

CORPORATE SOCIAL RESPONSIBILITY

Our vision is to be a world-class multi-national enterprise based on our ability to create and build long term sustainable value to our shareholders, responsibly.

The F&N Group understands that we have a responsibility as a corporate citizen to conduct our business activities in a responsible and sustainable manner in today's global business environment. Beyond achieving operational and financial excellence, the Group remains committed to building stakeholder value in the environment and communities in which we operate.

Safeguarding Our Environment

Environmental conservation remains one of the Group's main focus areas of corporate social responsibility. At F&N, we strive to ensure that operational excellence is not achieved at the expense of environmental degradation. Through continuous innovation and adoption of environmental best practices, we have been successful in taking steps towards safeguarding our environment.

For its ongoing efforts in contributing to a sustainable built environment, our Properties division, Frasers Centrepoint Limited ("FCL"), received five Green Mark Awards from the Building and Construction Authority ("BCA") – a Platinum award for *Causeway Point* and four Gold awards for *Alexandra Point*, *Alexandra Technopark*, *Bedok Point* and *8@Woodleigh* residential development. The BCA Green Mark differentiates buildings in Singapore which adopt internationally recognised best practices in environmental design and performance. Energy and water-efficient features have been incorporated into these five developments and have substantially reduced the company's consumption of energy and water.

At our F&B division, Asia Pacific Breweries ("APB") stays committed to becoming a greener brewer and has been enhancing its resource efficiency. Over the past five years, water, electricity and thermal energy consumption at the Singapore plant has decreased by 10.5%, 8% and 18.7% respectively. It plans to further reduce its consumption of water by another 7.7%, electricity by 12.4%, and thermal energy by 16.4% over the next three years.





In Singapore, 12 out of 14 commercial properties¹ managed by the Properties division achieved energy savings of 9.8% or 9.2 million kWh over the previous year due to initiatives such as installing motion detectors for lights and the lowering of lighting levels after business hours. The upgrading of the air-conditioning system, completed in September 2011 at *Alexandra Technopark*, is expected to further reduce energy consumption by 6.8 million kWh in the coming year.

Water consumption reduced by 8% as compared to the previous year due to the retrofitting of water-saving air-conditioning and lavatory systems. In particular, *Alexandra Technopark* achieved a significant improvement in water consumption by 39.5% as a result of these installations. *Alexandra Point* and *Alexandra Technopark* have both been recognised as Water-Efficient Buildings by the Public Utilities Board.

To mitigate the environmental impact of our commercial buildings, green regulations and technology have been adopted; NEWater is used wherever possible for landscape irrigation, air-conditioning, sprinkler protection and hose reel systems. *Causeway Point* has also started a rainwater harvesting system for landscape irrigation. Noise pollution is cut down with the use of low-noise cooling towers and silencers for exhaust fans. F&B tenants are required to install proper kitchen hood cleaning systems to reduce the levels of grease and smoke emitted during cooking, and are encouraged to participate in food waste recycling.

For the maintenance of our properties, appointed vendors are advised to use cleaning products certified by the Singapore Green Building Council or the United States-based Green Seal. Stepping up on our efforts towards conserving our resources, our Properties division continues to assess the suitability of new technology and green practices for implementation across all our property developments.

Alexandra Technopark

¹ There are no comparative figures for Starhub Centre, which was acquired in July 2010, and Bedok Point, which was operationally ready only in December 2010

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Giving Back to Our Community

Charity Events

In Singapore, our Properties division remained active in supporting and organising community events, raising funds through its hospitality and retail business units. Frasers Hospitality raised more than \$11,000 from its annual Fraser Fiesta, a food and games carnival and Christmas charity auction, for its adopted charity the Marymount Centre, a voluntary welfare organisation that reaches out to marginalised women and children.

