

Corporate Social Responsibility

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

Corporate social responsibility has been a longstanding tradition and remains an important part of F&N. The Group remains committed to fulfilling its responsibilities as a good corporate citizen by acting ethically and responsibly in all areas of our operations. By incorporating best practices in the way we conduct our business, we aim to contribute to the local communities, minimise our impact on the environment, deliver product and service excellence to the consumer, and foster a supportive working environment for our employees.



GIVING BACK TO THE COMMUNITY

Corporate Philanthropy

Over the years, F&N's F&B division has endeavoured to promote an active lifestyle and healthy living through continual partnerships and support of sports and health events in the community.

In Singapore, as the hydration partner of choice for sports, 100PLUS had an eventful year supporting several major sports events including the Standard Chartered Marathon Singapore, SGX Bull Charge, OCBC Cycle Singapore and The Color Run. Recognising the achievements of Singapore athletes in the local and international sports arena, 100PLUS continued to sponsor The Straits Times Star of the Month

Award as well as The Straits Times Athlete of the Year Award, for the third and fifth consecutive year, respectively. Also committed to the development of local athletes, 100PLUS extended its support of the Singapore Table Tennis Association, which began in 2010, for another three years till 2016.

100PLUS also has several ongoing initiatives in partnership with Singapore's Health Promotion Board ("HPB") to encourage people to lead healthy and balanced lifestyles. These events include the National Healthy Lifestyle Campaign, 100PLUS i-Run and 100PLUS Fitness@Work, which are running and aerobic activities held in the Central Business District.

F&N also gives back to the community by engaging the underprivileged amongst us. Over in Malaysia, our Soft

Drinks arm shared the festive joy by organising sumptuous meals and shopping excursions for disadvantaged children during Hari Raya Aidilfitri, Deepavali and Christmas. It also held its Lunar New Year luncheon for the less privileged for the 13th year.

Soft Drinks Malaysia has invested RM175,000 in the F&N IT Corner programme to date, and will continue to support needy youths. Started in 2010, this initiative provides computer equipment and sponsors students from Montfort Boys Town, Montfort Youth Centre and Montfort Girls Centre in the International Computer Driving License accreditation programme. Soft Drinks Malaysia has also set up a third F&N Sensory Integration Room in SK Taman Bukit Subang to facilitate learning for students with special needs.



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Over at the Group’s Properties division, in the spirit of giving back to the community, *Causeway Point* pledged its support to the North West Silver Care Fund, contributing a sum of \$30,000 which goes towards programmes to help seniors in the North West District maintain an active lifestyle.

As a long-term supporter of the Movement for the Intellectually Disabled of Singapore (“MINDS”), *Frasers Centrepoint Malls (“FCM”)* hosted a Lunar New Year luncheon for 30 children, their families and volunteers of MINDS at *Causeway Point*. Ending the outing on a joyous note, the children were presented with shopping vouchers to buy their desired gifts.

Extending its support of Melrose Home from 2012, staff from the Singapore Office and Industrial division pitched

in their time and effort to organise an afternoon of fun for 23 children aged between five and 12 to an indoor playground at *Robertson Walk*.

Frasers Suites Insadong, the Group’s serviced residence in South Korea, also spread some festive cheer to children from Sangroktown orphanage as part of its Love Tree Christmas programme. It invited the children over for a Christmas dinner, opened its pool facilities for their use and gifted them with a present of their choice.

For the seventh consecutive year, *Central Park* Perth hosted the annual Enerflex Step Up for Multiple Sclerosis (“MS”) where participants walked or ran over 1,000 steps up its 47-storey building. This year’s Step Up for MS was a record-making year with a sell-out event raising some A\$277,000,

which was 74.2% higher than the A\$159,000 raised in 2012. Pledging additional support, *Central Park* further donated A\$10,000 to support the MS Society.

