

N T U C
S O C I A L
ENTERPRISES
ANNUAL REPORT 2017

DRIVING BUSINESSES | IMPACTING LIVES

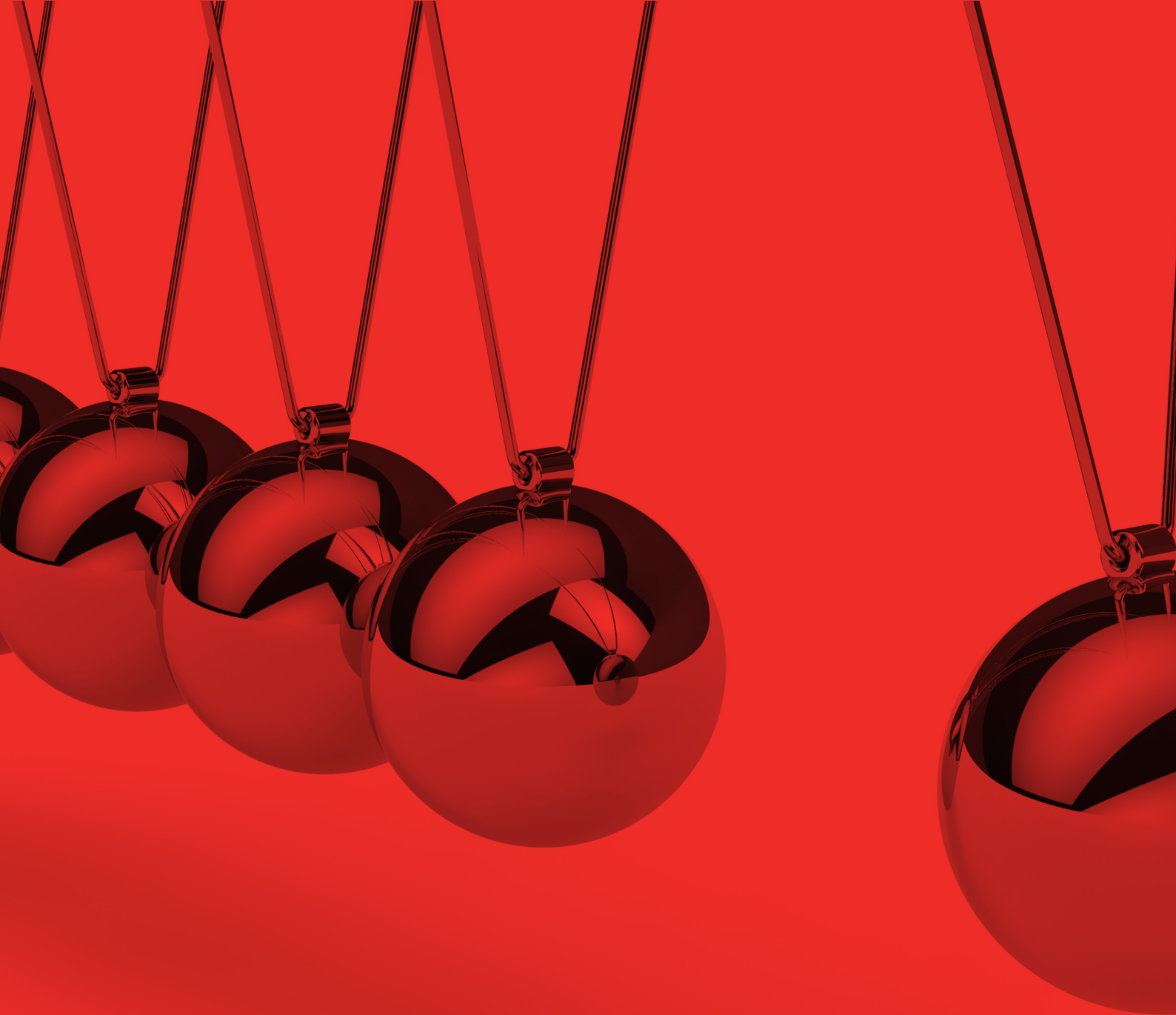


intent

WHY WE EXIST

Our cause is the people in Singapore – we exist to benefit them. Our purpose is to fulfil a genuine social need that is yet unmet, or under-served.

