



OUR SUSTAINABILITY STORY

NTUC FAIRPRICE
SUSTAINABILITY REPORT FY2015



CONTENTS

OVERVIEW	02
MESSAGE FROM CEO	06
OUR APPROACH TO SUSTAINABILITY	08
GOVERNANCE	09
RESPONSIBLE RETAILING	13
COMMUNITY CARE	19
SUSTAINABLE ENVIRONMENT	23
WONDERFUL WORKPLACE	28
GRI CONTENTS INDEX	34



FAIRPRICE SUSTAINABILITY REPORT

As a social enterprise, our aspiration is to be a leading retailer with a heart and actively contribute to the sustainability landscape in Singapore. Beyond our social mission of moderating the cost of living, we also believe in being responsible to our customers, our members, our working partners, our employees, the environment and the community we serve.

This is why, we have taken the initiative to voluntarily publish this Inaugural Sustainability Report according to the Global Reporting Initiatives (GRI) Guidelines. The GRI Content Index can be found on our sustainability microsite.

The report covers data and activities of all our 130 Singapore outlets, comprising FairPrice Supermarkets, FairPrice Finest and FairPrice Xtra as well as warehouse and logistics operations for the period of 1 January to 31 December 2015.

OVERVIEW

At a Glance

Founded in 1973, FairPrice is a leading retailer headquartered in Singapore with an annual turnover of S\$3.4 billion. We employ over 10,000 staff and operate a network of 130 stores in Singapore comprising different retail formats, including FairPrice Supermarket, Fairprice Finest, FairPrice Xtra and Warehouse Club that serve over half a million shoppers daily.

We also own a Fresh Food Distribution Centre and a centralised warehousing and distribution company. Our primary brands include over 2,000 Housebrand products that are priced 10 to 15 per cent lower than comparable brands.

Through the years, we have been and continue to be guided by our social mission and the philosophy to do well, in order to do good for the community.



Our Sustainability Journey

Our commitment to sustainability started well before Corporate Social Responsibility (CSR) and sustainability became the buzzwords they are today. We initiated many community engagement activities such as our flagship used textbook project which is into its 33rd year, and we were one of the pioneer signatories of the Singapore Compact, now known as the Global Compact Network Singapore.

Our journey with the community has thus far been a meaningful one, and we look forward to an even more exciting future ahead.

1973

First NTUC Welcome Supermarket was opened.

1983

- NTUC FairPrice Co-operative Limited was formed.
- FairPrice Share-A-Textbook launched to help students in need and encourage recycling.

1985

FairPrice housebrands introduced to offer better value to customers.

2000

FairPrice started supporting the Boys' Brigade Share-a-Gift project, bringing cheer to the less fortunate by collecting food items and fulfilling their Christmas wishes.

2002

- The FairPrice Training Institute was opened to enhance skillset of our staff.
- FairPrice Food Voucher Scheme launched to help families in need.
- "Best Corporate Citizen" added to our original Mission of "Best Place to Shop" and "Best Place to Work".
- Start of 2 per cent discount for senior citizens on Tuesdays.

2003

- First Singapore supermarket to achieve the Hazard Analysis and Critical Control Point (HACCP) certification for food safety management.
- First Singapore supermarket to have its own Fresh Food Distribution Centre.

2005

Pioneer signatory of the Singapore Compact.

2006

Registered as a Pro-Family Business with the Ministry of Community Development Youth and Sports.

2007

- Start of Green Rewards Scheme offering customers 10 cents rebate for a minimum S\$10 purchase for bringing their own bag.
- Green Committee set up to manage environmental initiatives under our Green Policy.

2016

First sustainability report issued.



2015

- First Enabled Store opened, serving seniors and people with disabilities.
- FairPrice CSR Food Waste Reduction Framework launched.
- Winner of SG50 Social Enterprise Award.

2014

Pioneer Generation discount introduced, giving senior customers an additional three per cent discount on Mondays.

2013

- "Do Good" initiative launched to encourage youths to make positive difference in the society.
- Winner of the inaugural Best Efforts in CSR Award at the Singapore Retailers Association.
- Winner of Special Rochdale Award.

2012

- FairPrice Volunteers Programme launched, allowing FairPrice staff to volunteer all year round.
- Winner of President's Award for Philanthropy (Corporate).
- Winner of Best Workplace Award at the International Singapore Compact CSR Summit.

2011

Customer Survey on social responsibility and launch of sustainability strategy.

2010

- FairPrice Cares! Campaign launched to encourage customers to recycle.
- FairPrice CSR Committee formed to oversee sustainability initiatives.

2009

First eco-friendly store opened in City Square Mall.

2008

- FairPrice Foundation launched with a pledge of S\$50 million over 10 years.
- Partnered with the Agro-Veterinary Authority of Singapore to encourage customers to choose frozen meat in order to eat well for less.
- Launched new organic Housebrand, Pasar Organic.

OUR SUSTAINABILITY STORY

RESPONSIBLE RETAILING

FairPrice carries:

- 5,000** Locally made products
- 200** Transit free Housebrands
- 80** Housebrands with Healthier Choice Symbol
- 30** Sustainable seafood products

20 sustainably sourced non-food products and more than **40** Pasar Organic vegetables.

>551 million invested to help over **200** local SMEs through the SME Suppliers Support & Development Programme annually.

Strict food safety and product quality standards are maintained, with a biannual internal quality audit rating of above **95%**.

FairPrice staff contributes **3,000 - 5,000** volunteer hours annually to needy communities.

Since 1983, FairPrice Share A Textbook Project has collected **3.9 million** textbooks from the public, benefiting over **13,000** students annually.

FairPrice Foundation FairPrice's philanthropic efforts to needy communities are carried out through the FairPrice Foundation.

The FairPrice-CSR Food Waste Reduction Initiative gives blemished fruits a second chance, and donates more than **\$5200,000** worth of groceries to the needy yearly.

Every year, FairPrice helps save about **10 million** plastic bags by giving over **\$5500,000** in rebates.

More than **100** FairPrice stores are designed with eco features and over **20** stores are Green Mark certified by BCA.

FairPrice's **10,000** staff receive about 250,000 hours of training in a year.

FairPrice staff can also receive **full funding** for their higher education in retail ranging from certificate to masters.

FairPrice **embraces diversity at the workplace** across gender, age, race and also employs people with special needs.



This journey map is a graphical representation of FairPrice's Sustainability Initiatives across all our business operations and store formats.

MESSAGE FROM CEO



Over the years, NTUC FairPrice has grown to become the largest supermarket chain in Singapore, while serving our social mission to moderate the cost of living.

As a 'Retailer With A Heart', we are guided by our Corporate Social Responsibility (CSR) efforts, grouped under four strategic pillars – Responsible Retailing, Community Care, Sustainable Environment and Wonderful Workplace.



RESPONSIBLE RETAILING



COMMUNITY CARE



SUSTAINABLE ENVIRONMENT



WONDERFUL WORKPLACE

Together with our stakeholders and strategic partners, we have made much progress in our CSR efforts and are pleased to share the following achievements in FY2015.



RESPONSIBLE RETAILING

- Our FairPrice housebrand products provides affordable alternatives (10 to 15 per cent cheaper than comparable brands), including our 80 Healthier Choice Symbol certified Housebrand products.
- We supported 270 local suppliers via the SME Suppliers Support and Development Programme and provide opportunities to participate in the "Made in Singapore" Fair.
- We work with international accredited agencies to protect the integrity of our products.



COMMUNITY CARE

- We help strengthen community bonds and improve the lives of the less-privileged through several wide ranging initiatives.
- FairPrice Foundation, solely funded by FairPrice, has in 2015 donated more than S\$13 million to the community. To date, FairPrice has given over S\$98 million to the Foundation for this purpose and committed an additional S\$50 million by 2020.
- Our FairPrice Volunteers Programme contributed more than 5,000 staff volunteer hours last year.



SUSTAINABLE ENVIRONMENT

- We remain the only supermarket in Singapore to give rebates to customers who bring their own bags, saving 10.1 million plastic bags last year.
- As a pioneer partner of the Building and Construction Authority's Green Mark Portfolio Programme, we attained 12 Green Mark certified stores in 2015.
- We achieved a 39 per cent reduction in food waste in our operations since the launch of the FairPrice Food Waste Index and continue to educate our customers.



WONDERFUL WORKPLACE

- We offer more than 10,000 staff competitive remuneration, benefits, as well as hardship and study grants.
- We embrace diversity by encouraging active aging and giving fair opportunities to elderly staff as well as those with disabilities.
- Our FairPrice Training Institute supports staff development averaging 25 hours of training per employee last year.

We remain committed to grow in a sustainable manner. Earlier this year, we conducted a strategic review of the sustainability issues that are material to us. We benchmarked our sustainability performance with other regional and international supermarkets, as well as with leading local and global practitioners in determining our priorities.

