



## HUMAN CAPITAL

### PEOPLE: NURTURING OUR FINEST ASSET

F&N recognises that human resource remains one of our greatest assets. Indeed, developing human potential is one of the cornerstones of our philosophy in delivering the winning edge. The importance of human capital is acknowledged in the Corporate HR Mission Statement, which provides the strategic HR direction for all business units:

“To be a strategic partner in providing pro-active and value-added human resource services to develop a world-class workforce in support of F&N’s corporate vision and business objectives.”

This is especially crucial in the context of the need to align Group HR efforts in order to support the multiple businesses under the Group. It sets the tone for a common vision in harnessing human capital to its maximum potential.

Strategic HR alignment initiatives include Corporate HR Conferences and Team Building Programmes which are attended by the regional heads of HR of all the business units within the Group. These half-yearly conferences are geared towards consolidating and charting holistic Corporate HR policies, reviewing common HR issues, and tapping different expertise to arrive at the best means for achieving HR objectives.

### *Grooming a Dynamic Management Team*

In order to keep pace with changing work dynamics in an increasingly knowledge-based economy, the Total Performance Management System (TPMS) was implemented in all business units. The TPMS captures three important components in performance management: Performance Appraisal & Training Needs, Potential Assessment, and Career & Succession Planning.

The aims of the TPMS are to help employees hone their skills, raise the level of their performance and help achieve their full potential. This will ensure greater job satisfaction, which in turn provides further motivation.

The TPMS also assists the company in identifying, assessing and developing high potential talents to groom them to take on higher levels of responsibilities or key positions. This systematic performance management framework helps management identify employees for succession planning in key positions. Such organic succession initiatives help spur employee loyalty as they offer job security.

A holistic Total Manpower Planning System was also introduced to assist various business units in implementing effective manpower resource planning and talent acquisition strategies. Corporate HR can also tap into the system to develop a flexible workforce in meeting the challenging and changing environment.





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A proactive and holistic approach in planning quality training and development programmes is crucial in enhancing performance and competency levels. To this end, Group Training and Development Guidelines were established so that the different business units can adopt and implement them based on their needs. The consistent processes highlighted in the guidelines, such as adopting Training Nomination, Approval and Evaluation procedures, and charting the Total Training Plan have helped establish the Group as a forward-looking organisation in the area of training and development.

Corporate training initiatives which have been implemented successfully ranged from communication skills, critical thinking, employee forums, to specific functional training. The Group Management Development Programme was also introduced to develop high-potential talents within the Group.

To encourage greater participation across the Group and to more effectively utilise training resources, the Group Total Training Plan was compiled and circulated to various business units.

### *Towards a Cohesive Organisation*

The importance of each employee is acknowledged from the moment he or she steps into the workplace. A comprehensive orientation programme provides a smooth transition into the new work environment, and allows them to feel a deep sense of belonging and identification with the company from day one.

This arises from Group New Employee Orientation Guidelines which have been formulated to assist all business units in planning the best orientation programmes for their new employees.

To establish more efficient internal communication and ensure that employees are kept abreast of the latest developments in company and business matters, the F&N Intranet was launched. In addition to serving as an excellent channel for faster internal communication, it enables various business units to disseminate their respective product information, promotions and launches across the Group quickly.

To promote greater rapport and team spirit among colleagues from the different business units, various social and recreation activities were undertaken. These included the Group Inter-Company Karaoke Competition and Bowling Tournament which have been well-received by the employees and management of the various business units. Their positive feedback and enthusiastic participation have paved the way for the organisation of more fun and meaningful events in the future to further strengthen the network and relationships among business units.

People remain one of our finest resources. We will continue to spare no effort in nurturing the human spirit and maximising human potential in order to deliver a dynamic workforce that forms the backbone of our success.





