



# ANNUAL<sup>AND</sup> SUSTAINABILITY

REPORT 2016

A decorative wavy line at the bottom of the page, composed of overlapping segments in yellow, red, green, blue, and yellow.

an NTUC Social Enterprise



# Here To Make Lives Better



The mark of  
responsible forestry

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FairPrice senior management and staff volunteering their time at Ren Ci Nursing Home.

# Social Mission

To moderate the cost of living in Singapore.

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## Vision

To be Singapore's leading world-class retailer with a heart.

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## Mission

To provide customers with the best value, quality products and excellent service, be a preferred employer, to moderate the cost of living in Singapore, and to serve the needs of our members, the Labour Movement, and the community.

# Core Values

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Customer Focus

Deliver a distinct customer experience

Professionalism

Competent retailer

Teamwork

Support each other to reach our goals

Trustworthy

Conduct ourselves honestly and responsibly

Caring

Genuine concern for colleagues, customers, and community

Empathy

Putting ourselves in the shoes of others

# Joint Message From Chairman And Chief Executive Officer

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## **A Social Enterprise That Is Here To Make Lives Better**

FairPrice's focus on our social mission to moderate the cost of living is what makes us different from other supermarkets in Singapore. Our social commitment has endeared us to the community and has created a strong bond of trust and respect.

We remain committed to uphold our social cause and enhance our interaction with our stakeholders. Our brand promise 'Here to Make Lives Better' describes the multi-pronged efforts that we have adopted for Doing Good.

FairPrice recognises the importance of contributing to a sustainable environment. This year, we have combined our Sustainability Report with our Annual Report, which provides a holistic view on both our business and Corporate Social Responsibility (CSR) efforts.

## **Making Every Day Better**

To keep prices of essentials affordable, we have various initiatives in place to help customers save on grocery expenses, such as through Every Day Low Price basket of essentials, Yellow Dot products, and FairPrice housebrand items.

Last year, FairPrice launched FairPrice Shop, a new format to serve the needs of budget-conscious shoppers. The store provides a focused range of affordable products offering greater value. We started with two FairPrice Shop stores and aim to have 12 stores by the end of 2017.

We also take the lead in national campaigns to encourage healthy eating and in the national fight against diabetes. We have over 130 Housebrand products marked with the Healthier Choice Symbol, and more than 200 Housebrand items that are trans fat free and priced at least 10 per cent lower than comparable popular brands.

To serve our customers better, we constantly innovate and improve productivity to enhance customer experience; we do this through automation such as self-checkout counters, SCAN2GO, and iCash. We also started revamping our FairPrice Xpress and Cheers stores at Esso service stations with a new lifestyle concept to provide a wide range of ready-to-eat meals and self-service technologies. This refreshed retail format will be progressively rolled out to all stores.

FairPrice also recognises the contributions of our seniors. Last year, we gave out S\$5.6 million to help seniors further stretch their dollar through the Seniors Discount and Pioneer Generation Discount schemes. This year, we included Thursday as an additional day for the Pioneer Generation Discount, alongside priority check-out lanes. To serve seniors better, we are also rolling out six more senior-friendly stores and will train about 500 staff over the next two years.

## **Giving Back For The Better**

Through FairPrice Foundation, we continue to reach out to the less fortunate in our community. Since 2008, FairPrice has donated over S\$108 million to the Foundation, which thus far, has given out S\$80 million to various causes and organisations, such as FairPrice Food Voucher Scheme, Ren Ci Hospital, SPD, and Community Chest, among many others.

Volunteerism is also an important component of our corporate culture. Last year, we invited the general public to volunteer alongside our staff in different community activities under the FairPrice Volunteers Programme, and their response

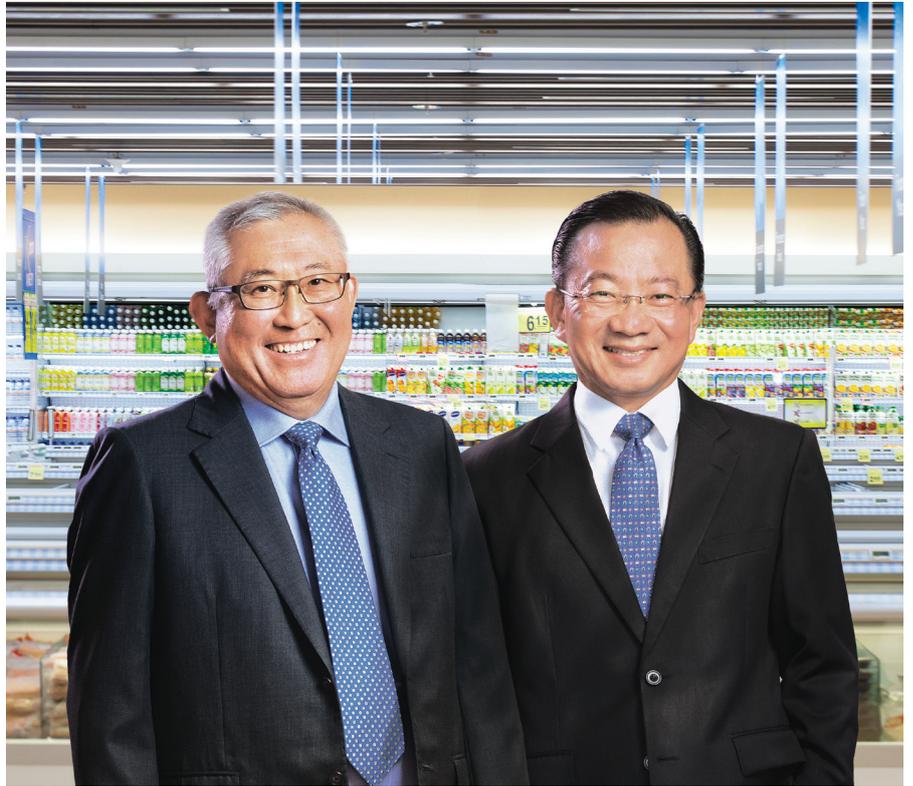
has been encouraging. We have achieved close to 5,500 volunteer hours from our staff and members of the public. We look forward to engaging more people this year to build a more caring and inclusive society.

### **Better For Our Planet**

As one of Singapore's largest retailers, we are environmentally responsible and strive to maintain and promote a sustainable environment.

Food waste reduction has been a key focus of our sustainability efforts. Through FairPrice-CSR Food Waste Reduction Framework, food waste has been reduced by over 40 per cent. Our partnership with Food from the Heart also facilitates the donation of unsold but wholesome canned food to 41 charities across Singapore.

The FairPrice Green Rewards Scheme encourages customers to bring their own shopping bags and it helped save some 10.9 million plastic bags in 2016; about S\$500,000 in FairPrice Green Rewards rebates were given to customers to thank them for their efforts.



FairPrice Chairman, Mr Bobby Chin and Chief Executive Officer, Mr Seah Kian Peng

### **A Better Place To Work**

FairPrice values our employees and we believe in building a supportive, inclusive, and pro-family workplace. FairPrice hires based on merit and employs almost 10,000 staff from various age groups and from all walks of life. Currently, around 16 per cent of our workforce is above 60 years old and close to 50 per cent are over 50 years old. To ensure that we are able to sustain

a robust senior workforce, we have instituted various initiatives to address their concerns such as job redesign, skills upgrading, and flexible work arrangements.

We also work with SG Enable, Voluntary Welfare Organisations, and Special Schools for the 'Train and Place' Programme to employ persons with special needs in FairPrice.

## Financial Performance

Through the support of our customers, partners, staff, and stakeholders, FairPrice has been able to do well. FairPrice's revenue was up 1.8 per cent to S\$3.4 billion. Excluding a one-time gain of S\$114.4 million on the restructuring of ownership of properties to an associate co-operative, group profit was up 6.5 per cent to S\$210.6 million due to a higher supermarket retail profit of S\$120.6 million that was offset by the lower investment and real estate income of S\$90 million.

After contributions to the Central Co-operative Fund and Singapore Labour Foundation as required under the Co-operative Societies Act, the group's net profit was S\$271.3 million. The Board has proposed a total patronage rebate of 4.5 per cent, amounting to S\$59.7 million. The Board is also proposing a dividend of 6 per

cent, amounting to S\$17.1 million. Total distributions from patronage rebates and dividends, amounting to S\$76.8 million, constitute 85 per cent of net retail profits of the Co-operative.

Excluding the net proceeds of the one-time gain that was reinvested into an associate co-operative, the residual net profit of S\$99.7 million will be reinvested to meet the challenges ahead. During the year, Link Cardholders received S\$30 million worth of LinkPoints and the total payout to our members and Link Cardholders will amount to S\$106.8 million.

## Challenges Ahead

In order to continue serving the community well, we have to ensure we remain competitive and relevant to changing needs. Looking ahead, 2017 will be a challenging year, given the economic and security uncertainties, continued high operating

costs, and the many disruptors that challenge existing business models. To address these challenges, we have to invest for the future, so as to stay ahead. This means building and acquiring new capabilities, establishing new revenue streams, and reinventing ourselves through innovation and collaborations.