STRATEGIC PRIORITIES

- **To preserve our social mission and enhance related communications.** While it has not been easy, we strive to protect our customers from product shortages and pricing fluctuations. For instance, when the prolonged trans-boundary haze occurred last year, we brought down the escalating prices of N95 masks by making it easily available and affordable at all our stores.
- **To ensure our key ingredients are sustainably sourced, particularly those that may be associated with deforestation, such as palm oil or pulp and paper.** The Singapore Environment Council imposed a temporary restriction on the use of the "Singapore Green Label" certification on certain paper products in October 2015. We were the first retailer to withdraw affected products from all our supermarkets island-wide.
- **Our leadership in reducing food waste has been applauded by all our stakeholders, from employees, customers, the media and the Government.** In May 2015, we launched the FairPrice Food Waste Index to track our food waste reduction efforts, a first in the Singapore supermarket industry. The Index measures our annual food waste against total retail space. We have seen a significant reduction from 11.9 kg/m² in 2014 to 7.2 kg/m² in 2015. Through our initiatives, we hope to lead by example and encourage others to do their part.

OUTLOOK

Our upcoming commitments are to:

- Engage our stakeholders more regularly and meaningfully on our material issues.
- Be transparent about our environmental practices and take proactive measures to reduce our direct footprint.
- Maintain consumers' confidence in FairPrice as the most socially responsible supermarket.
- Work with like-minded partners to address material and complex issues, particularly around sustainable sourcing.
- Strive to be able to disclose fully on all material indicators for our business.

This first Sustainability Report marks another milestone in our CSR journey. It affirms our commitment to ensure that through a determined focus on sustainability, we can continue to be a responsible and respected social enterprise recognised for 'doing well and doing good'.

Seah Kian Peng
Chief Executive Officer

OUR APPROACH TO SUSTAINABILITY

Sustainability has been the cornerstone of FairPrice’s foundation and our social mission has been the same since, that is to moderate the cost of living by providing our customers with quality products at affordable prices. We continue to serve customers from all walks of life and our community as a whole. Our community programmes not only provide immediate assistance to the less fortunate but also empower beneficiaries in the longer term. Our philosophy of ‘Doing Well Doing Good’ and being a retailer with a heart continue to guide us in all that we do.

In 2015, to strengthen our mission as a social enterprise, we introduced three additional core values to complement our existing ones. Together, they serve as guiding principles in our sustainability journey.

These core values are:

-  **CUSTOMER FOCUS**
-  **PROFESSIONALISM**
-  **TEAMWORK**
-  **TRUSTWORTHY**
-  **CARING**
-  **EMPATHY**

“NTUC FairPrice can stand tall as a social enterprise that has served its members well and forged strong ties with the wider population. It has grown from humble beginnings into one of the largest grocery retailers in Singapore, while maintaining its mission of keeping prices affordable and giving back to the community.”

Prime Minister Lee Hsien Loong
at FairPrice 40th Anniversary Dinner



GOVERNANCE

The FairPrice Board¹ comprises 11 non-executive members who meet every two months and undertake several key responsibilities. The Board also oversees the work and performance of the Senior Management team. The FairPrice Senior Management team, consisting of thirty persons, ensures that our social mission to moderate the cost of living is upheld and that various sustainability efforts are incorporated into our operations. Some prominent examples include mandating eco features in our new and renovated stores, giving rebates to customers who bring their own bags, and maintaining strong philanthropic commitments through the FairPrice Foundation.

We conduct an annual review of the various environmental, social and governance risks that FairPrice is susceptible to and we classify them into two tiers – with tier one being more critical. Quarterly reports are assessed by FairPrice’s Senior Management represented in the Management Risk Committee. The Board also oversees the Group’s system of internal controls and risk management supported by the Board’s Audit and Risk Committee.

FAIRPRICE CSR COMMITTEE

The FairPrice CSR Committee established in 2010 comprises Senior Management from key business functions such as human resources, purchasing, operations, and corporate communications. These personnel serve as guardians of our policies, performances and targets in relation to our four sustainability pillars. The CSR Committee meets two to three times a year and regularly updates the Senior Management team on the activities underway.

FairPrice staff across all departments are committed to sustainability objectives, such as reducing food waste and contributing to the community through volunteering all year round through a structured framework.



FairPrice CSR Committee

¹For the full profile of the FairPrice Board and the Senior Management Team, refer to FairPrice’s FY2015 Annual Report at <http://www.fairprice.com.sg/wps/portal/tp/annualreports>



Tng Ah Yiam

Champion for
Responsible Retailing



Jonas Kor

Chairman CSR Committee &
Champion for Community Care



Koh Kok Sin

Champion for
Sustainable Environment



Yvonne Hu

Representative for
Responsible Retailing



Roshida Bte Jamari

Representative for
Community Care



Sherlyn Chua

Representative for
Wonderful Workplace



Grace Lin

Secretary



Loke Wai Mun

Operations Representative



Zhao Peijun

Secretary

MATERIALITY ASSESSMENT

In January 2016, we conducted our first materiality assessment of aspects in the GRI G4 guidelines. 23 members of the Senior Management team, as well as all CSR Committee members and 11 other business unit leaders were invited to give their views in the exercise. All material aspects and selected indicators have been signed off by the CSR Committee and this report will cover all aspects material to FairPrice.

Those issues that have been deemed as 'material' or, in other words, of medium to high importance both in terms of business impact and relevance to stakeholders have been defined. The relevant indicators can be found in the GRI Contents Index.

STAKEHOLDER ENGAGEMENT

In a CSR Consumers' Survey conducted in 2015, 70% of its respondents named FairPrice as the 'Most Socially Responsible Supermarket'. FairPrice has been and will continue to tap on various platforms such as social media, dialogues and campaigns to connect with its stakeholders.

To drive and integrate our sustainability initiatives into our daily business operations, we work closely with our staff and various community partners. Engaging with these stakeholders ensures that we remain relevant in addressing the long-term needs that contributes towards creating significant impact on the community.

In addition, we are also putting in place more structured activities in engaging with our key stakeholder groups: customers, suppliers and other business partners, government agencies, employees, charities and industry bodies.

The table below summarises how we interact with each stakeholder group and the key issues they are concerned with.

No.	Stakeholder Groups and How We Interact	What They Care About
1.	CUSTOMERS We regularly engage our customers both in-store and online (via the customer service hotline and email). We carry out regular customer exit surveys to track overall customer satisfaction, assess FairPrice customer initiatives and identify opportunities for improvement. Our latest survey shows that, in terms of overall satisfaction, FairPrice continues to lead competition for a third year in a row. ² Our customers are also invited to attend our Annual General Meeting. Our employees are equipped with the skills and knowledge to maintain excellent customer focus and service.	<ul style="list-style-type: none"> Stores that are pleasant, clean and convenient to get to. Daily affordability of products. Variety of products that are safe, legal, fresh and that support their lifestyles. Information about where their products come from. Friendly, courteous, available and knowledgeable staff.
2.	SUPPLIERS AND OTHER BUSINESS PARTNERS Besides regular meetings and collaboration with suppliers and other business partners, we reach out to our suppliers through the SME Support and Development Programme, which helped 270 SMEs cope with cash-flow pressures while organising industry knowledge seminars for others.	<ul style="list-style-type: none"> A fair deal, and to be paid on time. Stable, long-term relationships with us, and opportunities for growth. Help provide product information to customers.
3.	GOVERNMENT AGENCIES We participate in a wide range of engagement on relevant issues: environment, food safety and sourcing, food waste etc. Relevant government agencies are invited to our supermarket stores and storage facilities to help them better understand our work processes and facilities. We also participate in dialogue sessions organised by government agencies for the industry.	<ul style="list-style-type: none"> FairPrice's support to implement relevant policies. Insights to help create fair and reasonable regulation. Ideas for new projects and case studies of successful ones.
4.	EMPLOYEES We nurture a culture of open communications through regular staff meetings, dialogue sessions and branch visits. We conduct staff appraisals, biannual employee engagement surveys and grievance mechanisms. We also provide capacity building in retail operations, administration and support functions.	<ul style="list-style-type: none"> Competitive rewards and benefits. Opportunities for career development through learning and education. Opportunity to hold an interesting and secure job, work flexibility, and a supportive management structure.
5.	CHARITIES AND NGOS We work with charities and the community through: <ul style="list-style-type: none"> Community projects and events. Volunteer activities. Philanthropy efforts and in-kind sponsorships. 	<ul style="list-style-type: none"> FairPrice to provide good jobs and investment. Support and funding for local community causes.
6.	INDUSTRY BODIES AND ASSOCIATIONS We are active in the participation and sponsorship of dialogues, summits and conferences.	<ul style="list-style-type: none"> Sharing of best practices. Opportunity for business collaborations.