## COMMUNITY DEVELOPMENT

### SHOWING GRATITUDE: A COMMITMENT TO COMMUNITY DEVELOPMENT

F&N has grown over the past 120 years to become a much-loved consumer icon. We recognise that our success would not have been possible without the support of the communities we operate in. It is in wanting to sincerely give back to the community that the Group has assumed the role of a responsible corporate citizen wholeheartedly.

The past year saw the Group offering firm support in various areas such as the arts, education, the environment, sports, youth development, care for the underprivileged and international relief efforts.

The APB Foundation disbursed nearly \$500,000 during the year to close to 40 projects representing a variety of causes. Flagship project APB Foundation - HRP HOPE (Humanitarian-relief Operational-readiness Public Education) Project was launched to heighten public awareness of disasters and train volunteers in Singapore for quick relief deployment in Asia. The Foundation, instituted in June 1994 with a philanthropic intent, also provides support for the arts, underprivileged children, and educational and medical causes.

The TOUCH Community was a major beneficiary of the Group's community work. Fraser Serviced Residences adopted this non-profit organisation that supports underprivileged children from dysfunctional and low-income families in December 2001.

It immediately set to work arranging a tea party, an educational zoo tour, as well as visits to Snow City and Singapore Science Centre. The kids were lavished with gifts, games, entertainment and, most importantly, the precious assurance that someone cares.

Northpoint Shopping Centre also took children under their wing, by sponsoring a four-year old pony named Paint, at Riding For The Disabled (RDA). With this sponsorship, the RDA will be able to train the pony to help disabled kids ride as part of their therapy.

Health also featured in the efforts of Malls of Centrepoint, which supported the Breast Cancer Foundation (BCF) by serving as venues for the collection of brassieres. This collection of 'Bras for a Cause' translated to a donation by Wacoal to BCF.

The Group also helped put the arts on centrestage when Malls of Centrepoint organised PuppetFest and Robertson Walk's Friday Jazz. For its contribution to promoting the arts in Singapore, the Group was acknowledged at the Patron of the Arts Award Presentation Ceremony in September 2002. In addition, through its Publishing & Printing arm, the Group was awarded The Associate of the Arts Award by the National Arts Council for its support of the WORDS+ART programme, a project aimed at promoting literary writing.

The message of caring for the environment was put in action by the Group's continued efforts to practise environmentally responsible behaviour through conserving resources and minimising waste.





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Key initiatives included educating the public on glass recycling, as well as a 'Water Smart' project in the Shah Alam bottling plant incorporating automatic back-washing (water recycling) which led to a saving of 509,000 litres of water a day.

The Group has always made its presence in promoting sports among youth felt. The year saw widespread involvement in such high-profile events as the 2002 SUKMA Games held in Sabah, The Starwalk, Coca-Cola Cup and 100PLUS World Sports Climbing Championship. F&N Tunas Bolasepak, a tripartite soccer initiative organised in association with the Football Association of Malaysia, Majlis Sekolah-Sekolah Malaysia and Majlis Sukan Negara Malaysia to promote grassroots soccer development, was expanded to include more schools throughout Peninsular Malaysia.

The Tiger PowerHitz series of charity concerts remained a highlight in Malaysia. Last year, it raised more than RM1 million in aid of Chinese schools, taking the total disbursed to RM106 million since 1994. At least 300 schools have benefited in areas ranging from the construction of new school buildings to the purchase of computers and high-technology equipment.

In PNG, the Brewery group substantially increased its efforts in alcohol education. The Social Alcohol Model (SAM) is now part of the official curriculum of more than 50 schools in PNG. SAM is also part of Community Policing Programmes which have been well-received in many provinces.

A 'House of Gratitude' was constructed in Tay Ninh province in Vietnam for the families of war martyrs for the eighteenth time, while donations to the Hatay People's Committee helped build a school in the Van Tao Commune.

In Cambodia, the Group co-sponsored Operation Smile, which assembled a group of international medical volunteers to treat and operate on children afflicted with facial deformities.

And smiles are what F&N is committed to delivering, through our products and especially through the help and support we can offer our communities.