To deepen our engagement with customers, we will invest more on data analytics to better understand and meet their needs while also optimising our resources. To better serve the ageing population, we will enhance our stores with senior-friendly features and have more senior-friendly stores in areas with a higher population of the elderly. We will also be looking to expand our fresh food distribution centre to provide a greater variety of fresh produce to meet the growing demands of an increasingly health conscious customer base. To cater to the growing population of digitally savvy

and time-starved customers, we will continue to enhance our FairPrice Online services to provide a more enriching online shopping experience. The rapid rate of advancement and adoption of digital technology also means that omni-channel retailing is an important area we need to look at, where we want to engage customers seamlessly on multiple channels, both online and offline, for all customers across our different retail formats.

### **In Appreciation**

Our steady performance was made possible with the support and commitment by all our members and business partners who have strongly believed in our cause. Our customers have also trusted us. All these factors have enabled us to grow from strength-to-strength.

We would also like to thank our past and present Board of Directors for their unwavering

commitment and guidance, our management and staff for their hard work and diligence.

This combined annual and sustainability report provides details of the various initiatives that we have established to make lives better and communicates how FairPrice as a retailer, as an NTUC social enterprise, and as an employer, strives to create a deep and positive impact in our community. We hope you will enjoy reading it.

Thank you.



**Bobby Chin**  
Chairman



**Seah Kian Peng**  
Chief Executive Officer



# Making Every Day Better

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**RESPONSIBLE  
RETAILING**

FairPrice takes responsibility to consistently deliver products that are affordable, of good value, and safe for use. 'Made in Singapore' products are synonymous with quality and inspire customer confidence. FairPrice makes it a point to source locally wherever possible in order to support local small and medium-sized enterprise partners.

One of the challenges Singapore faces is an ageing population. FairPrice recognises this and is committed to provide an inclusive environment for seniors. Measures have been taken to introduce senior-friendly features at stores and support an active ageing lifestyle. FairPrice also introduced a wide variety of products that are certified as healthier choices by the Health Promotion Board to encourage healthier diets and help upkeep seniors' wellness further.



## NEW SERVICE STATION LIFESTYLE CONCEPT

Cheers and ExxonMobil Asia Pacific Pte Ltd launched a revamped convenience store format for Esso service stations. The store refresh marks another milestone for the alliance between FairPrice and ExxonMobil and boosts the objective to offer motorists greater convenience, quality products, and value-added services.

The store offers a wide range of ready-to-eat meals from established local brands and provides enhanced services such as self-service kiosks, delivery and collection of packages, and automated self-collection. The refreshed retail format debuted in five Esso service stations in 2016 and will be rolled out to all 62 service stations island-wide over two years.

## WELCOME TO FAIRPRICE SHOP

FairPrice Shop is a new retail format that aims to offer budget conscious shoppers better value. Strategically located in estates with a higher concentration of low-income families, FairPrice Shop provides a more focused range of essentials that offer greater value. It offers FairPrice housebrand products, Every Day Low Price, and Yellow Dot items. Six FairPrice Shops were opened in 2016 with more planned for 2017. The new format complements FairPrice's ongoing efforts to help customers moderate the cost of living, while striving to remain relevant to the evolving needs of customers from all walks of life.



## BETTER VALUE THROUGH FAIRPRICE HOUSEBRANDS

FairPrice housebrand range offers products priced at least 10 per cent cheaper than comparable popular brands. As of 2016, there are more than 2,000 Housebrand products ranging from cooking oil, rice, fresh vegetables, and poultry to beverages, condiments, and dairy products. FairPrice housebrands were awarded the Reader's Digest Trusted Brands 2016 Gold Awards for the cooking oil, rice, and tissue paper categories.



Based on Nielsen's survey conducted in 2016 to evaluate FairPrice's customer satisfaction, FairPrice leads its competitors with a mean score of 7.92 out of 10 for catering to shoppers' needs.

## HEALTHY EATING

FairPrice launched a campaign to promote whole grain rice and products certified with the Healthier Choice Symbol (HCS) to encourage Singaporeans to eat healthy as well as to support the national initiative to fight diabetes. Shoppers were given a five per cent discount on FairPrice housebrand whole grain rice and more than 1,000 HCS certified products. In total, shoppers gained an estimated savings of more than half a million dollars over a two-week period.

FairPrice continues to work with suppliers to reformulate Housebrand products to make them healthier and trans fat free. There are dedicated organic food sections at FairPrice Finest and selected FairPrice Xtra and FairPrice outlets also provide greater variety to cater to more health conscious shoppers.



- Over 130 FairPrice housebrand products with the Healthier Choice Symbol.



- Over 200 FairPrice housebrand products are trans fat free.



- Close to 40 Pasar Organic produce can be found at FairPrice stores.

## SUPPORTING LOCAL SMALL AND MEDIUM-SIZED ENTERPRISES

FairPrice invested more than S\$1.5 million to benefit over 300 small and medium-sized enterprises (SMEs) through the Suppliers Support and Development Programme (SSDP) for another year to help local SME partners cope with rising business costs amidst growing economic uncertainties.

Introduced in 2009, the SSDP not only helps FairPrice's local SME partners ease cash flow pressures to boost their business capabilities but provide networking opportunities as well. More than 300 SME partners benefitted from the programme in 2016.

FairPrice also organises the popular 'Made in Singapore' Fair to raise awareness about locally-made products. Today, FairPrice carries more than 4,500 locally-made products and also works with local SMEs to produce its own FairPrice housebrand products.



- Invested more than S\$1.5 million to benefit over 300 SME partners.

- More than 90% spent on locally registered suppliers.

## HERE IN TIMES OF NEED

Multiple Zika infections in Singapore in the third quarter of 2016 led to a sudden surge in demand for anti-mosquito products. Retailers quickly ran out of insect repellents and reports surfaced that unscrupulous merchants were profiteering by raising prices for these products several times over. FairPrice acted swiftly to bring in additional stocks and assured the public that anti-mosquito products remained available and sold at normal prices.

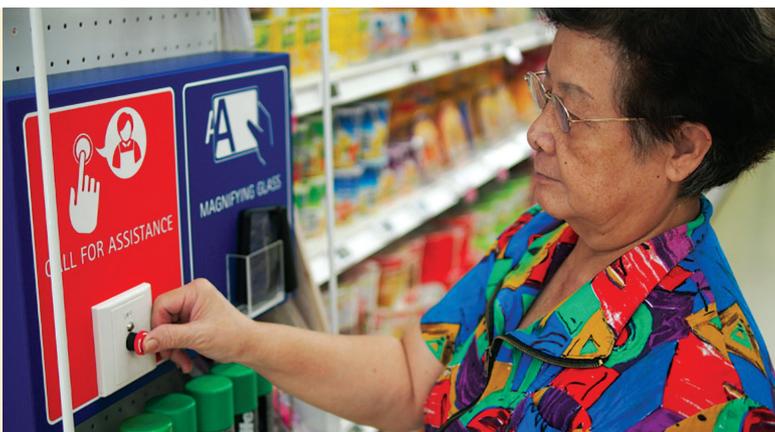


## BETTER VALUE FOR SENIORS

FairPrice extended the Pioneer Generation (PG) Discount for another year, until 31 December 2017, and expanded it to twice a week for pioneers to enjoy additional discounts. This is in addition to the ongoing Seniors Discount scheme where customers above 60 years old enjoy a two per cent discount every Tuesday. In total, FairPrice gave out more than S\$5.6 million in discounts to seniors and PG shoppers in 2016.

## SENIOR-FRIENDLY STORES

In view of the rapidly ageing population and the need to cater for the needs of seniors, FairPrice has been retrofitting its stores with senior-friendly features. Some of these features include wider checkout lanes, magnifying glasses, call assist buttons, and rest areas. Staff at these stores also undergo specialised training to serve seniors better. FairPrice targets to have 14 senior-friendly stores by the end of 2017.



- Opened six senior-friendly stores.



- Over 280 frontline staff have undergone specialised training to serve seniors.
- A total of 500 staff will be trained to serve seniors by the end of 2017.

## FOOD SAFETY AND QUALITY

FairPrice works closely with the Agri-Food & Veterinary Authority of Singapore (AVA) to ensure all products meet stringent quality and safety standards. In recognition for maintaining high food safety standards, FairPrice was awarded the Certificate of Commendation in 2016 by AVA for attaining an 'A' grade for excellence in food hygiene, sanitation, and processing for two consecutive years. This is the 12th time that FairPrice has attained this award.



- FairPrice complies with international standards such as ISO 22000 and ISO 9001.
- Food safety and hygiene breaches: No significant monetary fines<sup>1</sup> for the five incidents relating to food products past expiry and pest sighting.

<sup>1</sup> Significant monetary fines are defined by no more than a S\$500 charge per incident.

## ENHANCING SHOPPING EXPERIENCE AND PRODUCTIVITY WITH TECHNOLOGY

FairPrice installed self-checkout (SCO) systems at 59 stores in 2016, with 24 SCO systems enhanced to accept cash. The system helps reduce overall queuing times by providing more checkout counters and boosting staff productivity.

The iCash system has been installed at 26 FairPrice stores and 31 Cheers outlets as of 2016. This system automatically receives payment and dispenses change at checkout counters. iCash also eliminates the need to prepare cash floats manually and speeds up the cash reconciliation process by more than 50 per cent.

Another retail technology deployed is the SCAN2Go system at FairPrice Bukit Timah. The system allows shoppers to scan and bag their purchases while they shop, which reduces checkout times.