Central Park office tower also continued as a venue sponsor for fundraising activities of several charities. These included Pink Ribbon Day and Daffodil Day by Cancer Council of Western Australia, Bear By Night Ball, in support of Princess Margaret Hospital for Children Foundation, and Special Air Services Windows Absell.

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Investing in Our Future Generations

In its bid to promote interest in the local dance scene among youths, F&N Sparkling Drinks supported the Singapore Dance Delight for the fourth consecutive year. Singapore Dance Delight Vol. 4 is Singapore's edition of one of the world's most spirited and prestigious street dance competitions, Japan Dance Delight, which has been held annually since 1994.

F&N MAGNOLIA believes in the importance of reading, as reading enriches the mind, in the same way milk nourishes the body. This year, it partnered the National Library Board ("NLB") in READ! Singapore, an initiative aimed at promoting a culture of reading among Singaporeans for the third time.

FCM jointly organised the National Youth Business Challenge ("NYBC") for the fifth year running with Ngee Ann Polytechnic Business Studies' final year Entrepreneurship students. NYBC is part of a long-term educational collaboration started in 2009 to encourage students to develop earth-friendly concepts and ideas. This year, 40 shortlisted teams from 23 secondary schools presented proposals on the essentials of setting up earth-friendly businesses for the final challenge held at *Changi City Point*. The winning team, Outram Secondary School, walked away with the FCM Challenge trophy for the third consecutive year.

Another noteworthy cause supported by FCM was the National Pushcart Challenge, a nationwide inter-secondary school competition which seeks to showcase the brightest idea and celebrate the spirit of enterprise amongst the youths in Singapore. A total of 210 participants from 31 secondary schools competed for the coveted title of National Pushcart Challenge Champion 2012 at *Causeway Point*. Bukit Merah Secondary School emerged as the champion for their creativity in Art & Craft, and the consciousness to utilise eco-friendly materials for their products.

At the end of the two-day event, \$8,000 was raised and the funds were donated to 15 social enterprises.

With the aim to cultivate and inspire a passion for writing among the young, the Marshall Cavendish Budding Writers Project held its 13th edition this year. Since its inception in 1999, the Budding Writers Project, a nationwide creative writing and drawing competition, has been well-received by primary and secondary schools and is now a widely recognised event amongst teachers and students. This year, the competition attracted its highest participation numbers to date with over 900 entries. The NLB came on board this year as a strategic partner, giving the Group new opportunities to extend its reach to parents and students via all 26 library outlets island-wide and to publish the finalists' entries on its Mobile Read platform.

Educational Technologies Limited ("ETL"), which specialises in publishing home reference books, continued its support for the Night High Scholarship Programme, giving children from poor families in the Philippines the opportunity to complete high school. ETL's commitment to these underprivileged students is pledged over several years of secondary education, which would give them a better chance of pursuing further studies in college or university.

Supporting the Arts and Heritage

The Group remains an avid supporter of the arts and has contributed financially and extended the use of its venues for the development of the arts scene in Singapore and overseas.

During the year, Frasers Hospitality, the Group's serviced residence arm, was conferred the Friend of the Arts Award by Singapore's National Arts Council, in recognition of its contribution to the local arts scene. Frasers Hospitality provided accommodation worth more than \$146,000 to various arts groups from several productions



such as Kidsfest Singapore, Shakespeare in the Park – Othello, The Importance of Being Earnest and In The Spotlight – Alfian Sa'at.

In Sydney, Frasers Property Australia teamed up with its joint venture partner Sekisui House Australia to sponsor the Chippendale BEAMS Arts Festival for the second year. As one of the major sponsors, the Group

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contributed A\$30,000 towards this event organised by the local creative community and supported by the City of Sydney Council. Over 350 artists and performers participated in the festival which attracted some 8,000 visitors.