² Customer Satisfaction Survey 2013, 2014 and 2015

FAIRPRICE STRATEGIC SUSTAINABILITY PILLARS

Our core values are reflected in the four pillars of our sustainability strategy:



RESPONSIBLE RETAILING

As a business we have a commitment to not only be the 'Best Place to Shop' but also to be the 'Best Corporate Citizen'. Responsible Retailing is about being both, as our customers trust us to provide the best value, quality products and excellent service.



COMMUNITY CARE

Making a difference to the communities we operate and serve in is a large part of our DNA and a role that we relish from day to day. We are here to make lives better, and we do that by volunteering our services and providing practical support to needy communities.



SUSTAINABLE ENVIRONMENT

As a leading retailer with a network of stores island-wide, we recognise the impact our operations can have on the environment. As such, we have set in place strong commitments with regards to our environmental responsibilities.



WONDERFUL WORKPLACE

With more than 10,000 staff, we strive to make FairPrice the 'Best Place to Work' by supporting them with staff development opportunities and welfare benefits. We believe these are essential in building a motivated workforce that will in turn provide our customers with service from the heart.



RESPONSIBLE RETAILING

FY2015 HIGHLIGHTS

30 seafood products
accredited by Marine Stewardship Council, Aquaculture Stewardship Council or Friends of the Sea

Over 40 Pasar Organic vegetables

More than 5,000 products made in Singapore
and over 20 sustainably sourced non-food products

S\$1.1 million
invested in initiatives to support more than **270 local SMEs**
through the SME Suppliers Support and Development Programme

As Singapore's largest supermarket chain, we recognise our responsibility in selling safe, affordable products by upholding strong standards across our business and supply chains.

Retailing our products responsibly means treating our suppliers honestly and fairly, monitoring suppliers' standards of operation and working to ensure our products are sourced sustainably wherever possible.

Our promise to customers is based on the core standards of quality, value and service. We treat all customer data with confidentiality, provide clear pricing and exchange any defective products.

The Reader's Digest Trusted Brand Award has conferred on FairPrice eight Platinum and one Gold award in the supermarket category between 2006 and 2015 – an award which reflects consumers' choice of their most trusted and favourite brands.

This among other attributes, indicates that FairPrice is recognised for placing Responsible Retailing first. Be it in ensuring food safety, sourcing products responsibly, or developing new products and ranges to meet changing customer needs, we set a high standard. Below are some of the activities that define this agenda at FairPrice.

HEALTHY EATING

Customers increasingly look to us for guidance and information on product labels and healthy choices. We ensure that the majority of our Housebrand food products have nutrition labels to empower shoppers to make more informed purchase decisions.

Where possible, FairPrice has been reformulating our Housebrand products to remove or reduce transfat content. Since February 2007, FairPrice has been working with our suppliers to use transfat-free ingredients in existing products, and developing new products that are transfat-free. Currently, we have about 200 Housebrand products that are transfat-free.

The majority of our Housebrand Healthier Choice Symbol products carry the nutritional information label even though it is not mandatory. We also work closely with our suppliers to ensure that nutritional claims on their products are approved by the Health Promotion Board (HPB).



A selection of FairPrice housebrand Healthier Choice Symbol products

The Reader's Digest Trusted Brands Awards awarded us its Gold Trusted Brand Award for the FairPrice housebrand cooking oil seven times, while the FairPrice housebrand rice received the award in 2011, 2012, 2014 and 2015. In both cases, the wide range of healthy choices met the judges' criteria of brands demonstrating trustworthiness, innovation, understanding customer needs and social responsibility.



FairPrice supported HPB when it first rolled out the Healthier Choice Symbol in 2009, and we have continued to produce healthier choices for our customers. Today, we have more than 80 Healthier Choice Symbol-certified FairPrice housebrand products.

We also work with HPB to reinforce the message of healthy diet and lifestyle. Our collaboration spans various activities such as in-store cooking demonstrations, supermarket tours, roadshow events, development of wellness recipes and sampling of wholegrain products.

SUPPLIER PARTNERSHIPS



Partnership with Nestlé to provide nutritious breakfast for children

In February 2015, FairPrice, Nestlé Singapore and The Food Bank Singapore, announced a charity partnership to distribute over 180,000 servings of Nestlé Breakfast Cereal to children from various organisations island-wide. FairPrice's donation of 6,000 packets of FairPrice Full Cream Milk, and Nestlé's contribution of Nestlé Breakfast Cereal, provided 1,000 children with a nutritious whole grain breakfast for six months.

“At The Food Bank Singapore, we distribute and deliver donated food from organisations and the public to over 130 beneficiaries. I believe the kids will be elated to find that they can have some of these well-loved and nutritious cereals every day! We are truly thankful for this large-scale initiative by Nestlé and NTUC FairPrice, and we encourage more of such initiatives for those in need.”

Nichol Ng,
Chief Food Officer, Food Bank Singapore



Partnership with Abbott to distribute goodie bags for needy families

Together with our strategic partner, Abbott, FairPrice donated and packed goodie bags of daily necessities for 5,000 residents from Bedok and Braddell Heights constituencies. More than 60 FairPrice staff, along with Abbott staff and members of the public, contributed their time in packing goodie bags before distributing them to the residents. FairPrice Foundation donated daily essentials like the FairPrice Canola Oil and FairPrice Cream Crackers, while Abbott donated adult nutritional supplements.



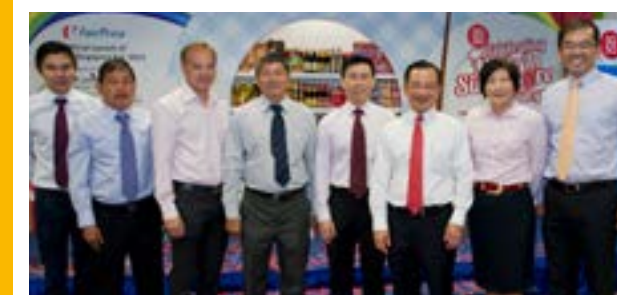
Charity shopping trip organized for beneficiaries of Food from the Heart

To mark SG50, 500 families supported by Food from the Heart were each given S\$80 worth of FairPrice vouchers to purchase their daily essentials. As part of the initiative, over 150 families spent a fun morning shopping with staff volunteers from Visa, OCBC Bank, NTUC Link and FairPrice at the Changi Business Park Hypermarket.

“At Visa, we strongly believe in giving back to our local community and have always been proactive in lending a hand to local charities in a number of ways. We are delighted that one of Singapore's major banks, OCBC Bank, the NTUC Link loyalty programme and the biggest local retailer, NTUC FairPrice, have come forward as partners. As we celebrate SG50 together this year, we want to make sure that the underprivileged are not left behind. We hope that our donations will make this special year even more meaningful for the 500 families involved.”

Ooi Huey Tyng,
Visa Country Manager for Singapore and Brunei

SUPPORTING LOCAL SMALL AND MEDIUM-SIZED ENTERPRISE (SME) BUSINESS PARTNERS



Annual "Made in Singapore" Fair to support SMEs and promote locally made products

We recognise that running a business in Singapore is a challenging task, which is why we have invested more than S\$1 million in initiatives to support more than 270 local SMEs through the SME Suppliers Support and Development Programme (SSDP). Introduced in 2009, the programme aims to help local SMEs manage their cash flow, provide market support to increase awareness and sales of local products, and build their business expertise and network.

To achieve these three objectives, we have shortened payment terms, provided discounts on listing and processing fees for new products, promoted locally-made products through store promotions, and conducted knowledge and networking seminars.

“As a participant of the SSDP, the benefits to our business have been instrumental in maintaining sales growth targets in an increasingly difficult environment. Our company is currently in the SME phase and every little bit helps with our transition into an organisation that can provide better reciprocal value to FairPrice as a retail partner.”

Wee Su-Lyn,
Director, Optimo Foods Pte Ltd



Upholding high food safety and quality standards with regular audits

PRODUCT SAFETY AND QUALITY

The globalised nature of our food chain brings with it an even greater need for robust food safety procedures. Our commitment to food safety is absolute and we have developed a number of programmes to ensure we do not compromise on this. The table below is an outline of the seven building blocks of food safety at FairPrice that have been in place for over two decades which comply with international standards.

- | |
|--|
| 1. ROBUST STANDARDS |
| 2. REGULAR AUDITS OF ALL FACILITIES |
| 3. PRODUCT ASSURANCE FOR QUALITY |
| 4. FOOD PROTECTION PROGRAMME TARGETING HIGH RISK PRODUCTS |
| 5. MAINTAIN AWARENESS AND TRAINING |
| 6. FOOD SAFETY CHAMPIONS IN STORE |
| 7. SUPPLIER DEVELOPMENT PROGRAMME FOR BEST PRACTICE |

Along with product ingredients and country of origin, the expiry date is an important safety criteria included 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 the Agri-Food and Veterinary Authority of Singapore (AVA), the Health Sciences Authority (HSA), National Environment Agency (NEA) and the Standards, Productivity and Innovation Board (SPRING Singapore). Our internal audit team continually monitors the compliance to this.