## TROLLEY ENFORCEMENT CAMPAIGN

FairPrice launched the Trolley Enforcement Campaign at a FairPrice supermarket and FairPrice Xtra hypermarket at Jurong Point Shopping Mall in 2016. Both stores experience 150 to 200 trolley abandonment cases daily. FairPrice also worked with various community touchpoints - town councils, grassroots organisations, schools, tertiary institutions, and community engagement agencies - to enhance public outreach. Two months into the campaign, trolley abandonment cases dropped by more than 80 per cent.



## SUSTAINABLE SOURCING

While FairPrice strives to keep the prices of products affordable, it also does its best to source responsibly. The Co-operative recently implemented a new product purchasing policy to give preference to products from sustainable sources.



- 18 Housebrand paper products certified by the Forest Stewardship Council.



- Over 50 sustainable seafood products certified by the Marine Stewardship Council, Aquaculture Stewardship Council, and Friend of the Sea.

## CUSTOMER PRIVACY

FairPrice ensures all customer data is protected. Since the Personal Data Protection Act (PDPA) took effect in 2014, the Co-operative has complied with the law that governs the collection, use, and disclosure of personal data.

- Zero cases of substantiated complaints regarding breaches of customer privacy and loss of customer data.

## SUSTAINABILITY TARGET TOWARDS 2018

FairPrice conducted a stakeholder engagement exercise to better understand stakeholders' concerns. Following the exercise, FairPrice decided to further align its efforts to its customers' interests by monitoring the number of products that either carries the Healthier Choice Symbol, organic certification, and all fresh and vegetable products. Regular audits on all Housebrand food suppliers to ensure safety standards will also be conducted.

- Offer a minimum 5% increase of healthier products against a 2017 baseline.
- Maintain at least 96% rating for internal quality audit, which governs the stores' level of hygiene, food safety and housekeeping.



# Giving Back For The Better

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Community  
Care

As a social enterprise, it is part of FairPrice's DNA to constantly seek ways to make a difference to the needy as well as low-income workers. Apart from moderating the cost of living for customers, FairPrice reaches out to the less privileged by providing financial support through FairPrice Foundation, or through the direct engagement of various activities under the FairPrice Volunteers Programme.

## THE SPIRIT OF VOLUNTEERISM

In 2016, FairPrice staff volunteered with more than ten Voluntary Welfare Organisations through various activities. Staff volunteers were involved in packing and distributing food, visiting nursing homes, and cleaning the homes of elderly residents. For the first time last year, FairPrice invited the public to join various volunteering activities.



- Staff volunteers contributed 5,072 hours.
- Public volunteers contributed 368 hours.
- Reached out to about 500 beneficiaries.
- 85 volunteer activities organised.
- 100% of operations involved in local community engagement.

## FAIRPRICE SHARE-A-TEXTBOOK

At the 33rd annual instalment of the FairPrice Share-A-Textbook Project, more than 400,000 books were collected and redistributed to needy students. The books were made available for collection at five distribution centres across Singapore, including shopping centres and schools. Since the project was launched in 1983, the initiative has collected and redistributed more than 4.7 million textbooks.



- 400,000 books collected and redistributed to underprivileged families.

## BOYS' BRIGADE SHARE-A-GIFT

FairPrice continued to support the Boys' Brigade Share-A-Gift initiative for the 16th consecutive year to provide daily essentials to the less fortunate. FairPrice Foundation donated S\$75,000 while donation boxes were placed at 12 FairPrice stores located island-wide. Donations could also be made through FairPrice Online. More than 38,000 underprivileged families benefited from this initiative in 2016.





## WALKING FOR RICE

The annual FairPrice Walk for Rice @ South East event by FairPrice and South East Community Development Council galvanised the community to participate in various walking events, to raise rice for less fortunate families in the South East district. The community walked more than 50,000 kilometres collectively, and donated half a million bowls of rice for charity in 2016. Over the past eight years, the initiative has raised 3.5 million bowls of rice for the less fortunate.

## FAIRPRICE WALKS WITH U AND FAIRPRICE FOOD VOUCHER SCHEME

Beyond promoting a healthy lifestyle, the signature FairPrice Walks With U event also got the community to do their part for the less fortunate. FairPrice Foundation pledged S\$150 to the needy for every ticket sold, and S\$1.2 million was donated to benefit more than 20,000 beneficiaries through the FairPrice Food Voucher Scheme.



## CHEERS AND FAIRPRICE CHARITY CAR WASH

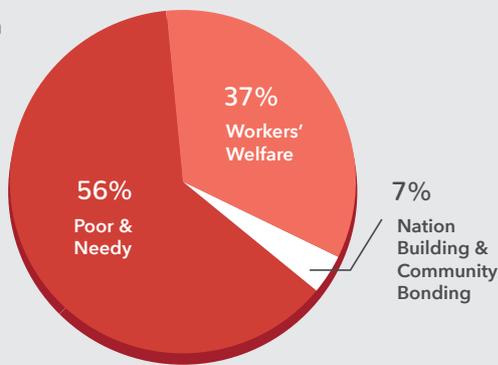
Cheers and FairPrice partnered ExxonMobil, and Hock Cheong Group to raise funds for needy and vulnerable seniors through a charity car wash initiative. FairPrice's senior management team, together with volunteers from Lions Befrienders got together to wash cars and managed to raise more than S\$13,150 in donations. All proceeds went towards supporting the various social programmes organised by Lions Befrienders.

## FAIRPRICE FOUNDATION

FairPrice Foundation adopts a structured approach for its corporate giving, which is based on three strategic thrusts: the poor and needy, workers' welfare, nation building and community bonding.



### Breakdown on giving for the three strategic thrusts



- FairPrice donated S\$10 million to FairPrice Foundation.
- Disbursed funds to more than 200 charity organisations that reach out to the less fortunate.
- Caring for the Poor and Needy
- Advancing Workers' Welfare
- Promoting Nation Building and Community Bonding

## SUSTAINABILITY TARGET TOWARDS 2018

Mr Bobby Chin, Chairman of NTUC FairPrice, together with the Board of Directors will supervise the disbursement of funds by FairPrice Foundation over regular committee meetings. The FairPrice Volunteers Programme, supported by the senior management, will organise regular volunteering activities and partner voluntary welfare organisations to fulfil the social enterprise's objective to give back to the community.

- Commit S\$20 million to FairPrice Foundation to reach out to the community.
- Pledge 5,000 volunteer hours from staff and 500 hours annually from the public under the FairPrice Volunteers Programme.



# Better For Our Planet

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## Sustainable Environment

Following the formal ratification of the Paris Agreement, the Singapore Government released a series of measures to reduce its greenhouse gas emissions and strengthen its resilience to climate change. FairPrice believes that it should also play a part in fighting climate change. FairPrice takes an active stance by engaging its customers to use less plastic bags and reduce food waste. At the same time, FairPrice will work on its infrastructure and processes to minimise its carbon footprint.

## BRING YOUR OWN BAG

FairPrice customers who brought their own shopping bags helped save close to 11 million plastic bags in 2016. More than S\$540,000 in rebates were given to customers through the FairPrice Green Rewards Scheme.

MINIMUM \$10 PURCHASE EVERYDAY WHEN YOU BRING YOUR OWN BAG.  
purchase of \$10 in a single receipt, per customer per transaction. Excludes promotional items and cigarettes.



- In the last five years, FairPrice saved over 45 million plastic bags.

**2012**

7.3 million



**2013**

8.2 million



**2014**

9.2 million\*



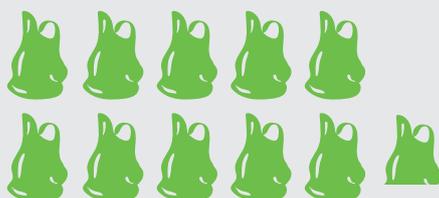
**2015**

10.1 million



**2016**

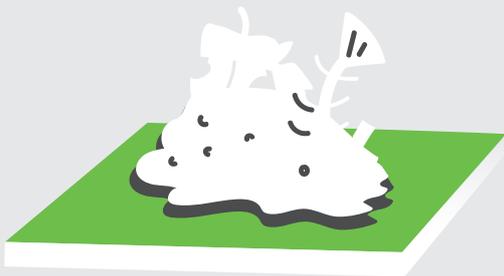
10.9 million



1 million =

## FAIRPRICE-CSR FOOD WASTE REDUCTION FRAMEWORK

FairPrice developed the FairPrice-CSR Food Waste Reduction Framework to reduce food waste on three fronts: Processes, Public Education, and Partnerships. To benchmark and track its progress, FairPrice also developed a Food Waste Index, a first of its kind in Singapore. Initiatives under the framework include the 'Great Taste Less Waste' selection where fresh fruits and vegetables with slight blemishes are marked down for sale. Aside from working with National Environment Agency (NEA) to raise awareness of the issue, FairPrice also partners Food from the Heart to regularly donate unsold but still wholesome food to charities.



• FairPrice Food Waste Index

2014	2015	2016
11.6 kg/sqm*	6.9 kg/sqm*	6.3 kg/sqm

• Total food waste generated by stores

1,000 tonnes = 

2014



2,200  
tonnes

2015



1,330  
tonnes

2016



1,280  
tonnes



FairPrice donates unsold but wholesome food to Food from the Heart

• Donated more than S\$290,000 worth of products to Food from the Heart, which translates to about 240 households benefiting from these donations (Based on average household spending of S\$1,188 on food per month in Year 2012/2013 from the Department of Statistics Singapore).