Beyond monetary contribution, *Central Park* Sydney aims to nurture the arts within its precinct with thought-provoking public art and spaces for artists to collaborate. Free or subsidised

work spaces for creative businesses and artists have been made available within the development. Frasers Property Australia embarked on a four-year-long community collaboration with FraserStudios from 2009 to 2012, where part of the development site was used as visual and performing arts studios. Currently, some of the retail space at *Central Park* Sydney is provided for the Work-Shop and the NG Art Gallery.

At *Central Park* Perth, the property sponsored the “Permanent Impressions” exhibition of artist Jana Vodesil, which featured the largest portraiture collection of contemporary women in Western Australia who have made significant contributions to society. The two-week-long exhibition provided an enriching cultural experience and helped promote the recognition of extraordinary Western Australians amongst the general public.

Corporate Social Responsibility

CONSERVING OUR ENVIRONMENT

Environmental conservation remains a key focus area of the Group. Across all three businesses, the conscientious use of resources and the adoption of best practices underlie our commitment to safeguard our environment.

As a responsible F&B manufacturer, the Group aims to minimise its environmental footprint through the ways it uses energy and water, and reduces waste and carbon emissions. Within F&B Singapore, a project was commissioned to identify opportunities for energy optimisation, implementation, measurement and verification. Some of the implemented projects are boiler performance optimisation, chiller system optimisation and electrical distribution system optimisation. A Green Office Committee has been set up to share environmentally-friendly habits among employees in the work environment. Recycling receptacles have also been placed around the office premises to encourage recycling of disposed waste.

A similar practice has been adopted by the employees of Dairies Thailand, where there is an underlying emphasis to reduce the use of energy. Employees also partake in activities like the Energy Saving promotion where a Key Result Area is set for each department. Dairies Thailand's commitment to environmental

conservation is commendable; it was awarded Best Energy Conservation in the Energy-Controlled Factory category from the Department of Alternative Energy Development and Efficiency of Thailand's Ministry of Energy. It also received the ASEAN Energy Award 2013 - ASEAN Best Practices for Energy Management Industries, Special Submission Category and the Green Industry Level 3 certification by the Department of Industrial Works, Thailand. The latter was presented to Dairies Thailand for its good practices in the areas of prevention of pollution, and protection and restoration of the natural environment. A strong advocate of conserving natural resources, Dairies Thailand carried out numerous tree planting activities at the Rojana plant and within other parts of Thailand.

Reduction in water usage and waste water discharge is another key focus area for Dairies Thailand. There has been a reduction of portable water used during production, and treated waste water is used for gardening purposes at the F&N Green Park. In anticipation of FY2014, Dairies Thailand has set its new target of reducing carbon emission, energy and water usage, generation of waste and waste water discharge.

The F&N Save Our Seas ("**F&N S.O.S**") programme started by Fraser & Neave Holdings Bhd ("**F&NHB**") is aimed at creating awareness on the importance

of marine conservation and inculcating responsible behaviours at the beach and towards marine creatures, as well as encouraging proper waste disposal and recycling. The highlight of the programme is reef rehabilitation, a process which involves collecting coral fragments from donor sites and planting them in a nursery before transplanting them in a permanent site. Now in its second year, the team has planted a total of 110 reef rehabilitation frames since 2012.

Aside from reef rehabilitation, the F&N S.O.S team has also held sessions with the students of Sekolah Kebangsaan Pulau Redang to educate them on marine conservation and proper waste disposal. In September 2013, the team conducted a three-day Coral Reef Camp at Pulau Redang Marine Park with 30 students from the school.

Dairies Thailand has followed in the footsteps of F&NHB by constructing polyvinyl chloride frames for the use by the Marine and Coastal Convention Centre in Rayong, Thailand.

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Our Properties division continues with its efforts to create and operate a sustainable built environment. At the Building and Construction Authority (“BCA”) Green Mark Awards, we received four Gold awards: one for our residential development, *Eight Courtyards*, and three for our commercial buildings, namely *55 Market Street*, *Valley Point* and *China Square Central*. In addition, our high-end condominium, *Martin Place Residences*, obtained a Merit in the BCA Construction Excellence Awards. Besides the Green Mark Awards, six of our commercial buildings bagged the Eco-Office Award from the Singapore Environment Council.

