas:

1. Caring for the Poor and Needy
2. Promoting National Building and Community Bonding
3. Advancing Workers' Welfare

If you are interested in knowing more about the work of the FairPrice Foundation or are seeking a grant please visit: www.fairpricefoundation.org

Community Partnerships

There are a number of partners with whom we have long standing and successful relationships.

Since 1983, FairPrice's flagship project Share-a-Textbook Project (formerly 'Used Textbook Project') has collected more than 2 million textbooks, helping some 152,700 needy students save over \$10 million in textbook expenses. Since 2008, FairPrice has further engaged Community and Supporting Partners such as schools and corporations to be involved in this long standing and far reaching project.

In partnership with South East Community Development Council, FairPrice has committed to a 3 year support of its 'Walk for Rice' campaign which in its first year raised \$240 000 worth of rice then distributed to families in the South East district.

FairPrice also works closely and supports Food From The Heart, a Voluntary Welfare Organisation which looks into food distribution. Besides an annual donation of \$200,000 since 2009, FairPrice has also donated \$60,000 worth of products in total during the Chinese New Year period to bring festive cheer to its beneficiaries.

Since 2000 FairPrice has supported the Boys' Brigade Sharity Gift Box by rallying our customers to fulfill the wishes of the less fortunate through donations of daily necessities and gifts at more than 10 FairPrice stores over the Christmas period. In the last four years alone, this successful partnership has reached out to 114,420 beneficiaries and fulfilled some 78,000 wishes of the less fortunate.

Beyond our long standing relationships, we also work with community partners during times of crisis. For example, we worked with the Singapore Red Cross in response to the Japanese Earthquake and Tsunami in 2011, quickly putting in place store collections, and raising an additional \$233,000 to the \$20,000 already donated directly from FairPrice.

Our online shopping portal has provided us with new community impact opportunities. Through our partnership with National Council of Social Services our shoppers can shop online and donate products directly to Voluntary Welfare Organisations (VWOs) of their choice and those VWOs also receive a 2% discount on standard retail prices.

Volunteering

At FairPrice we believe in getting involved, we know that when we pull together, great things can be achieved. So we have the policy of allowing all employees to take 2 extra days of family and charity leave per year during which they can support community projects close to their hearts. Beyond individual volunteering we are putting in place a programme to match our stores is matched with local organisations through the FairPrice Foundation for volunteering activities.

Some of the initiatives we run such as Share-a-Textbook and our partnership with the Boys Brigade rely heavily on the volunteering of time and energy from our employees at the stores involved.
(Images: pictures of volunteering from slide presentation 'what has Fairprice been doing?')

Our targets

	Current performance	Targets
Donations	Donated more than \$28 million to date	To donate \$50 million to the community by 2018
Staff Volunteers	100 staff involved in volunteering activities since April 2011	Increase the number of staff volunteers to 750 by 2016
	12 volunteering activities implemented	Run 50 staff volunteering activities per year by 2016

Case studies

1) Share-A-Textbook Project

FairPrice started this annual project in 1983 (formerly known as Used Textbook Project) with three main objectives: help needy students, protect the environment and encourage thrift.

Renamed 'Share-A-Textbook' in 2010, the annual project encourages the public to donate their used textbooks at FairPrice outlets over a period of 3 weeks. FairPrice then collates the textbooks in partnering schools and coordinates its distribution to needy students.

In 2010, over 230,000 used textbooks were collected to benefit 15,700 needy students. Four schools participated in the project as Community Partners and their students assisted in the sorting and distribution of textbooks. In addition, the project also included volunteers from Supporting Partners such as Hewlett-Packard Singapore, Young NTUC and Young PAP.

Since 1983, the project has collected more than 2 million textbooks, helping some 152,700 needy students save over \$10 million in textbook expenses.

2) Boys Brigade Sharity Gift Box

Since 2000, Fairprice has supported the Boys' Brigade Sharity Gift Box (BBSGB), a long standing charity project aimed at spearheading the spirit of caring and sharing with those in need through the fulfilling of special wishes for beneficiaries.

Every year, FairPrice rallies our customers in helping to fulfil these wishes through donations of daily necessities and gifts. In turn, thousands of needy families look forward to the BBSGB to fulfil their Christmas wishes.