\* To ensure quality and comparability of data over the years, errors are retrospectively corrected. Data missing previously is included for FairPrice's sustainability performance.

## ECO-FRIENDLY PRACTICES

A total of 14 FairPrice stores attained the Building and Construction Authority (BCA) Green Mark Award in 2016. These stores have environmentally-friendly and sustainable features that include water efficient fittings and CO<sub>2</sub> refrigeration systems that reduce carbon emissions and conserve more energy. In all, 26 FairPrice stores island-wide are BCA Green Mark certified.



BCA GREEN MARK

- A total of 26 stores are BCA Green Mark certified as at the end of 2016.



- 59% of stores implemented the five eco-friendly design guidelines.



- 155,610,260 kWh of energy consumed by FairPrice's operations.



- 1,724,103 litres of diesel fuel consumed by FairPrice's fleet.



- 71,729 tCO<sub>2</sub>e of emissions generated by FairPrice's operations.<sup>1</sup>



- 350,027m<sup>3</sup> of water consumed by FairPrice's operations.



- Over 14,200 tonnes of carton materials recycled.



- Over 51 tonnes of styrofoam box recycled.



- Over 36 tonnes of stretch film recycled.

<sup>1</sup> FairPrice's direct greenhouse gas (GHG) emissions reported falls under Scope 1 emissions. The Scope 1 emissions are derived from the sum of our electricity consumption and our own fleet fuel consumption. We used the electricity grid emission factor reported in 2015 by the Energy Market Authority and the GHG Protocol Transport Tool to calculate the emissions.

## SUSTAINABILITY TARGET TOWARDS 2018

A taskforce comprising representatives from different business units will be set up to work on establishing a more sustainable approach to tackle carbon emissions from stores. Concurrently, FairPrice will continue to convert more stores to be BCA Green Mark certified through its in-house designers.

- Roll out six more BCA Green Mark stores to a total of 32 stores.
- Set up an energy management system that measures store operations emissions.



# Better Place To Work

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Wonderful  
Workplace

FairPrice values and recognises the contributions of its robust workforce, which comprises more than 9,500 staff. It provides learning opportunities and due recognition, while continually strengthening its human resource policies, making FairPrice a desired employer and the best place to work.

## REWARDS AND RECOGNITION

FairPrice believes in recognising and acknowledging the good work of its employees. Aside from wage adjustments, contribution sharing incentives, and bonuses, FairPrice also has in place a programme to award staff for good performance. These are important measures taken to motivate and foster cohesion among staff.



- 32 employees commended for Model Employee.
- Five employees commended for Service Champion.

## LEARNING AND DEVELOPMENT

FairPrice believes in enhancing the long term employability of its employees. To achieve this, FairPrice invests in staff training and development to provide employees with the necessary skills and competencies at different levels. The social enterprise has its own FairPrice Training Institute, which is an accredited training centre for key units of the Workforce Skills Qualification in retail operations. FairPrice also subsidises or sponsors staff who wish to upgrade themselves by pursuing programmes ranging from diplomas to master's degrees.



- Close to 215,000 training hours invested.



**Executive**

- 47 formal training hours per year.



**Non-Executive**

- 21 formal training hours per year.



- 100% of FairPrice employees receive regular performance feedback.

## WORKPLACE HEALTH AND SAFETY

Workplace safety is of paramount concern to FairPrice. FairPrice has a dedicated workplace safety committee to ensure the work environment is safe for all its employees. To promote an active and healthy lifestyle, various sports and health activities are also organised by the Social Recreational Committee. FairPrice is also committed to promoting better work-life balance and cultivating a pro-family culture. Besides paternity and maternity leave, employees have parent care, child care, and even family leave to celebrate family occasions and spend quality time with their loved ones. On top of these, employees enjoy flexi-work arrangements to give staff peace of mind and flexibility. These pro-family efforts help promote a happier and more productive workforce, which translates to a healthier and positive outcome for all.



- 100% workforce is represented in the workplace safety committee.
- Fire safety breaches: No significant monetary fines<sup>1</sup> for the six incidents in 2016.

<sup>1</sup> Significant monetary fines are defined by no more than a S\$500 charge per incident.

## INCLUSIVE WORKPLACE

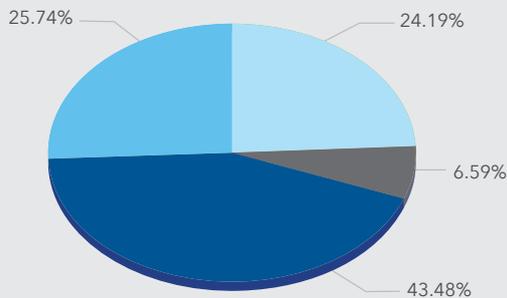
As a signatory of the Tripartite Guidelines on Fair Employment Practices, FairPrice adheres strictly to the principle of equality and employs on the basis of merit regardless of race, religion, gender, or age. About 50 per cent of the workforce is above 50 years old. In addition, FairPrice partners various organisation such as SG Enable to provide on-the-job training and job placement exercises to people with disabilities.



### Aged 62 years or more

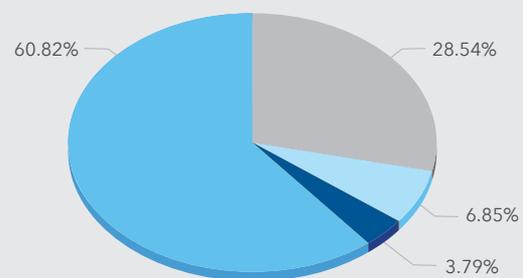
- 12% of employees who reach 62 years and beyond stay in active employment with FairPrice.
- 100% of senior management hired locally.
- 46 employees hired through SG Enable, Voluntary Welfare Organisations, and Special Schools.

### Composition of Employees by Employment Type and Gender



- Part-Time, Female
- Part-Time, Male
- Full-Time, Female
- Full-Time, Male

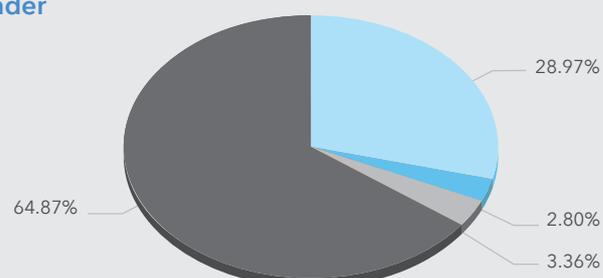
### Composition of Employees by Employment Contract and Gender



- Contract, Male
- Contract, Female
- Regular, Female
- Regular, Male

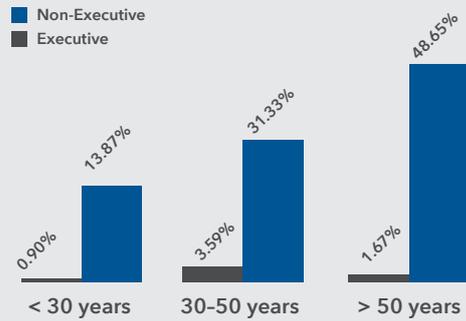
### Composition of Employees by Employee Category and Gender

- Non-Executive, Male
- Non-Executive, Female
- Executive, Female
- Executive, Male

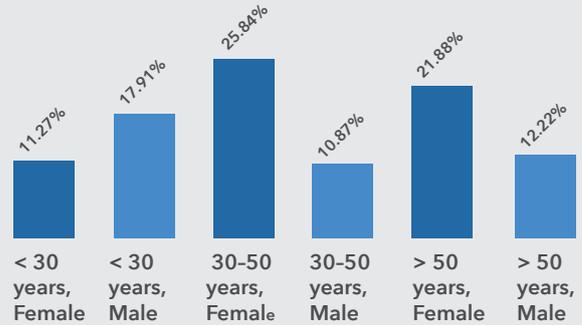




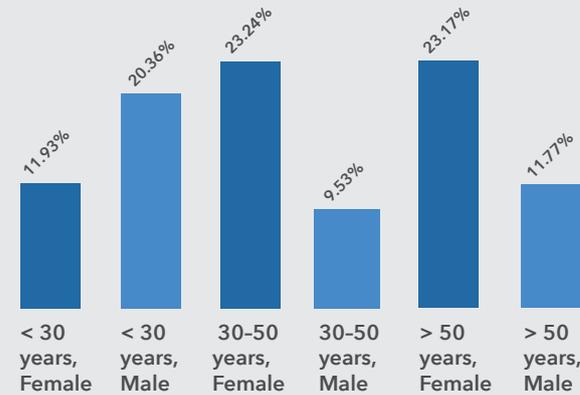
### Composition of Employees by Employee Category and Age



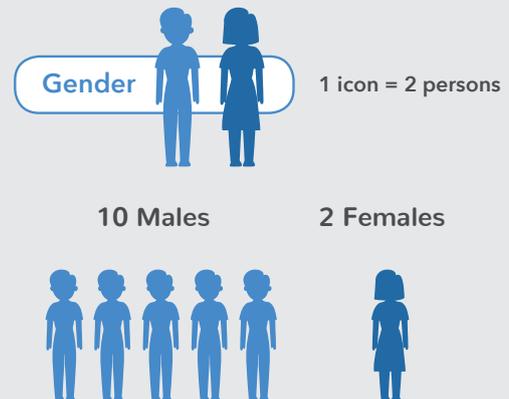
### Rate of New Employee Hires by Age Group and Gender



### Rate of Employee Turnover by Age Group and Gender



### Composition of Board of Directors



## LABOUR RELATIONS

At least two months' notice of termination or two months' salary in lieu of notice to affected employees. Collection Agreement is binding on both parties for a period of three years. Negotiation for a new collective agreement may commence three months before the current Agreement expires.