To improve operational efficiency, various energy and water-efficient features have been incorporated into our developments which help to reduce carbon footprint, as well as electricity and water consumption.

As part of *China Square Central’s* asset enhancement programme, eco-friendly features have been installed. These included motion sensor lighting systems at the car park and staircases, and a performance-based saving scheme to ensure that the air-conditioning and mechanical ventilation systems also run at optimum levels to reduce energy consumption. *Anchorpoint*, *Bedok Point* and *Changi City Point* were each fitted with a new state-of-the-art chiller system, improving the overall operational efficiency level by 32.5%, compared to the conventional system. Electricity consumption at *Anchorpoint*, *Valley Point*, *51 Cuppage Road* and *55 Market Street* has also reduced significantly due to the replacement of lights with energy-saving and LED lights.

Alexandra Technopark, which attained the Green Mark Gold award (September 2011 to August 2014) continued to enjoy savings in energy consumption as a result of its eco-friendly features and a broader usage of NEWater (treated used water) within the entire precinct. Its annual and cumulative cost savings is about \$2.2 million and \$6.5 million, respectively, from 2011 to 2013. Across our malls, NEWater has been used



at *Bedok Point*, *Changi City Point*, *Causeway Point*, *Northpoint* and *The Centrepont*, bringing the combined savings for cost of water to 9.2%.

In Australia, three of the Group’s projects continue to be at the forefront of sustainability. *Central Park* Perth emerged the winner in the Business Category of the Western Australia Water Awards 2012 organised by the Australian Water Association, Western Australia. The award recognises organisations that have demonstrated a commitment to improve water management, adopt effective water-wise practices and display initiatives in educating their staff and the community on water conservation. The fitting of tap flow restrictors, installation of low flow shower heads, low flush water closets, a park reticulation weather station and several improvements to the cooling towers resulted in a 20.6% reduction in water consumption over the last four years.

This year, *Caroline Chisholm Centre* achieved a 5-star NABERS Energy base building rating, which is only one step away from the maximum 6 stars achievable. This rating is in recognition of the many ongoing energy efficiency initiatives that have been implemented throughout the years.

Another noteworthy sustainable project is the mixed-use *Central Park* Sydney development. Frasers Property Australia and joint venture partner Sekisui House Australia signed a historic \$26.5 million Environmental Upgrade Agreement which will provide long-term, low-cost finance for the construction of a central thermal and tri-generation electrical plant at *Central Park* Sydney. The planned plant will use low-emission natural gas engines to produce thermal and electrical energy, efficiently harnessing the bi-products of energy generation (hot and cold water) to provide centrally reticulated heating and cooling for air and water, for utilisation throughout the precinct. Electricity will be delivered to the site’s historic buildings, and has the potential to be exported to neighbouring buildings off-site.

In recognition of its adoption of eco-friendly practices, Times Printers Singapore obtained its ISO 14000 certification, on top of the international accredited certification of ISO 9002, FSC, PEFC and PSO. The Printing division has migrated from the use of alcohol to almost 100% alcohol-free printing. It has also moved into waste-water recycling and implemented various energy conservation initiatives.

Corporate Social Responsibility

DELIVERING PRODUCT EXCELLENCE

We are cognizant of our responsibility to deliver only products and services of the highest quality to our consumers.

Our F&B division strives to deliver on its brand promise of "Pure Enjoyment. Pure Goodness". With our consumers' interests in mind, we have introduced healthier options across our product portfolio which include reduced sugar, no sugar added and low-fat variants. In the past decade, F&B Singapore's concerted effort to reduce the sugar content in our products has contributed significantly to a steady decline of our sugar footprint by 20%.