FairPrice has contributed to this project by:

- Offering 14 of its stores as donation points for the public to donate items
- Constructing giant donation boxes for collection of donated items
- Creating an online donation platform on FairPrice Online to facilitate online donations

- Outright cash donations to the project

In the four years from 2007- 2010, FairPrice has supported the project in reaching out to 114,420 beneficiaries and fulfilling some 78,000 wishes of the less fortunate.

3) NTUC FairPrice Food Voucher Scheme

Beyond donations of money, one of the main areas in which FairPrice gives direct help is through the provision of FairPrice vouchers. At FairPrice we see the provision of food and other daily essentials as the most direct way to help needy individuals and families cope, especially during economic downturns.

Since 2002, over \$8 million worth of FairPrice vouchers have been placed in the hands of people who need help in purchasing basic essentials, with over \$1 million worth in the last year alone. Some of these recipients include; the Chinese Development Assistance Council and their “Ready for School!” project with \$84 000 of vouchers; Society for the Physically Disabled and their Daily Needs Programme with \$144 000 of vouchers; and the Loving Heart Multi-Service Centre’s Pupil Breakfast Programme with \$100 000 of vouchers to benefit about 600 students from 17 schools.

In addition, FairPrice also works closely with ‘Food From The Heart’ and has done so since 2009. Beyond an annual donation of \$200,000, FairPrice has contributed to more than \$60,000 of products for families in need over Chinese New Year.

4) Online Discount Scheme with NCSS

In August 2010, Fairprice partnered The National Council of Social Service (NCSS) to launch a discount scheme that enables Voluntary Welfare Organisations (VWOs) to order essential non-promotional items directly from FairPrice Online at a 2% discount off their purchases.

In addition, VWOs who have signed up for the scheme can indicate specific items that their beneficiaries require, so that members of the public may purchase the specified items online and donate them to a VWO of their choice.

More than 60 VWOs have signed up for the scheme such as Cheshire Home who expects to make significant savings on their \$90,000 per annum budget for food and household items.

5) The Breadwinners – We Care, U Care Campaign

The “Breadwinners – We Care, U Care” Campaign, is a joint initiative in 2011 between FairPrice Foundation and NTUC U Care. This initiative is a two-week campaign to encourage FairPrice customers and members in the labour movement to show their support for low-income workers by helping them cope with the rising cost of living. With every loaf of housebrand bread sold, FairPrice Foundation donated \$5 to the NTUC-U Care Fund. The campaign raised a total of \$1.35 million for the U Care Fund, which will go to low-income workers and their families.

6) Training Partnership with the Association for Persons with Special Needs

FairPrice has partnered the Association for Persons with Special Needs (APSN) to offer their students aged 13 years and above vocational training in retail. As part of a broader course in hospitality, food and beverage and retail, selected APSN teachers from the school were provided with free training by the FairPrice Training Institute. The training covered the basics of supermarket operations in order that they could then train their students.

To facilitate this training, FairPrice provided APSN with a wide range of merchandising, marketing and pricing materials in order that they could convert a classroom into a retail training room and provide students with a simulated supermarket set up in which to learn.

Through this initiative, FairPrice hopes to help students with special needs gain skills that can help them secure employment in a range of different roles in the workforce.

SUSTAINABLE ENVIRONMENT

Our commitments

A set of key commitments determines our focus and guides our policy making with regard to our environmental responsibilities, and are outlined below:

1. Monitoring and reducing the environmental impact of our outlets and facilities
2. Adopting facilities that are eco-friendly as we open new outlets and facilities over time
3. Minimizing the environmental impact from our energy use and continuing to adopt low energy options when we can
4. Reducing the use of plastic bags and encouraging alternatives and recycling options wherever possible
5. Managing the environmental impact from transportation to and from our outlets and facilities
6. Optimising our logistics procedures to reduce the environmental impact at source
7. Minimising the waste we produce and adopting recycling and waste targets across our operations and outlets
8. Adopting and promoting a clear, transparent and responsible Green Policy across our operations
9. Promoting environmentally friendly production, supply and packaging of the products we sell through collaboration with our suppliers where we can
10. Promoting environmental awareness amongst our employees, suppliers and customers

Our practices

We recognise that our range of store formats, complex refrigeration requirements and extensive distribution network has an impact on the environment and that it is our responsibility to minimise it. Beyond our own operations, our customers and other stakeholders look to us for guidance and advice on minimising their own environmental footprint.