We are also regularly audited by certified international bodies for our compliance to top international food safety standards, which cover our supermarkets, central butchery and warehouses.

We have a product assurance programme in place with weekly sensory sessions to ensure consistency in our Housebrand product quality.

We work with over 1,400 local suppliers, which comprise more than 85% of all our suppliers. More than 80% of these suppliers provide the products we retail in our supermarkets. We routinely review our Housebrand suppliers and work with them to ensure adherence to our high standards of food safety and quality. All Housebrand suppliers are assessed annually through our risk assessment matrix. Those found to have medium to high risk in their performance will receive investigation reports to improve on their practices and also, additional audits will be conducted to monitor for improvements. At the same time, the FairPrice Housebrand Supplier Excellence Award is accorded to suppliers for their commitment and effort towards product safety and quality.

In addition, we train our staff in food safety and hygiene and have instituted a Food Safety Champion programme for all stores in which food safety key performance indexes are monitored.

That is why, we were able to achieve a grade 'A' status by the AVA for excellence in food hygiene, sanitation and processing for 11 consecutive years.

CUSTOMER SATISFACTION

As a result of our efforts to ensure high product quality and a pleasant shopping experience, customers have given a high overall satisfaction report across all three of our retail formats: FairPrice Supermarket, FairPrice Xtra and FairPrice Finest, according to our latest customer satisfaction survey of customers' experience in 2015.

FairPrice scored an average total mean score of 7.85 out of 10 for overall shopping experience, leading its competitors in terms of overall satisfaction. These key findings also provided feedback towards service improvement such as efficiency in the checkout process as well as in product quality.

We have since introduced several initiatives to improve shoppers' experience, which range from rewards for members and senior citizens, refund or exchange for products and self-checkout counters, among others.

Awareness and usage of these initiatives have been high. Satisfaction levels have also improved on value-related initiatives, particularly among FairPrice Finest shoppers. Significant service improvements for 24-hour outlets were also achieved and customers appreciated the practice of rounding down their total bill to the nearest five cents. FairPrice continues to promote awareness of newer initiatives, such as the Pioneers OK! programme that offers discounts to Singapore's pioneer generation (citizens born on or before 31 December 1949); and the Click&Collect service, which allows customers to order groceries at FairPrice Online and collect them from their preferred locations.

Click&Collect Service



FairPrice is a supporter of the Pioneers OK! programme

FairPrice places value in creating a family-friendly environment for shoppers. FairPrice Xtra hypermarkets are specially designed with features that promote family bonding.

These include trolleys fitted with baby seats, an extensive variety of baby products, wider aisles to accommodate wheelchairs, rest areas for the elderly, promotional deals for families and family-oriented activities and contests.

FairPrice Xtra was the first hypermarket retailer to receive the Business for Families (BFF) Mark in 2011. Today, all our Xtra hypermarkets have attained the BFF mark.

FairPrice also launched our first elderly-and-disabled friendly store at the Enabling Village in 2015. The store features call buttons at the entrance and along store aisles for shoppers to seek assistance, magnifying glasses at every aisle to help customers read product labels, merchandise shelves customised to ideal heights for easy reach, a more extensive range of supplements, products with the Healthier Choice Symbol, and assistive products such as walking aids.



Senior-friendly features like rest areas are incorporated into our store design

“The lower shelves are definitely good for people like me to get items that are otherwise hard to reach, but sometimes I do still need to stand up to reach stuff higher on the shelves. And if I still can't reach some items, that's when I'll use the call button for help.”

Ismail Limat, 78,
Dependent on a scooter most of the time due to his failing legs

ORGANIC CERTIFICATION

Demand for organic food has grown significantly over the last decade. Working closely with growers in Thailand, we launched our own organic vegetable, which is affordable and fully traceable from farm to store. Together with these suppliers and in consultation with Agrifood Technologies, we developed the NTUC FairPrice Organic Assurance Programme (NOAP), and launched our Pasar Organic range of fresh produce with an Asian twist in 2008.

Today, the Pasar Organic range offers customers over 40 fresh product lines. The range is part of more than 1,000 varieties of organic products sold at designated FairPrice stores.



Over 40 fresh produce lines in the Pasar Organic range

RESPONSIBLE SOURCING

FairPrice works towards selling responsibly-sourced products in all our stores wherever possible, and to manage the impact we have on the environment and biodiversity. We recognise that as one of the industry leaders, we have a shared responsibility together with industry practitioners to encourage positive action in the marketplace.

PAPER

We endeavour to sell sustainably-sourced paper products, with 23 Singapore Environment Council (SEC) Green Label, Forest Stewardship Council and Programme for the Endorsement of Forest Certification on non-food products.

In 2015, the National Environment Agency issued notices to companies suspected of contributing to the trans-boundary haze in late September 2015. FairPrice withdrew products from these companies that were also put on Singapore Environment Council's temporary restriction from using the Singapore Green Label certification. In total, 18 products including two Housebrand paper tissue products across all our stores were removed. Following our lead, the other supermarket chains in Singapore also subsequently did likewise.

The withdrawal reflected our commitment towards sustainable practices, but as a fair business partner, we also reserved taking further action, pending further information and investigation by the authorities.

SEAFOOD

We work towards selling fish and seafood from responsibly-managed sources. Currently, FairPrice carries 30 seafood products accredited by the Marine Stewardship Council, Aquaculture Stewardship Council or Friends of the Sea.



More than 30 sustainable seafood products

LOOKING FORWARD

- Maintain minimal impact on the environment and biodiversity by retailing responsibly-sourced products wherever possible.
- Work towards sourcing sustainable ingredients and materials for FairPrice housebrand products wherever possible.
- Continue ensuring consistency in product and service quality, provide more value and promote healthier choices to customers.
- Strive to be continually certified by ISO 9001 for quality management and ISO 22000 for food safety management.



COMMUNITY CARE

FY2015 HIGHLIGHTS

More than S\$13 million donated
by FairPrice Foundation to the community

S\$1.2 million
worth of FairPrice vouchers distributed to 20,000 needy families under the annual NTUC FairPrice Food Voucher Scheme

S\$2.6 million raised
for the NTUC-U Care Fund to aid low-wage workers

S\$80,000
worth of rice donated for 7,000 low-income families under the FairPrice Walk for Rice @ South East campaign

100% of our staff
throughout all of our operations participate in local community engagement programmes in one form or another

THE FAIRPRICE FOUNDATION

The FairPrice Foundation, a registered charity that is entirely funded by FairPrice, was launched in 2008 to provide a better life for the community. It gives structure and direction to the extensive corporate giving that has become synonymous with the FairPrice brand.

The Foundation has donated cash and in-kind contributions to causes under its three key strategic thrusts:

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

To learn more about the work of FairPrice Foundation or sponsorships, please visit: www.fairpricefoundation.org

FAIRPRICE FOOD VOUCHER SCHEME

The FairPrice Food Voucher Scheme was first launched in 2002 to help families in need cope with the economic downturn. Last year, S\$1.2 million was distributed to benefit over 20,000 families. As at December 2015, a total of S\$13.2 million worth of FairPrice vouchers have since been distributed under this annual scheme.

SHARE A HEART COZ U CARE CAMPAIGN

The 'Share a Heart coz U Care' campaign is a community initiative where FairPrice Foundation pledged to donate S\$50 for each bookmark signed by customers. The bookmark offers messages of encouragement to beneficiaries. Over 50,000 bookmarks were collected between 1 May to 30 June 2015. Through the campaign, FairPrice Foundation donated S\$2.6 million to the NTUC-U Care Fund to aid low-wage workers.

COMMUNITY PARTNERSHIPS

Over the years, we have enjoyed long standing and successful partnerships with various organisations and charities in the community.

For instance, we partnered with South East Community Development Council (CDC) for the last seven years on the FairPrice Walk for Rice @ South East. One bowl of brown rice and one bowl of white rice is pledged for every 200 metres walked. Every year, S\$80,000 worth of rice are donated, benefitting over 7,000 financially-assisted families identified by Grassroots Organisations that live in the South East District.



“This is a meaningful partnership between NTUC FairPrice and South East CDC. Walk for Rice is an easy and enjoyable activity that encourages widespread participation within the community which earns sponsorship for the needy. Every walk that was held encouraged bonding among the residents and community, and they are very willing to participate in the walk, knowing that this simple activity is helping their fellow neighbours and residents in the community.”

Tan Chuan Jin, Grassroots Advisor to Marine Parade GRC GRO, Minister for Social and Family Development



Share a Heart coz U Care' campaign raises funds to help low-wage workers



FairPrice Walk For Rice @ South East reaches out to 7,000 families

The “North East CDC – NTUC FairPrice Foundation Wish Upon A Silver Star” campaign has been running for the last three years. For every ten stars folded, FairPrice Foundation sponsored S\$1. This is a community effort that involves schools, voluntary welfare organisations (VWO), residents and employees. In 2015, one million origami stars were folded which raised S\$100,000.