F&N's dedication to promote a healthy lifestyle is evident in its continuing partnership with HPB. F&N has a large and varied range of HPB's Healthier Choice Symbol products to encourage healthier food choices. One such example is *F&N NUTRISOY*, which continued to take the lead as the most popular soya milk brand in Singapore in 2013. *F&N NUTRISOY* also continued as a proud supporter of National Heart Health Week, World Heart Day 2013 and Go Red For Women, a campaign aimed to raise the awareness of heart health among women.

In Malaysia, F&NHB signed a first-of-its-kind Responsible Advertising to Children pledge together with nine other leading F&B companies as a demonstration of F&N's commitment to responsible marketing to children. Sanctioned by the Malaysia Health Ministry, Malaysian Advertisers Association and Federation of Malaysian Manufacturers Food Manufacturing Group, F&N now has

an obligation to only advertise certain products that meet specific nutrition criteria to children under the age of 12 or opt not to advertise their products.

During the year, numerous awards were conferred upon F&N's brands. *100PLUS* reaffirmed its position as the Number 1 isotonic drink of choice when it swept the Gold Award in the Non-Alcoholic Beverage category of the Putra Brand Awards 2013, an extension to Malaysia's most valuable brands programme. *100PLUS* was also named the Best Isotonic Drink for the Malaysia Women's Weekly Domestic Diva Awards 2013. *F&N SEASONS* scooped double awards at The Malaysia Women's Weekly Domestic Diva Award 2013 in the categories of Best Non-Carbonated (*F&N SEASONS* Grass Jelly) and Best Soya Milk (*F&N SEASONS NUTRISOY*). *F&N ICE MOUNTAIN* emerged as the winner of The Reader's Digest Gold Trusted Brand Award 2013 for being the most trusted and preferred thirst quenching choice in the Water category in Malaysia, as voted by consumers. This award was quite a feat, considering it was launched in Malaysia at the end of 2011. Back home, both *F&N MAGNOLIA* and *F&N FRUIT TREE FRESH* received the Reader's Digest Trusted Brand Award 2013.

F&N's ice-cream division in Thailand was accorded the Thai Food and Drug Administration Ministry of Public Health Quality Award in July. In recognition of its high standard of quality and safety in product manufacturing as well as its Corporate Social Responsibility practices, F&N has had the honour of being bestowed the award for two consecutive years, following its first win in 2012.



HUMAN CAPITAL MANAGEMENT

BUILDING LEADERSHIP CAPABILITY THROUGH CONTINUOUS IMPROVEMENT AND INNOVATION



Growing and developing people managers to be effective leaders to meet the challenges ahead will continue to be the key people agenda of F&N Group. The flagship F&N Group Management Development Programme (“MDP”) continues to be the key talent development tool to ensure a continuous stream of talent throughout the Group in support of its strategic initiatives and growth. To date, the F&N Group MDP has successfully developed nine cohorts of people managers. Through the years, this programme has been continuously refined to equip F&N leaders with the necessary skills to respond to a more challenging and diversified workforce and dynamic business environment

while at the same time, aligning the learning objectives to meet the Group’s overall growth ambitions.

The F&N Group MDP 2013 saw 41 participants hailing from various business units both locally and from overseas (Thailand, Malaysia, Myanmar, Singapore, France and London). The diversity of this cohort enriched the interaction and learning between the participants throughout the programme. As with previous batches, the programme’s curriculum was reviewed and new features added to ensure participants received a more holistic development of their leadership skills.

New Team Building Activities: Matchstick Game and Raft Challenge

The focus for this year’s outdoor experiential segment was on Team Communication and Team Synergy. To help participants hone their interpersonal communication skill, two activities were introduced, namely, the new Matchstick Game and the ever favourite High Ropes Challenge. In Matchstick Game, participants were divided into teams and the objective of this activity was to see how each team communicated information on the project to one another via designated roles. Participants learnt that team communication builds commitment, camaraderie and personal accountability.