Our practice in managing our impacts as well as encourage others to conserve resources falls into the activity areas outlined below:

Energy

Reducing energy consumption is an important priority for FairPrice. A data management system is being developed to ensure that our performance in reducing energy consumption is accurately measured across all of our supermarkets and offices. FairPrice is currently working to a 5% long-term reduction target in energy consumption. The system that we are developing would measure our energy performance in offices, stores and stores that are part of larger malls will ensure that we know where that target is being achieved and where we need to work harder.

In 2010, we also developed our own FairPrice Green Policy to outline what we believe are a range of simple measures that will make a big impact on our use of energy and water.

- Use energy-saving lighting
- Install motion sensor lighting for our office
- Set computers/printers/copiers/fax to energy saving mode when not in use for periods of more than 10 minutes
- Switch off main power of electronic equipment and lights when not in use
- Fix all water taps with water saving devices
- Print documents on both sides of the paper
- Reduce paper use by using notice boards and email for office announcements and updates
- Recycle all recyclable water
- Use reusable shopping grocery bags for all staff purchases
- Give 10 cents rebate to customers who bring their own bags

Many of these activities are already underway, for example FairPrice has recently implemented a change to LED fluorescent lighting in our headquarters, cold storage areas and our Fresh Food Distribution Centre which will save us over 530 000 kWh annually.

The FairPrice Green Policy appears on posters throughout our offices and stores and its initiatives are covered our internal publication 'Fairmily News'. It is the responsibility of appointed Green Champions across the business to report back annually on implementation.

Our distribution network is managed to keep both cost from use of fuel and environmental impact to a minimum. This requires that our logistics are frequently adjusted to ensure that all transport movement maximises load and minimises distance. The more energy efficient Euro 4 engine is a stipulation of all new vehicle purchases.

Waste and Recycling

We aim to reduce the waste we produce from our own operations and recycle as much as is practical, working closely with a number of organisations including the Singapore Food Manufacturer's Association on joint initiatives to address excess packaging and waste in the food chain.

As part of our FairPrice Cares! Campaign we encourage customers to recycle drink cans and PET plastic bottles as well as utilise reusable bags for their shopping. At our City Square Mall 'eco-store' we have one of the only Tetra Pak recycling units in Singapore. Beyond our recycling facilities in store, the annual Share-a-Textbook Project which FairPrice runs, ensures that school textbooks are reused by a new generation of students. 2 million books have been recycled in this way since the programme started in 1983.

With regard to waste, also at our City Square Mall supermarket is our first bio-helper, a piece of in-store equipment that composts.

Our Store Design

Beyond our programmes to manage resources and our role in raising awareness we have also taken a close look at our buildings to find ways to improve their environmental footprint. In December 2009, FairPrice opened its first 'eco-store' at City Square Mall.

Designed with the basic principle of reduce, reuse and recycle in mind, this 2244m² store was the first of its kind in Singapore and included innovations such as a 'bio-helper' which safely composts food waste; 100% biodegradable bags made from corn; recycled materials in the store fittings; energy saving equipment and lighting and a dedicated checkout for customers with reusable bags.

FairPrice has also introduced a set of guidelines for all new or renovated stores. The 5 eco-design guidelines are (1) All lighting, including signboard lighting, to be LED; (2) All refrigeration system fan motor to be EC type which is more energy-efficient; (3) Lighting circuit design for 30%, 60% & 100% lighting; (4) Refrigeration system to be installed with Energy Savings System; (5) Motion sensor installed for office, preparation rooms, and storerooms. So far, 8 stores have all these initiatives in place.

Engaging Customers

We have a role in helping our Customers to minimise their own impact. Apart from supporting the 'Bring your own Bag Day' led by the National Environmental Agency in 2007, FairPrice also launched its first 'Love Nature' reusable shopping bag. This marked the start of the FairPrice Green Rewards programme which on a daily basis, encourages shoppers to choose reusable alternatives.

