



Here To Make Lives Better

*Mr Seah Kian Peng
CEO, NTUC FairPrice*

17 August 2016



Our Heritage

- 1973 - NTUC Welcome Supermarket
- Launched by the National Trades Union Congress amidst global oil crisis
- One store and 30 workers



Social Mission:
*To moderate the
cost of living in
Singapore*

Our Mission

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

Best Place to Shop
Best Place to Work
Best Corporate Citizen

Our Core Values

- Customer-Focus
- Teamwork
- Professionalism
- Empathy
- Caring
- Trustworthy



Today at a glance

- Annual revenue of **\$3.4 billion**
- Group profits **\$197.7 million**
- Dividend, Patronage Rebate and LinkPoints **\$107.5 million**
- Total group equity **\$1.84 million**
- Over **10,000** employees
- Over **270** Stores island-wide
- Over **600,000** customers per day



Multiple retail formats



FairPrice supermarkets reach the general population with groceries and essentials



FairPrice Finest stores have cosmopolitan and premium selection for the mass affluent



Cheers is a 24-hour convenience stores located mainly in high traffic areas and Esso stations.



FairPrice Xtra provides families with a one-stop shopping experience from groceries to electronics and general merchandise



FairPrice Xpress stores provides a 24-hour minimart convenience store concept offering wide product range including fresh and ready to eat food products.



FairPrice Shop provides affordable essentials to budget conscious shoppers



FairPrice Online offers online grocery shopping for better convenience



Warehouse Club provides families with greater savings through bulk buys and discounts on groceries, electronics and general merchandise. Offers exclusive brands like Kirkland.

Staying Relevant in a competitive market.....

Here To Make Lives Better

Making every day better

We're keeping daily essentials affordable for everyone through our Housebrand products, by offering lower prices on everyday items and more.



Giving back for the better

Last year, we spent 5,000 hours volunteering. And through the NTUC FairPrice Foundation, we've given back over \$98 million to the community to date.



Better for our planet

We're doing more for the environment, from saving over 10 million plastic bags to reducing food waste by giving unsold yet still wholesome food to the community.



A better place to work

We champion flexible working hours, study grants, personal development funds and more to help you go further with us.



VIDEO – Brand Manifesto



Here to make lives better

**Making every day
better**

Moderating Cost of Living

We seek to serve our social mission to **moderate the cost of living** by keeping prices low.

Initiatives include:



Housebrand products



Everyday Low Price items



Yellow Dot items



LinkPoints and Rebates



Pioneers OK! Benefits and Seniors Discount



Stretch your Dollar!
10 tips to save more

- 1 Enjoy good quality FairPrice Housebrand items at the best value.
- 2 Look out for the yellow dot for the lowest priced items.
- 3 Choose from over 500 popular essential items at low prices.
- 4 Get items at very special prices with every \$25 spent.
- 5 Look out for our weekly advertised offers to get the best deals.
- 6 Be a FairPrice member to enjoy rebates when you shop with us.
- 7 Collect LinkPoints and use them to pay for your groceries.
- 8 Shoppers aged 60 and above enjoy 2% discount every Tuesday.
- 9 Go for alternatives. Try different brands or items from other countries.
- 10 Eat in and save on your meals. Home-cooked meals are healthier too.

Terms and conditions apply

During times of crisis

- 2003 (SARS) - Helped to pack and deliver food to those who were quarantined, and **stabilised vegetable prices**
- 2004 (Bird Flu) - Implemented precautionary measures to **curb profiteering by traders**. Brought down the prices of eggs when normal supply resumed



During times of crisis

- 2008 (Rice Crisis) – **First to drop prices during the global rice crisis**
- 2013 (Haze) – **FairPrice brings in Face Masks to benchmark prices to curb profiteering**



Serving the budget conscious

- Launch of **FairPrice Shop** in 2016
- More focused range of essentials where **50 per cent of product mix** will comprise Every Day Low Price, Housebrand and Yellow Dot items
- Customised assortment of about **1,500 products**