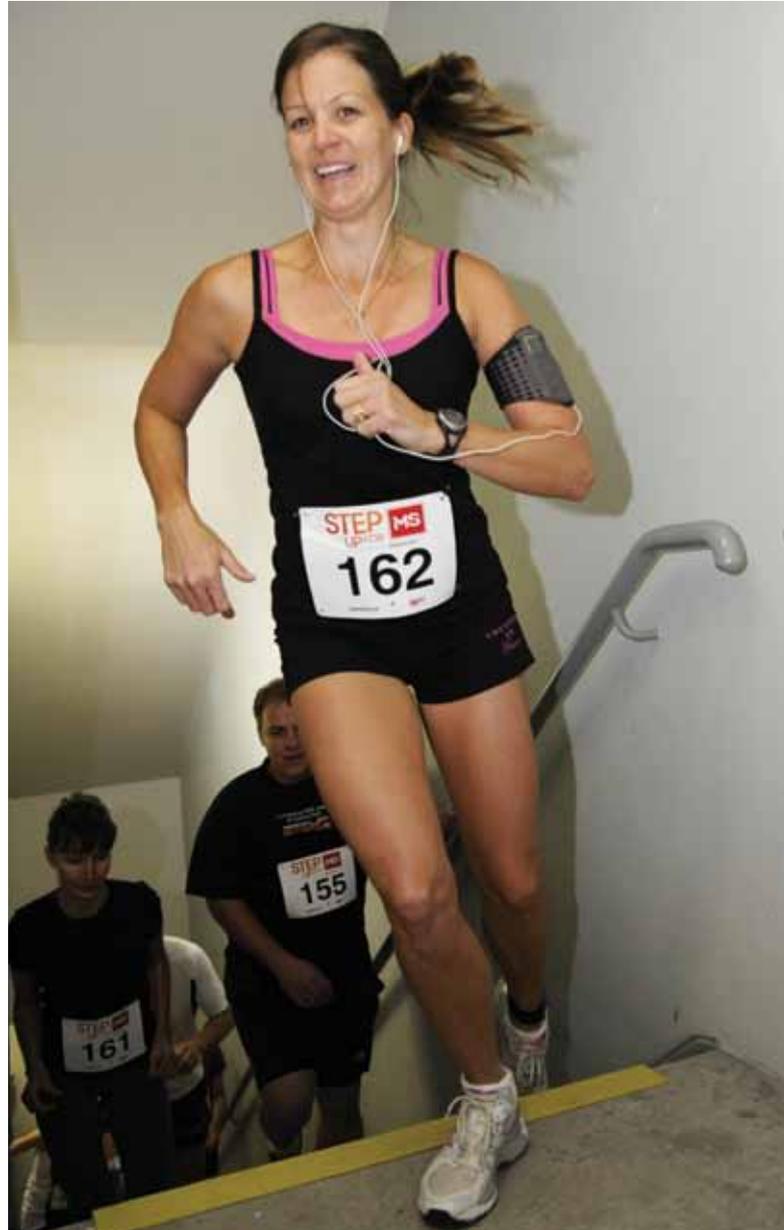
Frasers Centrepoint Malls ("FCM") organised a community outreach event titled 'The Smurfs - Lost in the Mall' for children from low-income families. To encourage staff volunteerism, employees from the different business units of F&N Group teamed up with 48 children in a treasure hunt held at *The Centrepoint*. The children received shopping vouchers and goodie bags filled with snacks and movie memorabilia after a fun-filled day of activities. On a separate occasion, FCM conducted a donation drive to raise funds for the Movement for the Intellectually Disabled of Singapore (MINDS).

Over in Perth, *Central Park* garnered the MS Society 2011 Commitment Award for its consistent support for the Multiple Sclerosis Society's annual staircase running competition, held for the fifth consecutive year at its premises. Other fundraising events supported by *Central Park* include the Juvenile Diabetes Research Foundation's Spin To Cure Diabetes, Rio Tinto Earthquake Sausage Sizzle, CBA Prostrate Cancer Awareness Sausage Sizzle and Daffodil Day by Cancer Council of Australia.

Perth's *Central Park* is also an ardent supporter of the arts and was venue sponsor for two key art exhibitions. The Colours Of Our Country Aboriginal art exhibition showcased the works of Western Australia's indigenous artists and the highly successful event saw the artworks completely sold within hours and all proceeds directly benefitting the artists and their community. The second exhibition, The Refugee Exhibition, was anchored on the theme 'Free from Fear' and presented artworks by refugee children to create awareness of their plight and to promote a multi-cultural society.

Back at home, in recognition of its contributions to fostering a vibrant arts and heritage culture, FCM received the Patron of Heritage Awards 2010 - Friend of Heritage from the National Heritage Board, while *Robertson Walk* won the Arts Supporter Award 2011 from the National Arts Council.

For its annual Chinese New Year community event, APB held a reunion dinner for 130 needy elderly. It also launched the Cookies for Charity campaign and matched dollar-to-dollar for donations collected, raising a total of \$25,000 towards its Meals and Grocery programme to ensure that the needy elderly received nutritious meals throughout the year.