Customers who bring their own bags when they shop with FairPrice are rewarded with a 10-cent rebate with a minimum purchase of \$10. In the last year, FairPrice has helped to save 6 million plastic bags through this initiative, and we aim to .

In 2009 we ran the Green Lifestyle campaign to encourage our customers to go further to shop, choose and think Green. As part of that campaign we partnered with Phillips' 'Change a Bulb' programme, where each old light bulb that customers brought to the store was replaced with an energy saving version by Phillips.

FairPrice Cares! & Earth Day

The FairPrice Cares! Campaign has taken place in 2010 and 2011 in support of Earth Day every April. For two consecutive years, FairPrice has matched the proceeds of sale from all FairPrice Love Nature reusable bags as well as \$1 for every PET bottles and cans recycled during the course of the campaign, and donated the amount to charity. Over the two years, this has resulted in \$90 000 going directly to 5 organisations – namely Ain Society, Bizlink Centre, Rainbow Centre, Singapore Disability Sports Council and ST School Pocket Money Fund.

WWF Earth Hour

More recently FairPrice has been a supporter of the WWF Earth Hour initiative taking place each year in March, switching off all non-essential lighting in supermarkets, offices and warehouses.

In 2010 FairPrice made a donation of \$10 000 to WWF, through matching \$1 for every online support pledge from customers and staff to switch off lights during Earth Hour.

Our targets

	Current Performance	Targets
Plastic Bags	6 million plastic bags saved in FY 2010.	10% year-on-year increase in number of plastic bags saved through to 2016.
Energy Consumption	Developing an energy consumption management system by end 2012	Average *5% reduction in energy consumption of stores (from 2013-2016) <i>*Inclusive of additional electrical equipment installed during renovation.</i>
	8 outlets currently comply by the 5 eco-designs	All outlets to abide by all *5 eco-friendly design guidelines by 2016 <i>*The 5 eco-design guidelines are (1) All lighting, including signboard lighting, to be LED; (2) All refrigeration system fan motor to be EC type which is more energy-efficient; (3) Lighting circuit design for 30%, 60% & 100% lighting; (4) Refrigeration system to be installed with Energy Savings System; (5) Motion sensor installed for office, preparation rooms, and storerooms.</i>

Case studies

1) 1st Eco-store at City Square Mall

FairPrice is proud to have opened Singapore's first eco-friendly supermarket in City Square Mall in September 2009.

Its intention is to provide a green shopping environment and raise environmental consciousness amongst shoppers, encouraging them to Think Green and Shop Green.

The store is designed with the basic principles of reduce, re-use and re-cycle in mind. This translates into innovations such as 100% bio-degradable shopping bags, dedicated check outs for customers using their own bags, store fixtures and fittings re-cycled from other stores, best in class energy efficient lighting and switches, recycling stations for food waste and reverse vending machines for cans and bottles. In addition the store stocks over 400 biodegradable and environmentally friendly products.

The Eco-Friendly store demonstrates that as a socially responsible retailer and industry leader, FairPrice is committed to doing its part to promote environmentally friendly practices.

2) FairPrice Cares campaign in support of Earth Day

FairPrice is delighted to have participated in Earth Day for 2010 and 2011. In 2010 FairPrice matched the sale of all FairPrice Love Nature reusable bags, as well as donated \$1 for every can and PET bottle recycled at its 3 reverse vending machines (located at Ang Mo Kio Hub, City Square Mall and Marine Parade), to charity. The campaign received overwhelming customer response, with 25,000 bags sold and almost 30,000 cans and PET bottles recycled. As a result, the target of \$60,000 was reached

In 2011, FairPrice organised the second FairPrice Cares Campaign in conjunction with Earth Day where proceeds from FairPrice Love Nature Bag once again went to charity and for every can/bottle recycled, FairPrice Foundation matched \$1 up to \$30 000.

Beneficiaries in 2010 and 2011 include Ain Society, Bizlink Centre, Rainbow Centre, Singapore Disability Sports Council and the Straits Times School Pocket Money Fund with a total of S\$90,000 donated.