- 93% of total employees covered by collective bargaining agreements.

## SUSTAINABILITY TARGET TOWARDS 2018

To future-proof FairPrice, the senior management embarked on a review to strengthen key human resource foundations. In tandem with this move, the FairPrice Training Institute will continue to organise regular training programmes for the purposes of capacity building of FairPrice's human capital.

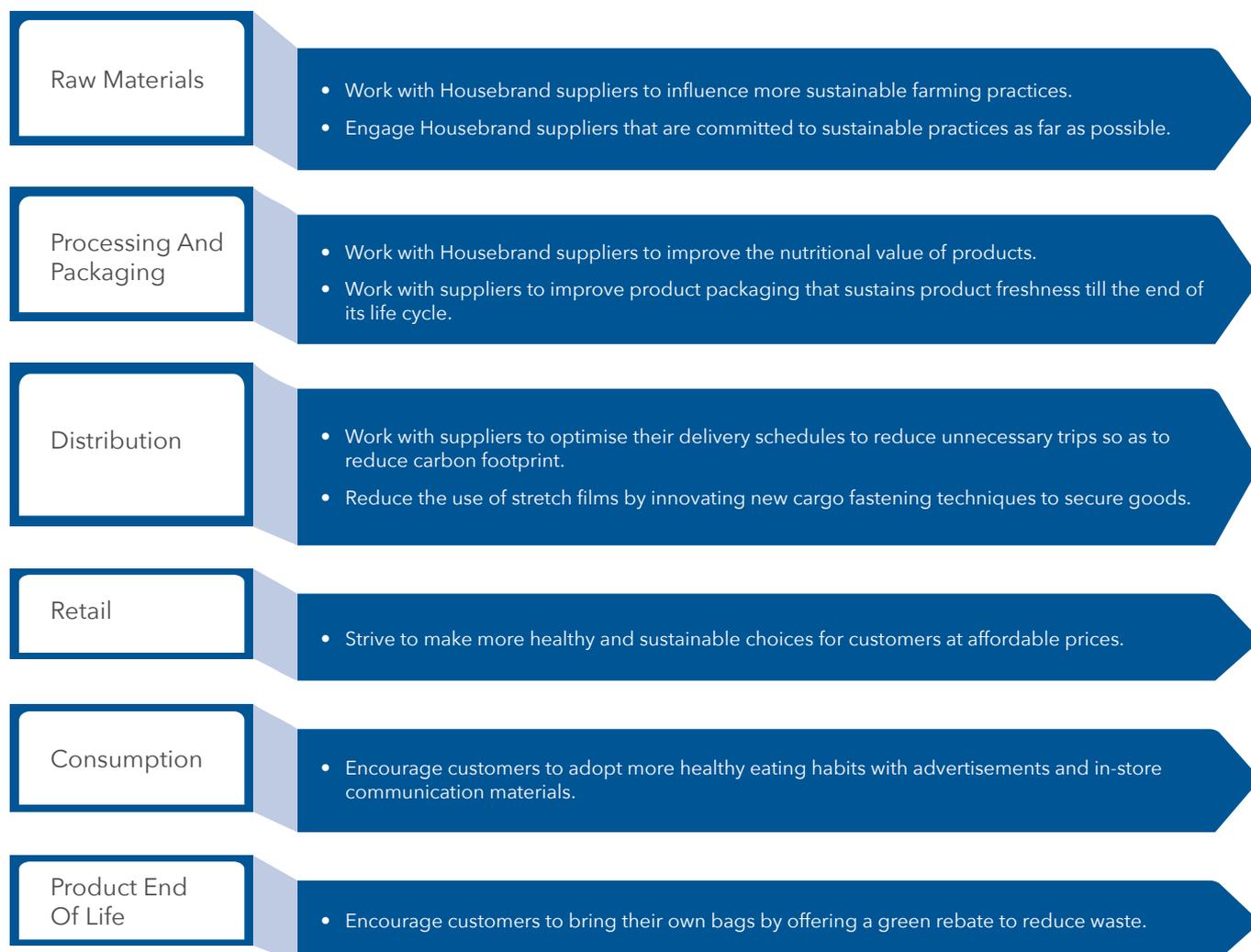
- Every non-executive and executive staff should achieve at least 25 hours and 50 hours of training respectively every year.
- Establish competency frameworks and training roadmaps for core, leadership, and functional areas in FairPrice.

# FairPrice's Approach To Sustainability

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From a small social enterprise established in 1973, FairPrice has grown into a flagship Singapore brand and a household name. FairPrice has strived to make a difference in the community it serves and fulfil its purpose by upholding its core values and commitments. Over the past few years, FairPrice embarked on a sustainability journey to reduce and mitigate any negative impact whilst improving environmental and social performance along the value chain. FairPrice's sustainability objectives are integral to its strategic planning. These are integrated across the company through various mechanisms such as business codes, policies, processes, tools, and quality management certifications.

## INTEGRATING SUSTAINABILITY ACROSS OUR VALUE CHAIN



## GOVERNANCE

FairPrice has strong sustainability governance practices in place. They are based on established policies and compliance with all relevant regulations, codes, and standards. FairPrice also works to improve engagement with industry organisations and exceed stakeholders' expectations. FairPrice's sustainability governance is exemplified by agreements and partnerships developed with the communities where it operates.

FairPrice's efforts to Do Good are guided by its Board of Directors, in consultation with the senior management, who provide long-term vision to the Co-operative's sustainability goals. Sustainability governance concerns all levels of the organisation and its application is closely monitored by the Chief Executive Officer (CEO). The CEO plays an active role in overseeing the management and monitoring of sustainability matters.

The CSR Committee comprises members of the senior management from key business functions such as human resources, operations, purchasing, and corporate communications. It is structured around FairPrice's four Sustainability Pillars, and conducts reviews of potential environmental, social, and governance risks that FairPrice is susceptible to. Relevant reviews are assessed by the senior management represented in the Management Risk Committee, which reports to the Board's Audit and Risk Committee that oversees the company's internal controls and risk management.

Environmental and social issues are discussed at the CSR Committee level with follow up action managed by the relevant departments responsible. The CSR Committee provides advice and makes recommendations to the CEO and the Board of Directors on strategies and actions concerning environmental and social issues. To ensure FairPrice's long-term growth, FairPrice will look into adopting the Enterprise Risk Management framework to integrate sustainability throughout the organisation.

## BUSINESS ETHICS

FairPrice is committed to building trust, integrity, and fairness in all its business relationships. Its Employee Code of Conduct and Category Manager Code of Practice defines broadly the standards of integrity and business conduct that all employees must abide by.

The Employee Code of Conduct is communicated to employees through FairPrice's intranet. Employees are required to comply with FairPrice's business principles and FairPrice continually monitors their application and effectiveness. Annually, employees are required to complete a declaration of any engagement outside their employment, potential conflicts of interest in their family members' employment as well as their indebtedness. The Category Manager Code of Practice functions to guide FairPrice's purchasing team to maintain high levels of conduct when managing trading relationships with suppliers.

FairPrice's Whistleblowing Policy reflects its commitment to integrity and ethical behaviour by fostering an environment where employees can act appropriately, without fear of retaliation. There are established procedures for the reporting, receipt, and treatment of complaints received by FairPrice regarding fraudulent, unethical behaviour, or misconduct. FairPrice's goal is to build and strengthen a culture of transparency and trust in the Co-operative.

## CERTIFICATIONS AND MEMBERSHIPS

FairPrice subscribes to ISO 9001 for quality management and ISO 22000 and HACCP for its food safety and cold chain management. FairPrice is a pioneer signatory to the Global Compact Network Singapore, which has adopted the UN Global Compact Ten Principles since 2005. FairPrice is also a member of the Consumer Goods Forum and its CEO, Mr Seah Kian Peng is one of the global Board of Directors.

## IDENTIFYING ISSUES THAT MATTER

### MATERIALITY ASSESSMENT

Materiality is about identifying issues that are critical to the business and its stakeholders. Following the first materiality assessment conducted for its inaugural sustainability report in January 2016, FairPrice revisited the issues that were identified. The process considered the importance stakeholders place on these issues as well as the operational, social, and environmental impacts that may occur along the value chain. The issues were prioritised according to their significance based on peer reviews and against FairPrice's business strategy and priorities. The issues were then validated through a stakeholder engagement survey conducted by an independent party to ensure relevance to stakeholders' concerns. Survey results revealed that FairPrice's stakeholders' opinions resonated consistently with issues that were identified as important internally. For more information about the survey, please see the Stakeholder Engagement section.

The revised material issues continue its emphasis on the importance of FairPrice being a responsible corporate citizen. It also reflects a better understanding of sustainability issues and the impact on FairPrice's operations. All of FairPrice's material issues are considered relevant internally and externally to all our operations and have an impact on our stakeholders. The final list of issues have been signed off by the CEO and are listed in the table below.