Partnership with North East Community Development Council for Wish Upon A Silver Star

Our online shopping portal also provides us with new community impact opportunities. Through our partnership with the National Council of Social Services, shoppers can purchase items online and donate products directly to VWOs of their choice. In support of this, FairPrice delivers the products free of charge to the VWOs. VWOs also receive a two per cent discount on standard retail prices all year round.

PUPIL BREAKFAST SCHEME

FairPrice Foundation continues to support the Pupil Breakfast Scheme with a donation of S\$100,000 to Loving Heart Multi-Service Centre (Jurong), which provides breakfast to primary and secondary students under this scheme. In 2015 alone, the Scheme benefitted 745 students from 18 schools.



BOYS' BRIGADE SHARE-A-GIFT (BBSG)



Into 15 years of supporting the Boys' Brigade Share-a-Gift project

For the past 15 years, FairPrice has been actively supporting BBSG by being an official collection partner both online and at stores. Members of the public donated food items at 12 selected FairPrice outlets around Singapore, and it was delivered to more than 40,000 beneficiaries from VWOs and Government-funded Comcare Programmes. A total of S\$75,000 was donated at the end of the campaign, a 50% increase from the previous years.

SPD'S DAILY NEEDS PROGRAMME

Since 2011, FairPrice Foundation has been supporting the SPD's Daily Needs Programme, which provides daily essentials to its clients. At the SPD Charity Show in March 2015, FairPrice Foundation renewed its support for the programme and donated S\$250,000.

Through this initiative, needy families supported by SPD received FairPrice vouchers to purchase daily household essentials and groceries.



Support of the SPD's Daily Needs Programme at the Charity Show

COMMUNITY CHEST HEARTSTRINGS WALK



Deputy Prime Minister Teo Chee Hean with the FairPrice staff volunteers at the Community Chest Heartstring Walk

FairPrice Foundation donated S\$300,000 to support the Community Chest Heartstrings walk. FairPrice staff volunteers also paired up with beneficiaries from AWWA Family Service Centre in a special drumming activity to mark the nation's 50th birthday. FairPrice staff also brought their families to join in the four kilometre fun walk.

CLEAN PLATE CAMPAIGN



FairPrice Foundation supported the Clean Plate Campaign in 15 schools

In conjunction with World Food Day in October, Food from the Heart (FFTH) organised the Clean Plate Campaign to raise awareness of food wastage amongst students. FairPrice Foundation supported the campaign by pledging S\$10 for every clean plate students contributed in 15 participating primary schools. A total of 12,868 clean plates were counted at the end of the campaign. The event was a resounding success which saw participation from over 18,000 students.

FAIRPRICE SHARE-A-TEXTBOOK (SAT)



Students picking up used textbooks at the collection centre

For the last 32 years, the FairPrice SAT has grown with the community and has become a familiar project that embodies the spirit of giving while promoting recycling through the donation of used textbooks. The project has been well supported by the community, volunteers and partners.

All FairPrice Supermarkets, FairPrice Finest, FairPrice Xtra, FairPrice Xpress convenience stores and Warehouse Club serve as collection centres for the textbooks. FairPrice also engages the community and supporting partners such as schools and corporations to be involved in this long standing project. SAT has collected more than 3.9 million books since it was launched and in 2015 alone, over 400,000 textbooks were recycled and given out to almost 13,000 students.

“If I can find the following year's textbooks during the distribution, then that's money saved. It helped to lessen the burden on my father, who is the sole breadwinner in my family.”

Alsyaifa Hutmani, 16,
beneficiary since Primary 3

VOLUNTEER PROGRAMME



FairPrice's volunteers activities include befriending elderly residents

In 2012 we launched our own FairPrice Volunteers Programme that encourages our employees to participate in a range of volunteer activities.

Some of the key VWOs we partner with include Ren Ci Nursing Home, Food from the Heart, SPD, YMCA and Bishan Home for the Intellectually Disabled.

With strong support from the FairPrice management, our staff are able to participate in these meaningful activities, which usually take place on week day afternoons during office hours. While it is a joy to volunteer together with fellow colleagues across departments, the deeper satisfaction for FairPrice staff is in making a difference, no matter how simple, to the beneficiaries by spending quality time with them.

In 2015, our employees gave 5,915 hours of their time to participate in a total of 143 volunteering activities, which included SG50 related community volunteering activities.



FairPrice staff volunteers distributed refreshments to the public who paid their last respects to the late Mr Lee Kuan Yew

FAIRPRICE FOUNDER'S DAY



FairPrice donated close to S\$70,000 to mark FairPrice's 42nd anniversary

FairPrice donated close to S\$70,000 worth of vouchers for the daily essentials of beneficiaries from five VWOs – Ren Ci Nursing Home, Singapore Children's Society, Bishan Home for the Intellectually Disabled, Cerebral Palsy Alliance Singapore and SPD - to mark FairPrice's 42nd anniversary.

EMERGENCY RELIEF AND HUMANITARIAN AID

Beyond our regular community engagement programmes, we also work with community partners during times of crisis. For example, we collaborated with the Singapore Red Cross in response to the Sumatra earthquake in 2009, as well as the Japan tsunami in 2011.



More than 30 FairPrice staff gathered to prepare the WeCare Pack

To support the community during periods of haze, we ensured that N95 masks were available and affordable in our stores. FairPrice Foundation also donated S\$500,000 worth of essential food and items to the WeCare Pack initiative. FairPrice staff volunteers further helped in the packing of the items to be distributed to beneficiaries.

LOOKING FORWARD

- Commit another S\$50 million by 2020 to FairPrice Foundation to reach out to the community.
- Extend our volunteering programme not only for our employees but also partners and customers keen to participate.
- Develop a comprehensive framework for measuring and reviewing the social impact of our programmes.

SUSTAINABLE ENVIRONMENT

FY2015 HIGHLIGHTS

10.1 million plastic bags saved

by giving a 10-cent rebate to customers who bring their own bags for a minimum S\$10 purchase

More than 530,000 kWh saved

annually by switching to LED fluorescent lighting in our supermarkets, headquarters, refrigeration areas and our Fresh Food Distribution Centre

3.9 million books recycled

since the Share-A-Textbook programme started in 1983

39% reduction in food waste,

derived from the amount of food waste per m² from our operations to help us reduce the amount of food being wasted

Global climate is changing, affecting the entire planet, including Singapore. Average global temperature and sea levels will continue to rise, and extreme weather events are likely to become more intense and frequent. This may lead to volatile global food prices and disruptions to business supply chains, thus affecting food imports and prices.

Reducing our environmental impact is essential to ensure we remain sustainable. Retail businesses like FairPrice can play a powerful role in tackling climate change. It is important that we enhance our energy efficiency efforts.

ENERGY CONSUMPTION WITHIN THE ORGANISATION

SITE	ELECTRICITY CONSUMPTION (kWh)	FUEL CONSUMPTION (LITRES)
Grocery Logistics Singapore	6,534,331	1,462,196 ³
FairPrice Hub	5,686,755	N/A
Warehouse Club	2,029,990	N/A
Stores	107,802,525	N/A
Fresh Food Distribution Centre (FFDC)	5,151,490	899,650 ⁴
TOTAL	127,205,093	2,361,846
TOTAL (IN JOULES)	457,938,334,800,000	90,436,090,000,000

Our total fuel consumption is from non-renewable sources, although we do harness energy via our 2,000m² of solar photovoltaic cells located on the rooftop of our Benoi Distribution Centre. At their peak, we are able to generate 200kW of energy, which is then sold to the grid.

TOTAL WATER WITHDRAWAL BY SOURCE⁵

SITE	WATER CONSUMPTION (m ³)
Grocery Logistics Singapore	3,093
FairPrice Hub	42,174
Warehouse Club	817
Stores	352,228
TOTAL	398,313

All water has been withdrawn from municipal water supplies.

DIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 1)

ISO 14064-1:2006 specifies principles and requirements at the organisation level for quantifying and reporting GHG emissions. The GHG Protocol defines direct emissions as emissions from sources that are owned or controlled by the reporting entity. All direct GHG emissions are considered Scope 1 emissions.

We used the following GHG emissions factors:

- [Electricity grid emission factor 2015, Energy Market Authority \(EMA\)](#)
- [Density of motor gasoline and diesel](#)

Our scope 1 emissions are derived from our electricity consumption and our own vehicle fleet fuel consumption. Last year, they were estimated to be 6,539,952 tCO2e.

IN ALL OUR STORES

Reducing energy consumption is an important priority for FairPrice. We invest in energy saving installations in-stores and develop a data management system to ensure reduction in energy consumption that is accurately measured.