Our areas of focus are the major concerns amongst people in Singapore, namely, cost of living, health and ageing, and the fear of being left behind.



impact

WHAT WE DO AND
HOW WE DO IT

2017 in review



HELPING PARENTS OF YOUNG AND SCHOOL- GOING CHILDREN WITH PRACTICAL GIFTS AND PLANS

Parents of 27,000 babies born in 2016 and 2017 received NTUC SEs' Good Start Bundle comprising milk powder and diapers, complimentary one year IncomeShield coverage, an activity book, and other goodies.

Parents enjoyed better value and wider choice with NTUC FairPrice's introduction of new and quality formula milk powder

- Australia's Own
- FairPrice Gold.

NTUC FairPrice Foundation-CDC Milk Fund of \$1.5m was launched in January to benefit up to 7,500 children from low-income families.



ENABLING FAMILIES TO COPE WITH THE COST OF LIVING

Since July, residents in five mature HDB housing estates are enjoying affordable and quality meals at clean environments in hawker centres operated by NTUC Foodfare.

NTUC Foodfare has also opened a new hawker centre in Kampung Admiralty to cater to the needs of residents in the vicinity.

More residents benefit from greater savings at FairPrice Shops located in housing estates with a higher concentration of low-income households.





ENABLING SENIORS TO LIVE HAPPIER AND MORE MEANINGFUL LIVES

Young children and seniors began to bond over specially designed inter-generational programmes at My First Skool and Silver Circle Senior Care Centre.

More seniors were able to benefit from specialised care at the newly opened Silver Circle Senior Care Centre at Ciyuan and NTUC Health Nursing Home at Chai Chee.

Caregivers equipped themselves with practical skills to take care of their elderly dependents at the training programme provided by NTUC LearningHub and NTUC Health.



INCENTIVISING EVERYONE TO LIVE AND EAT HEALTHILY

Health-conscious people and those afflicted with diabetes could have access to tasty meals with low-Glycemic Index produced jointly by NTUC Foodfare and Temasek Polytechnic.

NTUC FairPrice offered 2% off fresh fruit and vegetables every Wednesday to encourage more people to eat healthily.

In support of the Government's call to tackle Diabetes, NTUC FairPrice started an education campaign on brown rice in October.



EMPOWERING YOUNG AND OLD TO MAKE GOOD PROGRESS THROUGH LIFE

Children at three newly opened, large My First Skool centres in Edgefield Plains, Fenvale and 10 Jurong West were able to benefit from the respective focuses on the Arts; Science, Technology, Engineering and Math; and Mother Tongue.

NTUC First Campus also celebrated its 40th anniversary, marking decades-long dedication of giving young children a good start in life.

The last batch of students from ITE and Polytechnic received NTUC Income's OrangeAid Future Development Programme bursaries to enable them to remain in school free from financial worries. In total, \$2.5m has been disbursed to 1,000 deserving students from 2015 to 2017.

Taxi-drivers had the opportunity of equipping themselves with relevant digital skills to help them in their daily work at the SkillsFuture for Digital Workplace Programme. This programme was specially customised for them by NTUC LearningHub in collaboration with National Taxi Association and Republic Polytechnic.





EMBRACING INNOVATION TO IMPROVE SERVICES

NTUC Income policyholders were able to benefit from innovations such as the IBM Watson Explorer to improve efficiency of IncomeShield claims; Jiffy Jane, a travel insurance chatbot; and an app to enable motorists to report accidents remotely.

Customers at the Cheers store in Nanyang Polytechnic began enjoying a new shopping experience in an unmanned and cashless environment.

Customers at Kampung Admiralty Hawker Centre started buying food in a cashless way with Plus! Pay introduced by NTUC Foodfare and NTUC Link.



HELPING SMES TO HELP THEMSELVES

Small and Medium Enterprises (SMEs) were able to improve their HR management with the new HR resource portal launched by NTUC LearningHub and SPRING Singapore.

NTUC FairPrice invested \$1m to the SME Supplier's Support and Development Programme to help its local SME supply partners boost their capabilities for business growth. In total, it has invested more than \$5m over five years to support SMEs.