Non-CSR Pillars Material Issues	CSR Pillars Material Issues			
	Responsible Retailing	Community Care	Sustainable Environment	Wonderful Workplace
<ul style="list-style-type: none"> <li>• Social Mission</li> <li>• Economic Performance</li> <li>• Anti-Corruption</li> </ul>	<ul style="list-style-type: none"> <li>• Procurement Practices</li> <li>• Product and Service Labelling</li> <li>• Healthy Eating</li> <li>• Product Safety and Customer Health and Safety</li> <li>• Senior-Friendly Retailer</li> <li>• Customer Privacy</li> </ul>	<ul style="list-style-type: none"> <li>• Local Communities and Partnerships</li> </ul>	<ul style="list-style-type: none"> <li>• Energy</li> <li>• Water</li> <li>• Climate Change and Greenhouse Gas Emissions</li> <li>• Material Waste</li> <li>• Food Waste</li> </ul>	<ul style="list-style-type: none"> <li>• Market Presence</li> <li>• Employment</li> <li>• Labour / Management Relations</li> <li>• Training and Education</li> <li>• Diversity and Equal Opportunity</li> <li>• Occupational Health and Safety</li> </ul>

## STAKEHOLDER ENGAGEMENT

FairPrice understands the importance of maintaining a constant and effective dialogue with its stakeholders. Its engagement activities are coordinated by members of the CSR team and the senior management will take into account the outcomes for strategic development of action plans for the future.

Apart from the regular channels of engagement with stakeholders, a stakeholder engagement survey was conducted from December 2016 to January 2017. The main objective of this survey was to gain in-depth knowledge of stakeholders' level of awareness of FairPrice's CSR efforts, and the issues that are important for them so as to align business priorities accordingly. A total of 176 respondents made up of customers, participants from the government sector, non-governmental organisations, and media took part in the survey.

Ninety-four per cent of the respondents were customers and as the key stakeholder group of FairPrice, they stated that it was important to them that FairPrice continues to be a 'socially responsible' organisation.

About 67 per cent of customers said they were pleased with FairPrice's sustainability activities. When asked for feedback on FairPrice's material issues, customers revealed that the top three issues for them were 'Affordable Price', 'Safe and Good Quality Products', and 'Healthy Eating'. The table below shows a summary of conversations with various stakeholders in 2016.

FairPrice's Stakeholders	Mode and Frequency of Engagement	Stakeholders' Concerns	FairPrice's Efforts
Customers	<ul style="list-style-type: none"> <li>Feedback through Customer Relations Officers and CSR email</li> <li>Annual customer exit surveys</li> <li>Social media</li> <li>Participation in volunteering activities</li> </ul>	<ul style="list-style-type: none"> <li>Offer affordable pricing</li> <li>Provide safe, quality products</li> <li>Promote healthy eating</li> </ul>	<ul style="list-style-type: none"> <li>Continue to uphold FairPrice's social mission to moderate the cost of living through its Housebrands and 'Stretch Your Dollar' initiatives</li> <li>Ensure that products sold are in compliance with local regulations</li> <li>Offer healthier options</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Regular staff meetings and dialogues</li> <li>Townhalls and engagement events</li> <li>Biannual employee engagement survey</li> <li>Grievance mechanisms</li> <li>Participation in staff volunteering activities</li> </ul>	<ul style="list-style-type: none"> <li>Competitive rewards and recognition</li> <li>Opportunities for career progression</li> <li>Learning and development opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Offer learning and development opportunities to enhance employees' skillsets</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Regular meetings</li> <li>Participation in the SME Suppliers Support and Development Programme</li> <li>Participation in the annual partners convention</li> </ul>	<ul style="list-style-type: none"> <li>Fair deals and to be paid on time</li> <li>Stable, long term business relations</li> </ul>	<ul style="list-style-type: none"> <li>Renewing the SME Suppliers Support and Development Programme, which shares industry knowledge and eases cash flow of SME partners</li> <li>Introduce new product listing policy to give preference to products from sustainable sources</li> </ul>
Government	<ul style="list-style-type: none"> <li>Participation in dialogue sessions organised by the authorities</li> </ul>	<ul style="list-style-type: none"> <li>To take leadership in sourcing sustainably</li> </ul>	<ul style="list-style-type: none"> <li>Introduce new product listing policy to give preference to products from sustainable sources</li> </ul>
Non-Governmental Organisations	<ul style="list-style-type: none"> <li>Participation in their projects and / or volunteering activities</li> <li>Philanthropy efforts and in-kind sponsorships</li> </ul>	<ul style="list-style-type: none"> <li>To take leadership in sourcing sustainably</li> </ul>	
Media	<ul style="list-style-type: none"> <li>Feedback through media relations email</li> <li>Annual media networking</li> </ul>	<ul style="list-style-type: none"> <li>To take leadership in sustainability in the supermarket retail space</li> </ul>	

# FAIRPRICE AND THE SUSTAINABLE DEVELOPMENT GOALS

In 2015, the UN Sustainable Development Goals (SDGs) were launched to safeguard sustainable development for the future. The SDGs serve as a guiding framework for all to take action over the next 15 years on the global challenges faced today. To fulfil its role as a responsible corporate citizen, FairPrice supports the SDGs and have mapped them against its business goals to determine where positive contribution can be made. Among 17 SDGs revealed, the table below shows FairPrice's key efforts in the five SDGs it will focus on.



## GOAL 2

End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.

FairPrice is committed to make lives better by upholding its social mission to moderate the cost of living in Singapore.

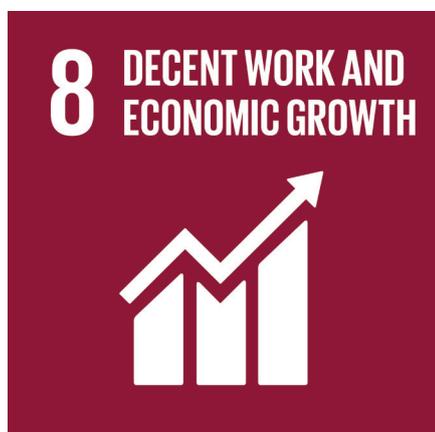
### Efforts Taken

#### *Responsible Retailing*

- Offers affordable pricing through Yellow Dot items, Every Day Low Price basket of essentials, FairPrice housebrand products, FairPrice Shop provisions.
- Provides safe and healthy food.

#### *Community Care*

- Practises philanthropic giving in a sustained manner through FairPrice Foundation.



## GOAL 8

Promote inclusive and sustainable economic growth, employment, and decent work for all.

FairPrice strives to be the 'Best Place to Work' for its employees and actively seeks ways to improve productivity.

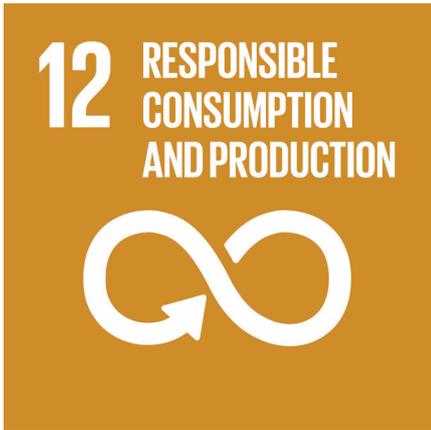
### Efforts Taken

#### *Responsible Retailing*

- Implements technological innovations to boost productivity e.g. self-checkout systems, iCash, and SCAN2GO.

#### *Wonderful Workplace*

- Provides jobs to more than 9,500 people.
- Serves as signatory to the UN Global Compact since 2005 as well as the Tripartite Guidelines on Fair Employment Practices of Singapore.



## GOAL 12

Ensure sustainable consumption and production patterns.

FairPrice takes responsibility for its 'food print' through a sound framework created specifically to address this issue.

### Efforts Taken

#### *Sustainable Environment*

- Established FairPrice-CSR Food Waste Reduction Framework.
- Developed Food Waste Index to benchmark progress.



## GOAL 13

Take urgent action to combat climate change and its impact.

FairPrice takes a serious stance on managing its environmental impact by implementing eco-friendly infrastructures and processes.

### Efforts Taken

#### *Sustainable Environment*

- Established FairPrice-CSR Food Waste Reduction Framework.
- Implements eco-friendly designs for new and renovated stores.
- Continued subscription to BCA Green Mark stores and buildings.
- Encourages customers to bring their own bags through the FairPrice Green Rewards Scheme.



## GOAL 17

Revitalise the global partnership for sustainable development.

FairPrice identifies opportunities to work with the local community to further its agenda for sustainable development.

### Efforts Taken

#### *Community Care*

- Works closely with grassroots and voluntary welfare organisations to reach out to people in need. The initiatives include the FairPrice Volunteers Programme, FairPrice Share-A-Textbook Project, and FairPrice Foundation.

#### *Sustainable Environment*

- To reduce food waste, FairPrice has partnered Food from the Heart to donate unsold but still wholesome food to the needy.

# Board Of Directors

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## Mr Bobby Chin

Chairman

Joined 2013

Mr Bobby Chin is a member of the Council of Presidential Advisers. He is Chairman of the Housing & Development Board, Deputy Chairman of NTUC Enterprise as well as a Board member of the Singapore Labour Foundation and Temasek Holdings (Private) Limited. He also sits on the Boards of several listed companies including Yeo Hiap Seng Limited, Ho Bee Land Limited, Singapore Telecommunications Ltd and AV Jennings Limited.

Mr Chin was the Managing Partner of KPMG Singapore from 1992 until his retirement in September 2005. He was also the former Chairman of Singapore Totalisator Board and the Urban Redevelopment Authority.