Yellow dot items – lowest priced items within respective product selections



**Giving back for the
better**

VIDEO – Volunteering/Do Good



Volunteerism

Target **5,500** volunteering hours annually

- Engage customers in volunteer activities



FairPrice volunteers programme – ground up initiative by employees

- **Launched in 2012**

Philanthropy

- FairPrice Foundation was established in 2006
- FairPrice Group has since donated over **\$98m** to **FairPrice Foundation**
- In 2015, \$11.4 million was donated to benefit community



Share-A-Textbook

- 33 years since first launched
- **Help** students from less fortunate families, promote thrift and encourage recycling
- Collected and re-distributed **3.9 million textbooks**
- Over 400 volunteers from more than 170 supporting partners came together



Share-A-Heart

- \$2.6 million donated annually to NTUC U-Care fund to help low-wage workers
- Engage community in doing their part for the less fortunate
- \$21.7 million donated since 2009



FairPrice Food Voucher Scheme

- Funded through the annual “FairPrice Walks with U”
- FairPrice Foundation pledged to **donate \$150 per registered participant**



- Since 2002, **\$14.4 million** was raised
- Funds distributed through 89 constituencies and VWO islandwide to help low-income families

Better for our planet

VIDEO – CSR / Food Waste Reduction



Bring your own bag

- **Launched in 2007**
- **Over 10 million** plastic bags saved and **half-a-million** in rebates given out annually



Food waste reduction framework

- Reduce food waste on three fronts – Processes, Public Education, and Partnerships



1. Processes



2. Public education

Food waste reduction framework

- Reduced food waste substantially by about **40%**



Concerted efforts in the areas of Process, Public Education and Partnership, together with public outreach, the Food Waste Framework saw:

↓ 39% in food waste index from 11.9 to 7.2kg/sqm	Reduction from 2,200 to 1,300 tonnes of food waste over a year
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Food categories with highest reduction in waste:

- ↓ 66% tropical fruits
- ↓ 57% exotic fruits
- ↓ 25% vegetables
- ↓ 29% fish/seafood

 71 stores adapted the "GREAT TASTE LESS WASTE" selection	Regular Donations from Food From The Heart worth: \$20,000 per month to benefit 41 charities
	Staff from 33 stores participated in a supplier partnered competition to reduce food waste.

3. Partnership with Food from the Heart

Green mark portfolio scheme



2 Platinum Award
2 Gold Plus Award
14 Gold Awards



- LED Lightings
- Auto zonal lighting control
- CO₂ refrigeration system
- Electronic shelf labelling

Green mark portfolio scheme

- **Pioneer partner** for BCA's Green Mark portfolio programme in 2013
- 23 stores are Green Mark certified



A better place to work

VIDEO – Wonderful Workplace



Taking care of our employees

Over 10,000 employees

- Roadmap for learning and development
- Opportunities beyond retirement
- Rewards and recognition



FairPrice training institute

- Over **252,000 training hours** invested annually
- Dedicated training facility



Staying active through employment

- FairPrice employed close to **1,400 employees above the age of 60**
- 95% of staff at re-employment age stay in employment with FairPrice



Inclusive workplace

- Collaboration with SG Enable and Autism Resource Centre to employ people with special needs.