We also develop our own internal FairPrice Green Policy which includes the adoption of energy-saving lighting, default double sided printing in the offices, and setting electronic equipment to energy-saving mode.

Many of these activities have progressed. For instance, LED fluorescent lighting implemented in our supermarkets, headquarters, refrigeration areas and our Fresh Food Distribution Centre saves over 530,000 kWh annually. Other initiatives include reducing the use of stretch film at our warehouse, recycling toner cartridges and converting our physical payslips to electronic ones.



Eco features are incorporated into our store designs

IN OUR DISTRIBUTION NETWORK

Our distribution network is managed with the intent to keep cost from use of fuel and environmental impact to a minimum. 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 for all new vehicle purchase.

ECO STORE DESIGN



Dedicated Green Checkouts

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.

More than 100 stores are implemented with these five eco-friendly design guidelines:

- (1) All lighting are LED.
- (2) All refrigeration system fan motor are energy-efficient EC type.
- (3) Lighting circuit design for 30%, 60% & 100% lighting.
- (4) Refrigeration system installed with Energy Savings System.
- (5) Motion sensor installed for office, preparation rooms, and storerooms.

Incorporating eco features has been a fulfilling journey for FairPrice and along this journey, we were privileged to be recognised for our eco efforts. FairPrice was the proud recipient of the prestigious Building and Construction Authority's (BCA) Green Mark Scheme for Supermarket in 2012. In addition, FairPrice became the pioneer partner in BCA's Green Mark Portfolio Programme in 2013, aiming to attain a Gold rating for at least half of the 20 stores committed by 2016. By 2015, we had achieved 12 Green Mark supermarkets.

As a member of the Consumer Goods Forum, we are committed to reduce hydrochlorofluorocarbons (HFC) refrigerants. Unfortunately, there is no suitable substitute for a densely populated tropical city, without higher energy consumption, so we are unable to phase out HFC aggressively. We will continue to monitor the development of the use of natural refrigerants and will pursue opportunities with potential partners.



FairPrice Hub - a Green Mark Platinum building

FAIRPRICE HUB

Our new eco-home is certified BCA Green Mark Platinum. It is strategically orientated with a smart façade design to avoid excessive heat gain from solar radiation. Eco-friendly materials are used to construct the outdoor greenery within the building. It enhances long-term sustainability, productivity and affirms our commitment to keep prices affordable.

INCENTIVISING CUSTOMERS TO ADOPT GREEN BEHAVIOURS

The FairPrice Green Rewards Scheme rewards customers who bring their own bags with a 10-cent rebate for purchases above S\$10. From helping to save six million plastic bags in 2010, FairPrice has seen a substantial 10% decrease in usage of plastic bags year-on-year; with 6.6 million saved in 2011, 7.3 million in 2012, 8.2 million in 2013, 9.3 million in 2014 and 10.1 million plastic bags saved in 2015. The rebate cost us about S\$500,000 every year and FairPrice remains the first and only supermarket to incentivise customers to bring their own bags.



PACKAGING, RECYCLING AND WASTE

We aim to reduce the waste produced from our own operations and recycle as much as possible. We work 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.

Paper, cans and plastic bins are placed in selected stores and in FairPrice Hub to encourage recycling and we also encourage customers to recycle as well as utilise reusable bags for their shopping.

FOOD WASTE REDUCTION FRAMEWORK



Educational posters are produced to raise awareness of food waste

FairPrice is one of earliest retailers in Singapore to actively voice our commitment and champion food waste reduction. In 2015 we launched the FairPrice-CSR Food Waste Reduction Framework and a public awareness campaign. The Framework is based on three key pillars of intervention – Processes, Partnerships and Public Education.

Under Processes, we developed the 'Great Taste Less Waste' selection initiative. Fruits and vegetables that are not aesthetically appealing are cut into smaller pieces, repackaged and sold at lower prices at all FairPrice Xtra stores. By the end of the year, over 60 more supermarkets offer the 'Great Taste Less Waste' selection.



FairPrice donates unsold but wholesome food items to Food from the Heart

On Partnerships, we signed a Memorandum of Understanding with Food from the Heart in 2015 for all FairPrice stores to donate unsold but wholesome grocery products. Since then, more than S\$270,000 worth of products have been donated, benefitting over 7,000 individuals from 40 charities.

Apart from a 3-week campaign launch to address Public Education, FairPrice developed a creative range of in-store collaterals featuring animated fruits and vegetables encouraging customers to be gentle in handling our products. We are also mindful of tracking effectiveness and developed our own FairPrice Food Waste Index in 2015 to measure food waste across all stores. A significant 39% improvement was made from 11.9kg/m² in 2014 to 7.2kg/m² in 2015. In terms of total food waste in weight, we decreased from 2,200 tonnes to 1,300 tonnes.

“Highpoint is very thankful for the donation of perishable and non-perishable items from NTUC FairPrice through its collecting agency Food from the Heart (FFTH). The many items we have collected from FairPrice through FFTH has directly benefitted residents in terms of helping them spend less money on eating out and providing them with canned foodstuff and packet noodles. These donations have significantly lowered our operation expenses with savings of more than S\$400 to S\$500 a month.”

Samuel Wong,
Recovery Coach from Highpoint Halfway

ENVIRONMENTAL COMPLIANCE

As a leading retailer in Singapore, we abide by the local environmental laws and regulations. We are committed to providing a clean and safe environment for our customers, as well as safe products. Despite our best efforts, there were unfortunately occasional shortfalls and in FY 2015, we were imposed a fine of S\$3,300 for the lapses.

FAIRPRICE TREE PLANTING DAY

In support of the National Parks Board's Clean & Green SG50 Mass Tree Planting project, some 200 FairPrice staff and customers took part by planting 50 tree saplings, at Jurong Lake Gardens on 28 November 2015.



Engaging the public at the SG50 Mass Tree Planting project

“I wanted to introduce the ‘green’ concept to my jubilee son and join in the fun of tree planting. As he ages, it will be great bringing him back to the park yearly to locate his planted tree which grew along with him.”

Ong Hui Ying,
FairPrice Loyal Customer

LOOKING FORWARD

- Engage stakeholders more frequently on environmental issues that are important to them and to take actions needed on them.
- Set year-on-year, realistic targets for energy reduction across our operations.
- Decide on framework to measure our carbon footprint, so as to be able to measure and report on material greenhouse gas (GHG) indicators next year.
- Develop a clear environmental scorecard for our main suppliers.
- Inspire our stakeholders to take action to protect the environment. In particular, we want to continue spearheading our island-wide and global effort to reduce food waste.

WONDERFUL WORKPLACE

FY2015 HIGHLIGHTS

We offer our employees flexi-work arrangements:

Compressed work weeks, flexibility to work from home and/or staggered working hours

We provide work experience, on-the-job training and industry attachments to 42 students of Northlight School,

a secondary school established by the Ministry of Education for students with learning difficulties

10,019 employees
across our operations in Singapore

252,000 hours

of training received this year, or an average of 25 hours per employee

More than 4,500 employees
have undertaken WSQ

FairPrice aspires to be the 'Best Place to Work'. We motivate our employees to be customer focused, and to display teamwork and professionalism to give the best to our customers.

DIVERSITY

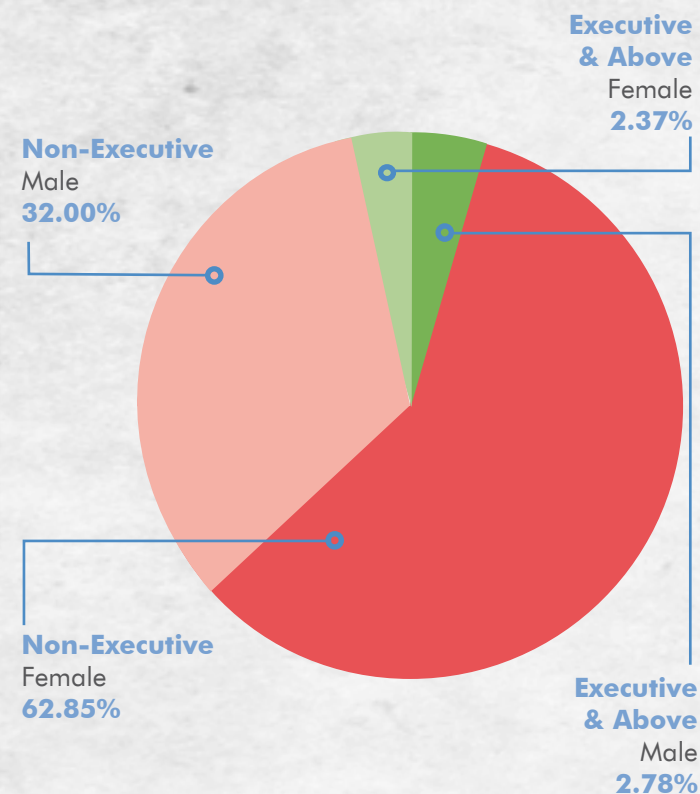


Embracing staff diversity is our practice

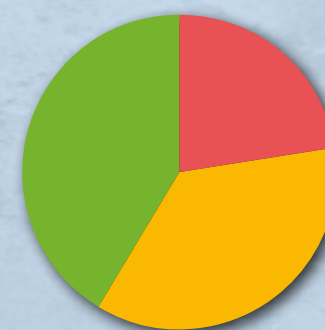
Our stores and our staff reflect the diverse communities we serve. Our diversity policy is therefore rooted in this commitment and we continue to work hard, from the recruitment process, to providing language training and flexible working practices. We ensure that all employees have the same opportunity to progress with us regardless of gender, race, ethnicity, religion, disabilities, age, marital status or social background.