1. A group picture for the album after successful project completion
2. MDP “workers” executing the project based on information passed down from “middle” and “senior” Management

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The first outdoor activity was the high ropes obstacle course where participants had to overcome the fear of traversing in pairs across a series of ropes, planks and obstacles suspended four storeys above ground. Though the rope obstacle was very challenging, eventually with the encouragement from fellow participants and trainers, they managed to overcome their own fears and completed the “challenge of their life”.

To bring the learning objective of Team Synergy to life, participants were introduced to Raft Challenge, a new outdoor activity in MDP where participants were tasked to construct a raft from resources such as PVC pipes, barrels and ropes. The raft was subsequently deployed to transport as many team members as possible from one end of the pool to the other. A last minute surprise challenge saw teams having to combine their rafts with the objective of transporting as many people across the pool as possible. Not surprisingly, the team achieved this objective with distinction.

New Programme: F&N Coaching Essentials for Leaders

Recognising that people managers who utilise coaching skills have more effective teams, are able to retain key personnel, provide better customer service and experience

higher productivity overall within their teams, a new programme entitled “F&N Coaching Essentials for Leaders” was introduced to this batch. Developed by Ken Blanchard, this workshop equips participants with the skills, namely Listening, Inquire, Test For Truth and Endorse (L.I.T.E.), to conduct effective coaching conversations with their subordinates.

New On-Line Peer Feedback Portal

This year’s MDP programme saw participants receiving real-time feedback from their fellow participants via the innovative use of Google Forms, an application within Google Apps. Each participant was assigned a unique link which allowed fellow participants to access these links to provide their feedback to any MDP participant. This e-platform enabled participants to view and respond to the feedback confidentially in real time thereby enabling them to adjust and hone their leadership styles by modifying their behaviours on a timely basis.

Serving as a good platform for high-potential (Hi-pot) executives to gain a better understanding of the F&N Group and its diverse businesses, the F&N Group MDP gave delegates a greater sense of identity and affinity to the F&N brand name as well as enhance collaboration and synergy amongst colleagues across different business units.



1. MDP participants engaging in experiential learning through the challenging high ropes obstacle course
2. MDP participants learn about communication, team synergy and perseverance through the raft challenge
3. MDP participants practicing their newfound coaching skills with each other



1

F&N Coaching Essentials for Senior Leaders

“Effective leaders understand that the key to driving business results is developing and empowering their people to achieve the strategic objectives of the organization. Coach-like leaders are simply more proficient in inciting their people to stretch and meet their targets.” – Scott Blanchard



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Echoing Scott Blanchard's quote above, F&N Coaching Essentials for Senior Leaders programme was rolled out to equip senior leaders with coaching skills to improve their ability to coach and nurture an environment where they focus on drawing out ideas and solutions, collaborating, partnering and developing their people by using directive and supportive behaviours, and at the same time meeting organisational objectives and driving business results. Leaders are remembered for the positive impact they bring to their team, business associates and ultimately customers.

1. Live coaching demonstration by Linda
2. Linda sharing the finer points of coaching to participants
3. Participants honing their listening and feedback skills by using real-life case scenarios

Facilitated by Ken Blanchard's Master Coach Linda Miller, a total of 63 senior leaders from the various business units attended the programme held over four sessions in February and

October this year. F&N Coaching Essentials for Leaders programme was subsequently rolled out to the next level of line managers and including the MDP delegates, a total of 50 managers completed the programme.

Total Performance Management System Training for Managers

Recognising that timely and effective performance evaluations enables and empowers employees to give their best performance, the existing half-day Total Performance Management System (“**TPMS**”) programme was redesigned into a two-day skills-equipping workshop. The objective of this programme is to provide managers with a deeper understanding and appreciation of the total performance management process within the context of F&N's total performance management philosophy and framework. Participants were provided tools to frame SMART goals, track and monitor performance using feedback and listening skills, engage employees via goal setting and year-end performance conversations and craft effective individual development plans. A total of 173 managers across various business units attended the programme.



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