- On-the-job training, internships and industrial attachment to the students of Northlight School



Key Challenges

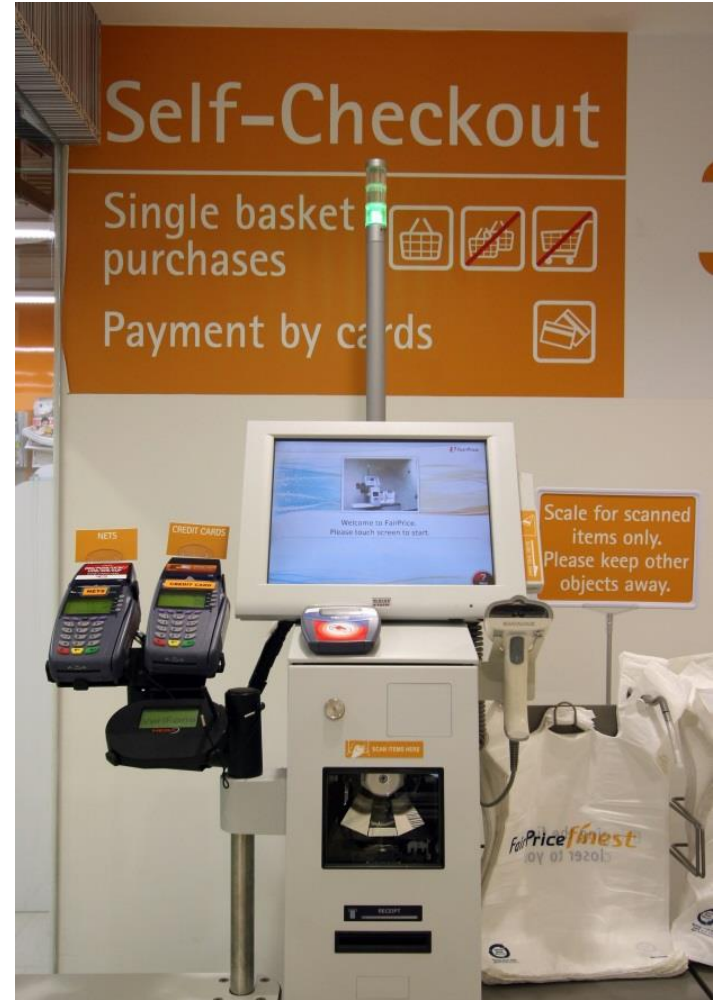
Manpower Shortage

- 400 vacancies in the frontline positions.



Self-service technology

- 43 Stores with Self-Checkout Counters
- 30 I-Cash stores by end 2016
- Contactless payment



Boost in productivity

- New Benoi Distribution Centre
- Throughput capacity of **120,000 cartons** per day
- Handles products **25% faster** than current operations



Future proofing

- High tech distribution centre
- To serve our needs for the next 20years
- Increased warehousing space



Fluctuating food prices and supply

- Socio-economic conditions
- Weather conditions
- Political conditions



How we keep prices low

- Food Source Diversification
- Forward Buying
- Contract Farming



Rise of the online retailer

- Retail space vacancy in S'pore at 7.8 percent (2Q 2016)
- Industry facing disruption and disruptors

The image shows a screenshot of an online grocery retailer's website interface on the left and a promotional banner on the right.

Website Interface:

- NEW IN STORE**
- FEATURED BRANDS**
LÖVING EARTH
ATTITUDE
COSLYS
BIMBOSAN
- WE HATE TO WASTE!**
- FARM BOX**
- THE GREEN GROCER**
FRESH VEGETABLES
FRESH FRUITS
FRESH HERBS
CHILLED CONDIMENTS
- THE BUTCHER**
BEEF
LAMB
PORK
POULTRY
DELI MEATS
- THE FISHERY**
CHILLED SEAFOOD
FROZEN SEAFOOD
- THE DAIRY & EGGS**
EGGS
YOGHURT
MILK AND KEFIR
BUTTER, CHEESE & CREAM
DAIRY-FREE ALTERNATIVES

Product Listings:

- Grass Fed Diced Beef (chilled)**
Nothing beats diced beef when you are looking to make stews or casseroles, so create yourself a meal that's hearty and full of flavour!
\$17.50 per packet 500g-520g Qty 1
- Grass Fed Fillet of Beef (chilled)**
The fillet is extremely tender and suits quick cooking. It is very lean with almost no fat running through it, which means that while it has a prized soft texture, it is also less flavourful than other fatter cuts.
\$45.00 per packet 450g-480g Qty 1
- Grass Fed Minced Beef (chilled)**
Make up your own gourmet burger with this perfect ratio meat-to-fat mince for a juicy patty.
\$16.00 per packet 500g-520g Qty 1