Mr Chin holds a Bachelor of Accountancy from the University of Singapore. He is an associate member of the Institute of Chartered Accountants in England and Wales.



## Mr Wong Heng Tew

Board Member

Joined 2008

Mr Wong is the Advisory Director for Temasek, where he formerly served as the Managing Director of Investments and Chief Representative in Vietnam. He is also a member of the Board of Directors of several companies, both listed and non-listed.



## Mr Willy Shee

Board Member

Joined 2008

Mr Shee is the Senior Advisor of CBRE Pte Ltd. His current directorships in companies include Bund Center Investments Ltd, Shanghai Golden Bund Real Estate Co Ltd, Mercatus Co-operative Ltd and Keppel Land Limited.



### **Ms Ng Shin Ein**

Board Member

Joined 2008

Ms Ng is the Managing Partner of Gryphus Capital, a pan-Asian private equity investment firm. Having practised as a corporate lawyer in Messrs Lee & Lee, she was also with the Singapore Exchange, where she was part of its IPO Approval Committee. Ms Ng serves on the boards of several companies listed on the mainboard of the Singapore Exchange and also serves on the Board of Governors of the Singapore International Foundation. Ms Ng is Singapore's non-resident ambassador to Hungary.



### **Dr Chua Sin Bin**

Board Member

Joined 2009

Dr Chua is a Principal Consultant with the AgriFood Technologies Pte Ltd of AVA and an Adjunct Professor of Food Science and Technology (FST) Programme at the National University of Singapore. In addition, he serves as Chairman of the Food Innovation & Resource Centre Advisory Panel of Singapore Polytechnic and Advisor of the Food Standards Committee of SPRING Singapore. He is also the Chairman of the Industrial Academic Advisory Board of NUS FST Programme and a member of the Scientific Committee of the Abu Dhabi Food Control Authority.



### **Mr Wahab Yusoff**

Board Member

Joined 2010

Mr Wahab is the Vice President and General Manager of Palo Alto Networks, South East Asia. He is currently a Board Director of EZ-Link Pte Ltd and a Member of the Institutional Discipline Advisory Committee of Singapore Prison Service. He was previously a Board Member of the Association of Muslim Professionals, and a Board Director of the Land Transport Authority.

# Board Of Directors

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## Mr Stephen Lim

Board Member

[Joined 2012](#)

Mr Lim is the Chief Executive Officer and Managing Director of SQL View Pte Ltd. He sits on the Boards of ST Electronics (Info-Software Systems), ST Electronics (E-Services), and ST Electronics (Enterprise 1). He is currently Chairman of NTUC Link Private Limited.



## Mr Ronald Ong

Board Member

[Joined 2015](#)

Mr Ong is Chairman and Chief Executive Officer of Morgan Stanley's South East Asia business. He is also a Member of the Advisory Boards of the Lee Kong Chian School of Business and Sim Kee Boon Institute for Financial Economics, both at the Singapore Management University; Member of the Board of AIESEC Singapore and Singapore Stock Exchange Listings Advisory Committee.



## Mr Karthikeyan Krishnamurthy

Board Member

[Joined 2016](#)

Mr Karthikeyan is the General Secretary of the United Workers of Petroleum Industry and the Vice-President of NTUC Central Committee, and Consumers Association of Singapore. He is the Chairman of the Workplace Safety and Health Council (Chemical Industries) Committee, Board of Director for the newly formed Institute of HR Professionals, and also a member of Workplace Safety and Health Council. He continues to serve the Industrial Arbitration Court panel and as Board of Trustees in Shell Thrift and Loan.



### **Mr Albert Cheng**

Board Member

[Joined 2016](#)

Mr Cheng has been serving on the Board of NTUC First Campus Co-operative Limited (First Campus) since 2007. He is the Group Managing Director of both Lion Industries Corporate Berhad and Lion Diversified Holdings Berhad, and President Director of P.T. Lion Metal Works Tbk.



### **Ms Lim Sau Hoong**

Board Member

[Joined 2016](#)

Ms Lim was the Chief Executive Officer and Executive Creative Director of 10AM Communications Pte Ltd Singapore. She was also Chairperson for the Public Education Committee of the National Council for Problem Gambling, Member of the National Parks Board, Director of the Singapore Chinese Orchestra Board and appointed member of the Singapore50 Culture and Community Committee. Currently, she is a Member of the Singapore Note and Coin Advisory Committee, Director of the board of Ascendas Reit, as well as Chairperson of the Chinese Development Assistance Council Stakeholders Communications Committee.

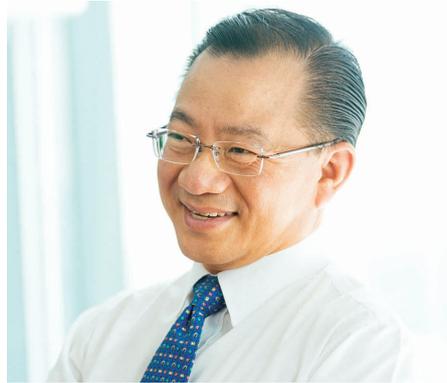
# Principal Officers

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## Executive Management Team



**Mr Gerry Lee**  
Deputy Chief Executive Officer  
Head of Channels



**Mr Seah Kian Peng**  
Chief Executive Officer



**Mr Tng Ah Yiam**  
Deputy Chief Executive Officer  
Head of Products



**Mr Joshua Lye Kah Yin**  
Chief Financial Officer



**Mr Cheum Chee Leong**  
Chief Information Officer



**Mr Tan Kwang Cheak**  
Chief Human Resource Officer



**Ms Toh Hui Leng**  
Chief Supply Chain Officer



**Mr Elvin Too**  
Chief of Omnichannel Officer  
General Manager of FairPrice Online



**Ms Lian Lay Yong**  
Chief Integrated Support Officer



**Mr Lim Kok Guan**

Managing Director  
Head of Integrated Infrastructure  
and Support



**Ms Elaine Heng**

Managing Director  
Head of Customers and Finest



**Ms Adeline Sum**

Managing Director  
Head of Corporate Strategy

**Ms Grace Chua**

Chief Strategy Officer  
(from 15 May 2017)

**Mr Poh Leong Sim**

Group Company Secretary  
and Director (Legal)

**Senior Management Team**

**Mr Victor Cheong**

General Manager  
(Convenience)

**Mr Victor Chai**

Director (Grocery/Rice/  
Organic/Healthier Living)

**Mr Edkin Tan**

Director (Category Management)

**Mrs Mui-Kok Kah Wei**

General Manager (Wellness/  
Pharmacy) and Director  
(Non-Food/BET)

**Ms Cheah Yee Hooi**

Director (Internal Audit)

**Mr Peter Teo**

Director (Fresh & Frozen/  
Product Sales & Promotion)

**Mr Traves Tan**

General Manager  
(Supermarket/FairPrice Shop)

**Ms Chong Nyet Chin**

Director (Food Safety  
& Quality)

**Mr Neo Seng Giap**

Deputy Director (Real Estate)

**Mr Marcus Wong**

General Manager (Hypermarket/  
Warehouse Club)

**Mr Jonas Kor**

Director (Corporate  
Communications)

**Mr Mark Teo**

Deputy Director (Fresh Food)

Management Team as of 1 May 2017

# Corporate Information

For the year ended 31st December 2016

## Board Of Directors

Mr Bobby Chin (Chairman)  
Mr Wong Heng Tew  
Mr Willy Shee  
Ms Ng Shin Ein  
Dr Chua Sin Bin  
Mr Wahab Yusoff  
Mr Stephen Lim  
Mr Ronald Ong  
Mr Karthikeyan Krishnamurthy  
Ms Lim Sau Hoong  
Mr Albert Cheng

## Exco

Mr Bobby Chin (Chairman)  
Ms Ng Shin Ein  
Mr Willy Shee  
Mr Wong Heng Tew  
Mr Albert Cheng

## Nominating & Remuneration Committee

Mr Bobby Chin (Chairman)  
Mr Willy Shee  
Ms Lim Sau Hoong

## Audit & Risk Committee

Mr Wong Heng Tew (Chairman)  
Dr Chua Sin Bin  
Mr Wahab Yusoff  
Mr Stephen Lim  
Mr Ronald Ong  
Mr Karthikeyan Krishnamurthy

## Technology & Innovation Advisory Committee

Mr Wahab Yusoff (Chairman)  
Mr Stephen Lim  
Ms Ng Shin Ein

## FairPrice Foundation Committee

Mr Bobby Chin (Chairman)  
Dr Chua Sin Bin  
Mr Wong Heng Tew  
Mr Seah Kian Peng  
Mr Karthikeyan Krishnamurthy  
Ms Lim Sau Hoong

## Secretariat and Corporate Office

Mr Poh Leong Sim, Group Company Secretary

## Union:

### Food, Drinks and Allied Workers' Union

Ms Cheong Ai Hung Julie (President)  
Mr Tan Hock Soon (General Secretary)  
Ms Toh Hwee Tin (Executive Secretary)

### FairPrice – Union Branch Committee

Mr Raymond Koh (Chairman)  
Mr Yeo Soon Hock (Secretary)  
Mr Kee Yew Chye (Treasurer)