3) Green Rewards Programme: Bring your own bag

FairPrice has consistently been an initiator of green efforts. Way earlier in 1990, we removed all products containing CFC from our stores and introduced photodegradable plastic bags in conjunction with World Environment Day.

More recently in 2007, FairPrice supported the National Environmental Agency (NEA) in its 'Bring Your Own Bag Day' campaign. We continued to further this initiative amongst customers by introducing the Green Rewards Scheme where on an ongoing basis, customers are rewarded with rebates when they bring their own bags.

The Green Rewards Scheme has helped save 6 million plastic bags in 2010 alone.

WONDERFUL WORKPLACE

Our commitments

We want FairPrice to be the 'Best Place to Shop' and the 'Best Place to Work' and we believe these aims are two sides of the same coin. If our employees are motivated, rewarded and inspired, we believe they will deliver the customer focus, teamwork and professionalism we ask of them.

A number of commitments shape our Wonderful Workplace agenda. These commitments are:

1. Ensuring the best workplace practices to attract, retain and promote productive, well qualified and highly motivated personnel
2. Developing our employees to their fullest potential
3. Ensuring a clear, transparent and responsible career management framework
4. Recognising and providing competitive rewards and benefits for our staff
5. Offering opportunities for personal development through learning and education inside and outside the company to promote a continuous learning culture
6. Providing varied and flexible employment options for staff with different needs

7. Providing a safe and caring work environment by reducing accidents, occupational diseases and other risks in the workplace
8. Encouraging a positive work-life balance to reduce stress and promote well-being in the workplace and beyond
9. Promoting an open communications culture to support a tolerant workplace free from discrimination with regard to gender, race, ethnicity, religion, disabilities, age, marital status and social background
10. Providing a clear code of Conduct to ensure that all employees understand our commitment to them and their responsibilities to others

Our practices

At FairPrice we employ about 7,500 people, 90% of whom are Singaporeans or permanent residents. It is through our people that we are able to provide our customers with service that sets us apart from our competitors. We are committed to attracting, motivating and retaining our people and the areas outlined below are how we manage that.

Learning and development

We believe in developing each staff to his or her full potential. We have a dedicated training centre, FairPrice Training Institute, to provide different types of competency and skills-set training to various levels of staff. Regular and comprehensive performance management reviews are conducted and conscious efforts are made to promote from within where possible. To expose staff to different challenges, we move individuals around within our business to help them develop new skills and provide a well-rounded experience.

Our collaboration with the Workplace Development Authority which resulted in FairPrice becoming an approved centre of training for key units of the Workforce Skills Qualification (WSQ) in retail operations is a great achievement for us. Since 2005, nearly 7000 training places on WSQ courses have been taken by FairPrice employees. The training ranged from interacting with customers to handling of seafood.

Each employee at FairPrice can expect an average of 25 hours of training per year, that equates to 175 000 hours of training across the FairPrice business. Besides the 2-day essential 'Ready to Work' training given to all new non-executives and Orientation Programme for the new Executives and Team Leaders, we also provide employees in food safety, customer service, product knowledge and merchandising as well as three additional training standards; A certificate in Retail Operations, Advance Certificate in Retail Supervision and the Diploma in Retail Management.

As employees progress through our organisation, we add to their training through our in-house Management Development Programme which is conducted twice yearly. We offer overseas study programmes and also set aside funds of up to \$5000 per individual for employees with more than 1 years' service with us and who wish to pursue more advanced studies from diplomas to Masters' degrees. In the last year we have supported 128 employees with \$267,000 of grants.

Health and Safety

FairPrice has in place a Workplace Safety Committee and a newly set-up Safety Department to oversee work safety issues, including conducting safety inspections and looking into safety-related briefings and trainings.

Diversity

We believe that our stores should reflect the communities they serve, and that includes the people who work there. Our diversity policy is rooted in this commitment and we continue to work hard, looking at recruitment, language training and flexible working practices in particular, to ensure that all employees have the same opportunity to succeed with us regardless of gender, race, ethnicity, religion, disabilities, age, marital status or social background. Of particular note is our efforts in recruiting seniors aged 60 and above as Customer Relations Officers (CROs) at some of our stores. These CROs' main role is to assist customers with their needs or enquiries, or simply chat with the customers to gather feedback and suggestions.