Promotional Banner:

Groceries, delivered right to your doorstep.
Free delivery on your first purchase above \$30.
anything heavy and bulky here

Ramping up online infrastructure

- Online fulfilment centre
- Expanding our product range and e-commerce infrastructure
- Enhancing backend logistics

The screenshot displays the FairPrice online store interface. At the top, the FairPrice logo is visible on the left, and a shopping cart icon on the right shows a value of \$0.00 for 0 items. Below the logo is a navigation menu with categories like 'Deals & Promotions', 'Plus!', 'Store Weekly Ads', and a search bar. The main content area features three product listings on the left, each with a yellow 'On offer' banner. The first listing is 'China Shanghai Green 250G' priced at \$0.85, marked as 'Temporarily out of stock'. The second is 'Sumich Aust Fresh Carrots 500g' priced at \$0.90, also 'Temporarily out of stock', with a 'Buy any 2 and get \$0.15 off' offer. The third is 'Pasar Sweet Beans 150G' priced at \$0.90, which is 'Available'. Each listing includes a quantity selector (set to 1) and 'Add to List' and 'Add to Cart' buttons. On the right, a large promotional banner for PurSoft tissues offers '\$2 Off* every \$10 PurSoft purchased'. The banner includes an image of PurSoft tissue packs and a 'NEW' starburst. Below the banner is a category navigation bar with 'Coca-Cola', 'PurSoft', 'Softlan', 'Nestle', 'Listerine', and 'Advertised Offer'. At the bottom, a 'Special Announcements' section states: 'The Co-operative's 34th Annual General Meeting will be held at Seminar Rooms 1 to 3 (level 10), FairPrice Hub, 1 Joo Koon Circle, Singapore 629117, on 8th June 2016 at 2.30pm. View Details'.

Looking ahead

Greater Health Consciousness

By end 2016:

- **25** dedicated Just Organic Bays
- **55** stores with Pasar Organic products



Greater Health Consciousness

- **1,000** Healthier Choice Symbol (HCS) accredited Housebrand products
- Various discounts given throughout the year on products marked with HCS



Aging Population

- **900,000 seniors by 2030**
- Embarked on various initiatives to be a senior-friendly retailer



Senior-friendly store

- Specially trained staff to serve senior customers better
- In-store senior-friendly features
- Wider aisle for wheelchair-bound shoppers



Omni-channel Retailing

- FairPrice Online
- Mobile App
- Brick-and-mortar stores
- Click & Collect
- Partnership with Honestbee