Sports and Youth

As the leading isotonic beverage of the sporting community, *100PLUS* continued to lend its support to international and local sporting events. In Malaysia, it was the title sponsor of the *100PLUS* Malaysian Junior Open and the *100PLUS* National Junior Circuit, amongst other tournaments.

At home, *100PLUS* outdid its counterparts by sponsoring \$750,000 to the national table tennis men and women's teams in January 2011, the largest sponsorship received by the Singapore Table Tennis Association at the time. It also continued to honour Singaporean athletes who have excelled in their field by presenting The Straits Times Star of the Month and The Straits Times Athlete of the Year Award. *100PLUS'* longstanding support for a wide variety of sporting events ranging from marathons to cycling, golf and water sports in the region, coupled with its partnership with the Singapore Sports Council have helped to drive home the importance of healthy living and adequate hydration.

In support of youth culture, *F&N Sparkling Drinks* presented the second edition of Singapore Dance Delight, the local leg of the international street dance competition held in Osaka, Japan.

Into its ninth year, F&N Holdings Berhad ("F&NHB") rewarded 174 children of its employees with a total of RM174,800 for academic excellence in the 2010 public examinations under its F&N Chairman's Award scheme. To date, F&NHB has given out a total of RM1.5 million to 1,441 recipients.

F&NHB also collaborated with the Ministry of Rural and Regional Development (KKLW) in pioneering 'Program Niaga Makan Minum F&N', a rural entrepreneur development programme to help young aspiring entrepreneurs realise their dreams. The programme was designed to empower youths with a keen interest in starting an eatery with knowledge from financial planning and business concepts to food preparation and customer service. Besides imparting the business know-how, the programme also offered financial assistance to those who completed the programme to kick-start their businesses.

For many generations, *F&N MAGNOLIA* has been a champion of nutrition, nurturing both body and mind. This year, *F&N MAGNOLIA* was a proud supporter of READ! Singapore 2011, a national initiative by the National Library Board to promote the culture of reading among Singaporeans and to offer them opportunities to rediscover the joys of reading.

F&N MAGNOLIA also supported the young in building the foundations of their literary future by presenting The Straits Times Little Red Dot Reading Programme for the second year. Aimed at introducing the virtues of reading to children in schools, the programme hopes to provide the nutrition fundamentals to fuel the minds of young Singaporeans and build the foundation of their future dreams through the knowledge gleaned from the books they read.

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Caring for our Consumers

F&N has been a strong supporter and partner of the Singapore Health Promotion Board ("HPB") since 2007. Together, we jointly educate the public on the importance of staying healthy through the knowledge of good nutrition, healthy eating habits and adopting an active lifestyle. The close collaboration has enabled the Group to roll out meaningful programmes to reinforce what the F&B division stands for - healthy enjoyment. We have also pledged our support to HPB's Healthier Food Choices Commitment programme by introducing healthier products that are lower in calories and carry the Healthier Choice Symbol. We commit to stay true to our promise to deliver *Pure Enjoyment. Pure Goodness* to our consumers.

Likewise, *F&N NUTRISOY*, the most popular soya milk in Singapore in 2011, was awarded the Healthier Choice Symbol by HPB and is recognised by the Singapore Heart Foundation as a heart-friendly drink. To support the World Heart Day 2011 and National Heart Week, F&B division donated all proceeds from the sale of *F&N NUTRISOY* at Heart Fair 2011 to the Singapore Heart Foundation and launched a special pack to thank its consumers. World Heart Day is celebrated annually by global member organisations of the World Heart Federation in 100 countries. The activities aim to increase public awareness and promote preventive measures to reduce the global incidence of cardiovascular disease.

A leading advocate against binge and drink drinking, APB continued to promote a culture of responsible drinking in markets such as Singapore, Vietnam, Cambodia, Thailand, Laos, Papua New Guinea and New Zealand. At home, the country's first youth-for-youth anti-binge drinking initiative Get Your Sexy Back which APB started in 2007, highlighted the ill effects of alcohol abuse to those aged 18 to 24. Staying committed to its stance against drink driving, it continued to sponsor the Traffic Police Anti-Drink Drive Campaign for the 16th year running. In addition, APB was the main sponsor for the Safe Roads Singapore campaign and encouraged staff to pledge their support online for safety and vigilance on roads.