Reward and benefits

Staff Recognition and Awards

Through our Service Star Award, Model Employee recognition, Food Safety Excellence Award, Service Champion Award, Certificates of Commendation and Performance Bonus, we seek to ensure that great performance is recognised and rewarded.

Competitive Remuneration & Benefits

FairPrice is committed to provide fair and competitive compensation package to staff. Besides regularly benchmarks its salaries to the market, FairPrice also regularly review the compensation policies and allowances that are in place. For non-executives who are required to take on additional responsibilities to perform at higher level, they would be given responsibility allowance.

Both corporate and performance bonus pools are linked to the performance of FairPrice.

In addition to their salary, FairPrice employees receive a 10% rebate on all their shopping done either in FairPrice stores or online.

FairPrice provides comprehensive outpatient and inpatient medical benefits as well as dental benefit. Free or highly subsidised health screenings are also provided.

At FairPrice we have in place our family and charity leave policy to support work-life balance. Beyond their individual annual leave entitlement, employees are given additional 2 - 3 days' leave to celebrate wedding anniversaries, birthdays or convocations; or to do voluntary work in the local community.

Our extensive grant programme covers hardship grants, salary advances, death grants and special one-off payments. Each year over \$700 000 of study grants are provided for the children of low income FairPrice members and employees. Grants range from \$200 towards primary education to \$3000 for undergraduate study and around 800 young people benefit from this annually.

Employee Engagement

To promote a culture of open communications, we have various communication platforms, including staff briefings/meetings conducted at branch/department levels, employee hotline, quarterly internal publication 'Fairmily news', HR dialogues and branch visits. And through our Social Recreation Committee, we bring our employees together outside of their day to day work roles at events from our Staff Annual Dinner and Dance through to sports groups, health talks and other interest groups

Our Employee Opinion Survey results in 2009 showed that 73% of our staff is satisfied working in FairPrice. About two third of our employees are engaged staff and the key drivers of engagement are in FairPrice's Vision/Mission, job, remuneration & benefits, and career management.

Our targets

	Current Prformance	Targets
Employee Turnover Rate	4.3%	Maintain 4% employee turnover rate by 2016
Employee Opinion Survey	73%	Reach 75% by 2016 for the overall satisfaction score in our employee opinion survey
Average Hours of Employee Training	25 hours	Achieve average of 40 training hours per employee per year by 2016

Case studies

1) Employee training Institute at FairPrice

As a major employer in Singapore, our philosophy is to enhance the long-term employability of our staff. Besides providing our staff with basic training in the different aspects of our operations such as cashiering and customer service, we also send them for courses in food safety, merchandising and professional retail related course. We also subsidise or sponsor deserving staff who wish to pursue programmes ranging from diplomas to masters degrees.

Since our first association with Workforce Development Agency (WDA) in 2005, we have clocked over 7000 Workforce Skills Qualification (WSQ) training places. We are proud to have become a WDA Approved Training Organisation for two units of the Retail WSQ Certificate, Point of Sale for cashiers and Handling Fresh Food for retail assistants.

As an incentive to encourage our staff, we provide \$100, \$200 and \$300 vouchers for completion of WAQ Retail Certificate, Advance Certificate and Diploma respectively.

2) Management Trainee Programme

In 2002, FairPrice introduced a Management Trainee programme to attract young and promising graduates to be groomed.

The programme accepts an average of 4 to 6 new recruits each year with the aim of turning them into retail leaders of the future. As part of the training programme, Management Trainees are exposed to at least 2 critical aspects of the FairPrice retail business during the 6 months' programme. In addition, these MTs are given structured classroom and on-the-job training, assignments as well as cross-functional projects to further widen their knowledge of the business.

Upon completion of the 6 months' programme, the Trainee would be permanently assigned to the business unit / department in which they can make the best of both the skills they have learned and their potential for the future.

3) Customer Relations Officer

FairPrice implemented a pilot project - Staying Active Through Employment (SATEP) - to help seniors stay active through employment. As part of this pilot, FairPrice has hired about 10 seniors aged above 60 years old as Customer Relations Officers in selected stores where they assist customers with their needs or queries, or simply talk to customers to gather feedback and suggestions.