We employ more than 10,000 people; 88 per cent of whom are Singaporeans or permanent residents. More than two-thirds (65 per cent) of our workforce are female, with 45 per cent female representation at executive level. Part-time employees make up more than 36 per cent of our workforce.

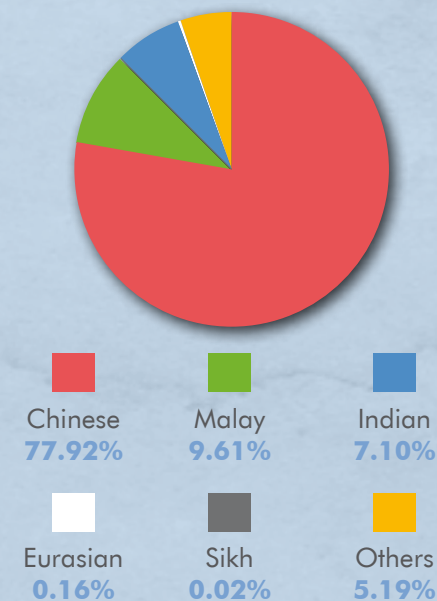
PERCENTAGE OF EMPLOYEES PER EMPLOYEE CATEGORY ACCORDING TO GENDER



PERCENTAGE OF EMPLOYEES ACCORDING TO AGE GROUP



PERCENTAGE OF EMPLOYEES ACCORDING TO ETHNIC GROUP



STAFF RETENTION

Staff turnover is about 3.5%. 100% of employees are entitled to parental leave. The table below shows the breakdown of employees who took parental leave in 2015.

NUMBER OF EMPLOYEES THAT TOOK PARENTAL LEAVE IN 2015

Employee level	Maternity Leave	Paternity Leave	Shared Parental Leave
Executive & above	13	10	0
Non-executive	33	21	2
Total	46	31	2

LEARNING AND DEVELOPMENT



Training provided at the FairPrice Training Institute

We believe in developing each staff to their full potential. Regular performance reviews are conducted and conscious efforts are made to promote from within, as well as to rotate staff within our business to develop them holistically.

Each employee at FairPrice can expect an average of 25 hours of training per year, equating to over 252,000 hours of training across the FairPrice business. Executives receive about 67 hours of training and non-executives 23 hours. This includes training in food safety, customer service, product knowledge and merchandising.

In addition, employees may apply for further training and education. In 2015, nine employees successfully received these certification. Five earned diplomas in logistics, retail management, business administration, one received an advance certificate in retail supervision and three were awarded advance qualifications – including two bachelor's degrees in retail marketing and business, as well as a master's degree in retail.

As employees progress through the organisation, we add to their training through our in-house Management Development Programme, conducted twice yearly. We offer overseas study programmes and also set aside funds of up to S\$5,000 per individual for employees with more than one year's service with us and who wish to pursue more advanced studies from certificates to master's degrees.

FAIRPRICE TRAINING INSTITUTE

As a major employer in Singapore, our philosophy is to enhance the long-term employability of our staff, which is why we have invested in training for employees as detailed in the section above.

Our dedicated training centre, the FairPrice Training Institute, also offers different types of competency and skills training to various levels of staff. Our collaboration with the Workplace Development Authority (WDA) has resulted in the FairPrice Training Institute becoming an approved centre of training for key units of the Workforce Skills Qualification (WSQ) in retail operations. Since 2005, more than 19,000 FairPrice employees have undertaken WSQ courses for training ranging from interacting with customers to handling of seafood.

We are proud to have become a WDA Approved Training Organisation for modules under the WSQ Retail Certificate for categories ranging from merchandise display to handling fresh products and storage operations.

MBA TRAINING PROGRAMME



Irving was fresh to retail business when he joined FairPrice in 2013. On top of having to manage the day to day operations at his store, he also manages a team of 16 whose feedback and suggestions he is attentive to.

Irving had the opportunity to be mentored by several experienced store managers. In 2015, he was nominated by Group Manager Ms Tan Huey Ling to be part of the MBA in Retailing programme offered by the University of Stirling.

“On an operational level, I gained a deeper appreciation of some of the challenges faced by different departments. Therefore, when operational issues arise, I am able to empathise with the situation and better communicate the cause of the problems to my staff rather than be quick to blame. This knowledge shared keeps my staff more engaged beyond their mundane operational duties, and in turn, encourages them to take ownership and consider themselves an active part of the solution.”

Irving Lim Wei Lun, 31, Senior Executive,
Branch in charge at the National University
Hospital Medical Centre

RETAIL MARKETING DEGREE



Despite already holding a degree in Business Management, Boon Kiat was keen to further develop his knowledge in retail business by pursuing a second degree in Retail Marketing. His examinations often coincide with FairPrice's festive peak, during which he would optimise his time at lunch and on his commute to work to revise his school work. At such instances, his predecessors who had successfully graduated from this programme would not hesitate to offer him tips to juggle work and study. Through this training, Boon Kiat is confident that his skill set has become more well-rounded.

“The degree programme provides an opportunity to deepen my understanding of retail business while keeping me relevant to current and future trends ahead. Now, I am able to make more informed decisions and share the learnings with my colleagues to improve our work performance.”

Lee Boon Kiat, 26,
Senior Team Leader, Fresh Food Task Force

FairPrice has an ongoing Management Trainee (MT) programme to attract young and promising graduates to be groomed. The programme accepts an average of five new recruits each year with the aim of turning them into retail leaders of the future. As part of the training programme, MTs are exposed to at least two critical aspects of the FairPrice retail business during the nine-month programme. In addition, they are given structured classroom and on-the-job training, assignments as well as cross-functional projects to widen their knowledge of the business.

Upon completion of the programme, MTs are assigned to the business unit or department in which they can make the best of the skills they have learned and their potential for the future.

MANAGEMENT TRAINEE PROGRAMME



Suliani decided to join the FairPrice Management Trainee programme in July 2015 as she felt that FairPrice's social mission of giving back to the community resonated with her own values.

She was mentored by Mr Oh Kwee Seng, Group Manager of Fresh Food Task Force while understudying at FairPrice Finest in Clementi Mall for six months. She was then posted to Joo Chiat Complex branch – her current workplace. Although work isn't smooth sailing all the time, she appreciates that she can always seek guidance from her mentor and peers who generously share their solutions or lend her a listening ear.

“During the nine months of the Management Trainee Programme, I attended numerous trainings and was attached to different departments in the store. Through these trainings, it has enhanced my skill set to meet the challenges ahead.”

Suliani Binte Salamon, 26,
Executive, Joo Chiat Complex

SINGAPORE RETAILER ASSOCIATION (SRA) AWARDS: Young Executive of the Year 2015



The annual SRA Awards are presented to individuals through a series of nominations in various categories. In 2015, two of these awards were presented to FairPrice employees, one of them was Ms Chong Wei Shi, Manager at Junction 8 Finest store.

“I am humbled and honoured to receive this award. I thank the numerous people who have supported me in this journey. Special thanks to my General Manager Mr Traves Tan for supporting and nominating me. I am also privileged to have amazing mentors and colleagues, especially Mr Dennis Ma. Their encouragement and mentoring have nurtured me to be the person I am today. I am eternally grateful for their guidance and will continue to do my best.”

Chong Wei Shi,
recipient of the Young Executive of the Year Award 2015

WORKPLACE HEALTH AND SAFETY

As per legislative requirements, a workplace safety and health committee has been set up with management and non-management representatives. The committee includes about 22 people, from operations, logistics and support departments such as security and store design, among others. The committee oversees work safety issues, conducts safety inspections and looks into safety-related briefings and trainings. Subsidiaries of FairPrice have their own safety committees.

REWARDS AND BENEFITS

We are committed to create a friendly and conducive workplace, providing competitive remuneration by salary benchmarking, and promoting the welfare of our employees.

Flexi work arrangement: Headquarters staff based in Joo Koon may opt for staggered work hours, compressed work weeks and/or working from home.

Part-time scheme for branches: More than 30% of total staff are eligible for this scheme.