Properties added numerous accolades to its growing list of awards this year, an affirmation of its commitment to providing customers with product excellence and top-notch service quality. Some of these awards include the Excellent Service Award 2010 by Singapore Retailers Association (FCL), Excellent Service Award 2010 by SPRING Singapore (Fraser Suites Singapore & Fraser Place Singapore) and Service Excellence Award at the 12th Annual Global Excellence 2010 (Fraser Place Manila). For demonstrating high standards of family-friendly business practices to meet the needs of different generations of family customers, *Causeway Point* and *Northpoint* received the 'We Welcome Families' Achiever Award from the Businesses for Families Council.

Human Capital Management

SUSTAINABILITY THROUGH CONTINUOUS IMPROVEMENT AND INNOVATION

“Innovation is KEY to corporate survival. Companies that don’t reinvent themselves and innovate, very quickly get left behind.”

Chairman, Mr Lee Hsien Yang



Chairman with management, MDP participants and MDP Alumni

The spirit of enterprise and innovation has always been the hallmark of F&N Group. As the Group moves on to its next phase of strategic growth, it continues to develop its people to meet new challenges ahead. The flagship F&N Group Management Development Programme (“MDP”) has been the key talent development tool to ensure a continuous stream of talent throughout the Group to support its strategic initiatives and growth. To date, the F&N Group MDP has successfully developed eight cohorts of potential leaders. Through the years, this programme has been continuously refined to incorporate a more holistic development of our talent as well as to align with the Group’s overall growth ambitions.

Up Close and Personal: Dialogue with Chairman

One of the special features of the MDP is the dialogue and sharing session by the Group’s top honchos. At this year’s “Up Close and Personal” dialogue segment, the F&N Group MDP was privileged to have Chairman as the dialogue guest. Besides the MDP participants, business unit CEOs, senior management and MDP Alumni members were present at this milestone session, where Chairman engaged the MDP participants in a lively sharing and group dialogue session on the theme “Innovation and Entrepreneurship”.

Chairman kick-started the session with candid sharing of his past experiences and thoughts on the theme. During his sharing, Chairman stressed the importance of innovation and gave specific examples of innovative companies that survived



Chairman shares his insights and thoughts during the MDP dialogue segment

the test of time by changing and adapting to the challenges of global markets. He also emphasised that we need to reinvent ourselves or be left behind, citing several once iconic brand names that have gone out of existence. This was followed by interactive questions and answers between the MDP participants and Chairman.

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Chairman engaging the MDP participants during the "Up Close and Personal" dialogue session



Chairman joins the employees in scaling the 100PLUS Challenger rock wall

The "Up Close and Personal: Dialogue with Chairman" segment was very well-received by both current participants and the MDP Alumni (previous cohorts of MDP participants). Participants found Chairman's sharing very motivating, encouraging, insightful and honest. It was clear that they considered it a privilege to learn from and interact with him. They were very encouraged to be able to hear gems of wisdom from Chairman in such an informal setting.

The day of the "Up Close and Personal" dialogue session coincided with the launch of the 100PLUS Challenger at SCAPE and the MDP was privileged to be part of this launch. Chairman even tried his hand at scaling the rock wall of the 100PLUS Challenger. It was the first time that MDP participants got to be part of a launch event in the midst of the programme. This also provided an opportunity for participants from different business units to be involved in another business unit's branding activity, hence building a stronger sense of affinity with the various F&N brands and businesses within the Group.



Milestone Year for Management Development Programme

2011 marked a milestone year for the MDP as we achieved several firsts.

With the expansion of the Group, the MDP received overwhelming nominations from its businesses. This was the first time the MDP accepted twice the number of usual nominations, the largest cohort we have ever had for the programme. Participants came from the various business units both locally and overseas (China, Hong Kong, Thailand, Myanmar, Malaysia and the Philippines).

The diversity of this cohort enriched the interactions and learning experiences of the participants. Additional trainers and facilitators were specially arranged to handle the larger number of participants and to ensure effective learning.

At the outdoor experiential learning segment of the MDP this year, we were the first to use the new activity adopted from the popular mobile game “Angry Birds” developed by experiential trainers. Another activity of the outdoor segment was the high ropes course where participants had to overcome the fear of traversing a series of ropes, planks and obstacles suspended four storeys high in the air. It was truly a “challenge of their life time” as they developed their mind, body and heart during this programme.



MDP participants engaging in experiential learning through “Angry Birds” and the high ropes challenge