## Advocates & Solicitors

KhattarWong  
Allen & Gledhill

## Auditor

KPMG LLP

## Bankers

Development Bank of Singapore  
Oversea-Chinese Banking Corporation

## Registered Address

NTUC Fairprice Co-operative Limited

## Headquarters

No. 1 Joo Koon Circle  
#13-01 FairPrice Hub  
Singapore 629117  
Main: 6888 1888  
Fax: 6397 4001  
Website: [www.fairprice.com.sg](http://www.fairprice.com.sg)

## Number of Stores (by year of establishment)

FAIRPRICE SUPERMARKETS – 103  
FAIRPRICE XTRA – 7  
FAIRPRICE FINEST – 23  
FAIRPRICE SHOP – 6  
FAIRPRICE XPRESS – 25  
CHEERS – 128  
WAREHOUSE CLUB – 1  
TOTAL – 293

# Founder And Institutional Members

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NTUC Fairprice Co-operative Limited

**No. of Shares of S\$1 each**

## Founder Member

National Trades Union Congress	100,000
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## Institutional Members

Citiport Credit Co-operative Limited	55,236
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Customs Credit Co-operative Society (S) Limited	127,591
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National University of Singapore Multi-Purpose Co-operative Society Ltd	25,100
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NTUC Enterprise Co-operative Limited	157,966,368
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NTUC Income Insurance Co-operative Ltd	1,762,695
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SATU Multi-Purpose Co-operative Society Ltd	226,270
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Singapore Association of the Visually Handicapped	5,523
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Singapore Mercantile Co-operative Society Ltd	199,543
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Singapore Shell Employees' Union Co-operative Ltd	304,766
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SSE Multi-Purpose Co-operative Society Ltd	22,199
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Telecoms Credit Co-operative Limited	88,511
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The Singapore Co-operative Housing & Agencies Society Ltd	20,262
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The Singapore Government Staff Credit Co-operative Society Ltd	74,242
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The Singapore Teachers Co-operative Society Ltd	55,236
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## Personal Members

123,172,969

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**Balance as at 31 December 2016**

**284,206,511**

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# Awards And Accolades 2016

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Topped the supermarket/online retailer category for the second year at **Asia's Top Influential Brands 2016** by Brand Alliance.

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Received the **Gold Award** for 2016 Retail Asia-Pacific Top 500, and topped the Top 10 Retailers in Singapore Category.

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Clinched the **Platinum Award for the Supermarket category** and **Gold Award for Cooking Oil, Rice and Tissue Paper** in Reader's Digest Trusted Brand 2016.

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Warehouse Club attained **Gold Plus Category** in the BCA Green Mark Awards 2016; 13 FairPrice Xtra, FairPrice Finest, and FairPrice stores attained **Gold category**.

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Awarded the **Certificate of Commendation** from Agri-Food and Veterinary Authority for attaining an 'A' grade for excellence in food hygiene, sanitation and processing for 12 consecutive years.

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FairPrice Finest bagged the **Kühlbarra Asia Gourmet Retailer of the Year Award** at the National World Gourmet Series Awards of Excellence 2016.

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FairPrice Foundation awarded the **People's Association Community Partnership Excellence Awards** in appreciation of invaluable support rendered to Community Development Councils.

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FairPrice Foundation received the **Corporate Social Ownership Award** by South East Community Development Council.

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Awarded **Community Chest Corporate Platinum Award** for FairPrice Foundation's significant contribution to Community Chest over the past nine years.

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# Financial Highlights 2016

Figures from the Group:

	2016 (S\$million)	2015 (S\$million)
<b>Revenue</b>	<b>3,434.1</b>	<b>3,374.2</b>
<b>Breakdown of profits by business unit:</b>		
Retail	120.6	101.3
Real estate	27.8	31.0
Investment	64.7	67.6
<b>Profit before exceptional item</b>	<b>213.1</b>	<b>199.9</b>
Exceptional Item	114.4	0
<b>Profit from Operations</b>	<b>327.5</b>	<b>199.9</b>
Contribution to Central Co-operative Fund, Singapore Labour Foundation and Income Tax	(56.2)	(34.8)
<b>Profit for the year</b>	<b>271.3</b>	<b>165.1</b>
<b>Patronage Rebates</b>	<b>59.7</b>	<b>61.8</b>
<b>Dividends</b>	<b>17.1</b>	<b>17.1</b>

Note: The exceptional item is a one-time gain on the restructuring of ownership of properties to an associate co-operative.

# Making Lives Better At A Glance 2016

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Provided savings of over **S\$500,000** on Healthier Choice Symbol products to promote healthy eating.



Retrofitted **6 stores** with senior-friendly features.



**S\$5.6 million** given in discounts to senior, and pioneer shoppers.



Launched **6 FairPrice Shop stores** to cater to budget-conscious shoppers.



Donated **S\$10 million** to FairPrice Foundation to benefit **200 charity organisations**.



Reached out to the community to do good through initiatives such as FairPrice Food Voucher Scheme, NTUC-U Care Fund, and Walk for Rice @ South East.



Contributed **5,072** volunteer hours.



Saved **10.9 million** plastic bags through the FairPrice Green Rewards Scheme.



Hired people with special needs through SG Enable, Voluntary Welfare Organisations, and Special Schools.

# Global Report Initiative (GRI) Content Index

FairPrice adopted GRI G4 guidelines (Core Level) as a basis in developing the report. The GRI Content Index is as follows:

General Standard Disclosures		
	GRI Reference	Page Reference
Strategy	G4-1	4
	G4-2	4
Organisational Profile	G4-3, G4-5, G4-6	38
	G4-4, G4-8	4-8, 38
	G4-7	Financial Report p 13
	G4-9	6, 38
	G4-10	6, 24, 25
	G4-11	25
	G4-12	26
	G4-13	45
	G4-14	FairPrice applies due diligence and precautionary principles in its decision making.
	G4-15	24, 27
	G4-16	27
Identified Material Aspects and Boundaries	G4-17	45
	G4-18, G4-19, G4-20, G4-21	28
	G4-22	20
	G4-23	45
Stakeholder Engagement	G4-24	29
	G4-25, G4-26, G4-27	28, 29
Report Profile	G4-28, G4-29, G4-30, G4-31, G4-33	45
	G4-32	43
Governance	G4-34	27
Ethics and Integrity	G4-56	27
Specific Standard Disclosures		
Economic Performance	G4-EC1	4 - 6, 41, Financial Report p 7
	G4-EC6	24
	G4-EC9	10
Environmental	G4-EN3, G4-EN8, G4-EN15	21
	G4-EN29	12
Labour Practices	G4-LA1, G4-LA4	25
	G4-LA2	-
	G4-LA5, G4-LA9, G4-LA11	23
	G4-LA12	24, 25
Community	G4-SO1	15
	G4-SO4	-
	G4-SO8	12, 23
Products	G4-PR2	23
	G4-PR5	9
	G4-PR8	13
	G4-PR9	12

# Notice Of Annual General Meeting

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NOTICE IS HEREBY GIVEN THAT the 35th Annual General Meeting of NTUC FAIRPRICE CO-OPERATIVE LIMITED will be held at Seminar Rooms 1-3, FairPrice Hub (10th level), 1 Joo Koon Circle, Singapore 629117 on Monday, 29 May 2017 at 2.30p.m. for the following purposes:

1. To confirm the Minutes of the 34th Annual General Meeting held on Thursday, 9 June 2016.
2. To consider and, if approved, to adopt the Directors' Report and the Audited Accounts for the period 1 January 2016 to 31 December 2016.
3. To declare a first and final dividend of 5% + 1% and a patronage rebate of 4% + 0.5% for the period 1 January 2016 to 31 December 2016.
4. Election of Ms Kristy Tan Ruyan as a Director to represent Institutional Members.
5. To consider and determine S\$750 million as the maximum amount the Society may borrow subject to the provisions of By-law 12.5.
6. To approve the payment of honoraria to Directors for the period 1 January 2016 to 31 December 2016.
7. To re-appoint KPMG LLP as Auditor and to authorise Management to fix their remuneration.
8. To transact any other ordinary business of the Society of which at least ten days' notice in writing shall have been given to the Secretary.

By Order of the Board of Directors

**Poh Leong Sim**

Secretary  
18 May 2017

Note:

1. Registration of attendance at the meeting will be from 1.30pm to 2.15pm. Members are advised to be early.
2. Copies of the Annual Report 2017 are available for inspection and/or collection at Head Office or all FairPrice supermarkets or viewed at website [www.fairprice.com.sg](http://www.fairprice.com.sg) from 18 May 2017 onwards.

## About This Report

FairPrice has published its second sustainability report in conjunction with the annual report for financial year 2016, which runs from 1 January to 31 December 2016. The Co-operative adopted the Global Reporting Initiative (GRI) G4 guidelines (Core Level) as a basis in developing the report. The GRI Content Index can be found on page 43.

FairPrice's sustainability report has not been externally assured. It aims to seek assurance in the future.

For any questions or comments on this report, please email: [csr@fairprice.com.sg](mailto:csr@fairprice.com.sg)

## Scope

This sustainability report covers all of FairPrice's Singapore operations with the exception of its convenience arm (FairPrice Xpress and Cheers Convenience stores). The financial statements of the organisation include all the activities of the Co-operative relating to supermarket, department store and convenience store retailing and investment holding.

There were no significant changes in the scope and aspect boundaries over the reporting period. There were also no significant changes to the organisation's size, structure, ownership, or its supply chain.

**NTUC Fairprice Co-operative Ltd**

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