Family charity leave: In support of work life balance, employees may take two to three days off for auspicious occasions or charity work. We also grant additional time off to employees to participate in FairPrice's volunteer activities during office hours throughout the year.

Childcare sick leave: On top of the legislated childcare leave, an addition of three to five days family care leave is granted for employees with children between age of seven and fourteen.

Study grant: More than S\$500,000 of study grants are provided for 700 children of low income FairPrice members and employees each year. Grants range from S\$250 for primary education to S\$3,300 for undergraduate study.

Hardship grant: Provided to assist employees facing financial hardship.

Annual basic health screening and staff discounts: Provided for all employees. Family members also receive negotiated rates for health screening.



Annual basic health screening for all staff

STAFF RECOGNITION AND AWARDS

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

In 2015, 43 staff were commended for their exemplary performance, attitude and conduct. All Model Employees received an award certificate, a special nametag and an overseas incentive trip while Service Champions received an award certificate, a special collar pin and FairPrice vouchers.



Recognizing staff through the Long Service Award

“I love my job very much. I started from the time when work was manually done and an era when computers were not widely used. I managed to pick up useful computer skills from caring colleagues in FairPrice – every one of them is so helpful and generous in their knowledge sharing. I have worked in Bukit Ho Swee store for over 30 years and still look forward to coming to work every day.”

Ellen Tay, Team Leader,
FairPrice at Bukit Ho Swee, 40 years service award

EMPLOYEE ENGAGEMENT

To promote a culture of open communications, we have various platforms including staff briefings at store and department levels, an employee hotline, quarterly publication 'Fairmily News', a weekly 'The Goodness In FairPrice' video series, as well as HR dialogues and branch visits.



Bonding activities organised by the FairPrice Social Recreation Committee

Our Social Recreation Committee also brings employees together outside of their day-to-day roles at various events – from our Staff biannual Dinner and Dance to sports competitions, health talks, outings to farms and other special interest activities.

Our employee engagement survey, which runs every two years, shows that our staff are satisfied working in FairPrice. 67% would tell others positive things about working in FairPrice, and 68% would recommend the organisation to a friend seeking employment – results that are above Singapore customised norms. About two-thirds of our employees rarely think about leaving FairPrice and more than 80% say they are inspired to do their best work every day. Engaged staff make up about 60% of the company, with key drivers of engagement being FairPrice's vision and mission, their role, remuneration and benefits, as well as career management.



LOOKING FORWARD

- Enrol 30 students for the second batch of students in the Northlight Attachment programme.
- Continue to make FairPrice 'Best Place to Work' by making steady improvements in employee engagement.
- Work to get at least 300 trainees up to par to serve seniors at the workplace in 2016.
- Develop a more robust talent management programme to sharpen succession planning.

GENERAL STANDARD DISCLOSURES

GRI REFERENCE	DESCRIPTION	PAGE REFERENCE (OF SUSTAINABILITY REPORT UNLESS OTHERWISE STATED)
STRATEGY AND ANALYSIS		
G4-1	Statement from the most senior decision-maker of the organisation about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability	6-7
ORGANISATIONAL PROFILE		
G4-3	Name of the organisation	NTUC FairPrice Co-operative Limited
G4-4	Primary brands, products, and/or services	2
G4-5	Location of organisation's headquarters	2
G4-6	Number and names of countries where the organisation operates	2
G4-7	Nature of ownership and legal form	9: AR p. 13.
G4-8	Markets served	2
G4-9	Scale of the organisation	2
G4-10	Workforce statistics	28-29
G4-11	Percentage of total employees covered by collective bargaining agreements	58%
G4-12	Description of organisation's supply chain	16
G4-13	Significant changes during the reporting period	Nil
G4-14	Application of precautionary approach or principle	9
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses	6; 26-27; We also subscribe to ISO 9001, ISO 22000 and HACCP
G4-16	Memberships of associations (such as industry associations) and national or international advocacy organisations	6; 26-27
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17	Coverage of entities in relation to organisation's consolidated financial statements or equiv. documents	Annual Report FY2015 p. 13.
G4-18	Process for defining report content and Aspect Boundaries	11
G4-19	Material Aspects identified	GRI table
G4-20	Aspect Boundaries within the organisation for each material aspect	Aspects are material across the business
G4-21	Aspect Boundaries outside the organisation for each material Aspect	Considerations of key stakeholders overlap; we consider material aspects identified to be important to all key external stakeholder groups listed on page 12
G4-22	Restatements	Not applicable as this is the inaugural report
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	Not applicable as this is the inaugural report
STAKEHOLDER ENGAGEMENT		
G4-24	List of stakeholder groups engaged by the organisation	11-12
G4-25	Basis for identification and selection of stakeholders with whom to engage	11-12

STAKEHOLDER ENGAGEMENT		
G4-26	Organisation's approach to stakeholder engagement	11-12
G4-27	Key topics and concerns raised through stakeholder engagement	11-12
REPORT PROFILE		
G4-28	Reporting period	1
G4-29	Date of most recent previous report	Not applicable as this is the inaugural report
G4-30	Reporting cycle	1
G4-31	Contact point for questions regarding the report or its contents	http://csr.fairprice.com.sg/ contact-us/
G4-32	GRI Content Index	34-37
G4-33	Policy and current practice with regard to seeking external assurance of the report	No external assurance is being sought in this inaugural report
GOVERNANCE		
G4-34	Governance structure of the organisation	9
ETHICS AND INTEGRITY		
G4-56	Organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	9 The code of conduct is communicated through the Company's intranet. We have established whistleblowing channels to tackle issues concerning fraud, unethical behaviours or wrongful conduct. There is also an internal code of practice to aid buyers in proper management of their trading relationships with suppliers to uphold transparency, responsibility and communication in business. We also conduct an annual exercise for declaration of conflict of interest and indebtedness.

SPECIFIC STANDARD DISCLOSURES

GRI REFERENCE	DESCRIPTION	SUSTAINABILITY REPORT PAGE, ANNUAL REPORT PAGE OR WEBSITE LINK
ECONOMIC		
ECONOMIC PERFORMANCE		
G4-EC1	Direct economic value generated and distributed	Annual Report FY2015 p.5
MARKET PRESENCE		
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	7 – Check annual report or website
PROCUREMENT PRACTICES		
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	More than 90% spent on Singapore-based suppliers.

ENVIRONMENTAL		
ENERGY		
G4-EN3	Energy consumption within the organization	23
WATER		
G4-EN8	Total water withdrawal by source	23
EMISSIONS		
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	24
COMPLIANCE		
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	27
TRANSPORT		
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	The information is currently unavailable
OVERALL		
G4-EN31	Total environmental protection expenditures and investments by type	Green rebates given in 2015 amounted to S\$506,994. Data on waste disposal comes from many varied sources and could not be aggregated in a meaningful way.
SOCIAL – LABOUR PRACTICES AND DECENT WORK		
EMPLOYMENT		
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	28-29 - partially disclosed
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Benefits listed on p 29-32 are enjoyed by FT employees only. Part-time employees enjoy benefits like study grant, hardship grant, Chinese new year red packet and oranges, dialogue sessions as well as annual basic health screening.
G4-LA3	Return to work and retention rates after parental leave, by gender	29 - partially disclosed.
LABOUR/MANAGEMENT RELATIONS		
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	In the case of redundancy or resignation, depending on the job grade and length of service, the minimum notice period is two weeks for non-executives and one month for executives.
OCCUPATIONAL HEALTH AND SAFETY		
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	100%

TRAINING AND EDUCATION		
G4-LA9	Average hours of training per year per employee by gender, and by employee category	29
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	100%
DIVERSITY AND EQUAL OPPORTUNITY		
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	9; 28-29 - partial disclosure
EQUAL REMUNERATION FOR WOMEN AND MEN		
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	The information is currently not available.
SOCIAL – SOCIETY		
LOCAL COMMUNITIES		
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	17
ANTI-CORRUPTION		
G4-SO4	Communication and training on anti-corruption policies and procedures	All Heads of Department, Managers, Executives, Team Leaders (HQ & Branches) and Personal Assistants are asked to complete an annual exercise to (1) declare whether they are engaged in any outside employment / appointment / ventures and/or whether there is any potential conflict of interest in your immediate family members' employment and/or ventures. And (2) declare their Indebtedness
COMPLIANCE		
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	27
SOCIAL – PRODUCT RESPONSIBILITY		
CUSTOMER HEALTH AND SAFETY		
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	Nil
PRODUCT AND SERVICE LABELING		
G4-PR5	Results of surveys measuring customer satisfaction	17
CUSTOMER PRIVACY		
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Nil
COMPLIANCE		
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Nil

NTUC Fairprice Co-operative Ltd
No.1 Joo Koon Circle #13-01
FairPrice Hub Singapore 629117

Tel: (65) 6888 1888
Fax: (65) 6397 4001