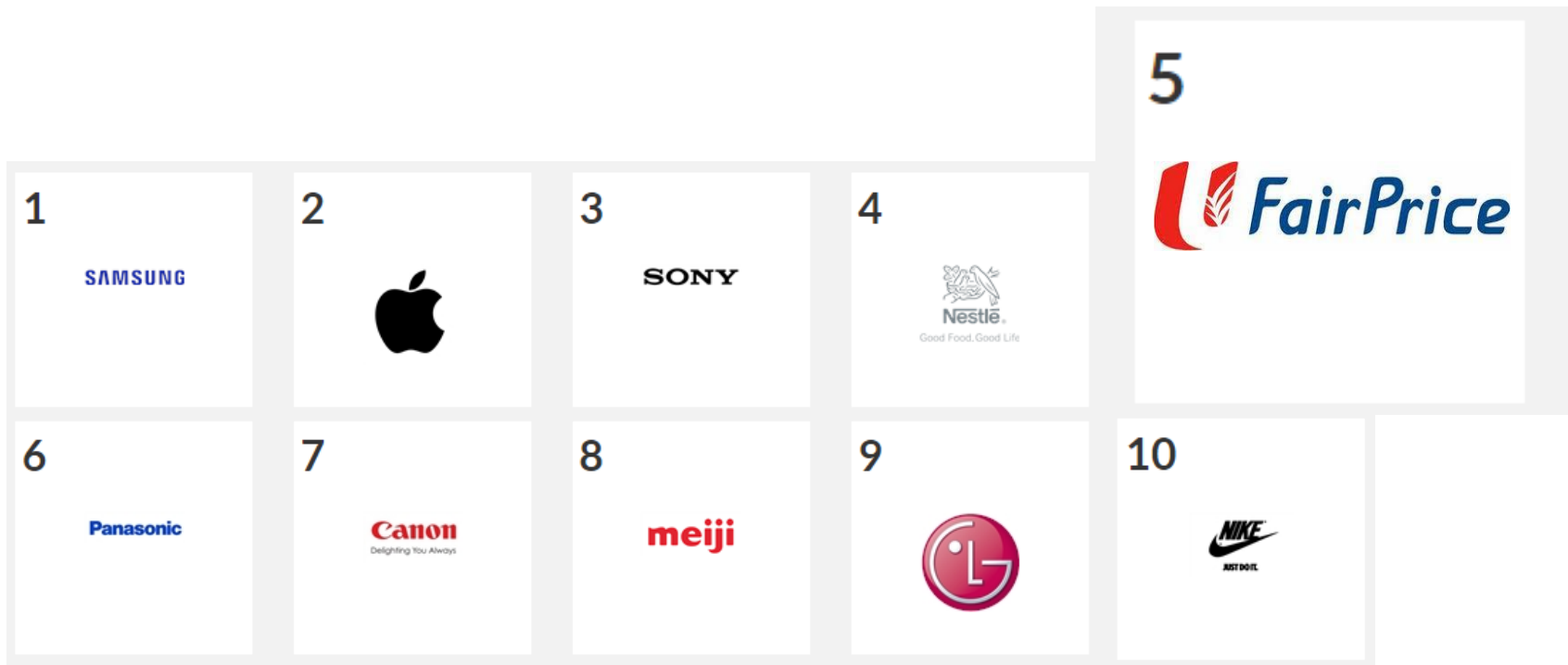
Accolades & Recognitions

Global top 10 strongest brands 2016

FAIRPRICE IS RANKED 2ND

  <p>Schwarz Group</p>	<p>Slovakia: 5.8</p>		<p>South Africa: 4.9</p>
	<p>Singapore: 5.6</p>		<p>Lithuania: 4.7</p>
 <p>Proudly New Zealand</p>	<p>New Zealand: 5.5</p>		<p>Switzerland: 4.6</p>
 <p>Evroopt</p>	<p>Belarus: 5.4 (Gomel)</p>		<p>Thailand: 4.6</p>
 <p>Panda</p>	<p>Saudi Arabia: 5.1</p>		<p>Sweden: 4.6</p>

FairPrice is ranked number 5 locally in Campaign Asia's Country Ranking (Singapore)



Singapore

Country Report

Awards

- **President SG50 Social Enterprise Award**
- **CaseTrust Gold Award**
- **Readers Digest Trusted Brand**



- **Influential Brands**
 - *Top Choice Supermarket for Gen X*
 - *Top Online Grocery Shopping*
- **Campaign Asia Top 1000 Brand**
- **President's Award for Volunteerism & Philanthropy**

Quotes from Prime Minister



“FairPrice provides an important assurance to Singaporeans that they will always have somewhere to turn to for their basic needs.”

PM Lee Hsien Loong at FairPrice 40th Anniversary Celebrations

“NTUC FairPrice is a good example of our social enterprise model: a successful business with a social conscience and a social mission, sharing the benefits of success and progress widely.”



PM Lee Hsien Loong at Official Opening of FairPrice Hub

Q&A