New startups could better manage their employee benefit insurance with ease with the help of "Start.Sure", the first self-service digital platform launched by NTUC Income.



CELEBRATING NEW VENTURES AND PAST ACHIEVEMENTS

Mercatus acquired Jurong Point, the largest suburban mall in Singapore. This acquisition provided Mercatus with a more steady income stream, and gave SEs access to extend their services to residents in Jurong West.

NTUC Health's Unity pharmacy and NTUC FairPrice combined to become No. 2 in terms of Health and Beauty Products market share in Singapore. This would enable the Group to expand our social footprint into more heartlands.

NTUC FairPrice and NTUC First Campus were named "Top Brand Supermarket & Online Grocery Retailer" and "Top Brand – Pre-School Education" respectively.

CEO of NTUC FairPrice Mr Seah Kian Peng won the coveted Influential Brands Top CEO 2017.



NTUC SOCIAL ENTERPRISES -

with you every step of every day

morning

ENJOYING BREAKFAST WITH THE FAMILY

NTUC Foodfare serves up 220,000 affordable, tasty and healthy meals daily at its food courts, hawker centres, coffee shops, and through its institutional catering services.

CARING FOR YOU AND YOUR LOVED ONES

NTUC Health cares for more than 8,000 individuals yearly through its senior day care, home care, nursing home, community support, sheltered/senior group home and family medicine services.

“I LIKE LESSONS WITH THE GRANDPAS AND GRANDMAS...”

MFS children learn values of empathy, compassion, and respect for the seniors, while seniors develop a stronger sense of purpose through mentoring the children during the activities through the Intergenerational programme designed by NTUC First Campus and NTUC Health.



“OFF TO SCHOOL – MY DADDY AND I...”

More than 18,000 children benefit from quality childhood education and development programmes at **NTUC First Campus' My First Skool (MFS)** and **Little Skool House**.

KEEPING THE MIND AND BODY ACTIVE

NTUC Health engages more than 2,000 seniors yearly in wellness and lifestyle activities at its senior activity and wellness centres.

SHOPPING FOR FRESH AND AFFORDABLE GROCERIES

NTUC FairPrice serves more than 600,000 customers daily through a combined network of 360 supermarkets, hypermarkets, pharmacies and convenience stores. FairPrice remains focused on offering consumers an extensive range of household essentials at affordable prices.

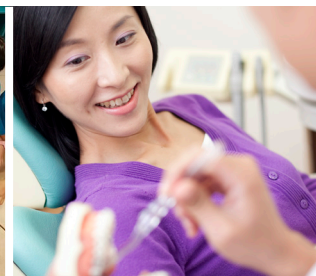
HOME AWAY FROM HOME AT AFTERSCHOOL

180 children from two schools spend after school hours at NTUC First Campus' school-based student care programme where they benefit from a continuum of care in a familiar environment. The programme is now offered in four more schools to 430 students.

LEARNING DIGITAL SKILLS TO BE FUTURE-READY

In 2017, 2,000 people attended the SkillsFuture For Digital Workplace (SFDW) course at NTUC LearningHub to help them navigate a workday more successfully.

In 2018, NTUC LHUB targets to help another 10,000 more workers, including 1,000 taxi drivers, to acquire digital skills to be more resilient and adaptable in a technology-rich environment.



PUTTING ON HEALTHY SMILES

NTUC Health Unity Denticare provides high quality, comprehensive and affordable dental services at its 19 clinics and two mobile dental clinics. CHAS and PG Card holders can also enjoy government subsidies.

FOCUSSING ON STUDIES FREE FROM FINANCIAL WORRIES

From 2015 – 2017, **NTUC Income's** OrangeAid Future Development Fund enabled 1,000 ITE and Polytechnic students from disadvantaged circumstances to continue with their studies without financial worries. The aim is to empower them to create a better future for themselves through education.

PROVIDING ESSENTIAL AND AFFORDABLE INSURANCE TO PEOPLE IN SINGAPORE

NTUC Income serves more than 2 million policyholders and is committed to providing essential insurance to people, including those who are unserved and underserved. It therefore constantly evolves its business to meet the changing insurance needs of customers while keeping prices affordable.

Some examples of plans NTUC Income introduced include: Family Protect, an insurance for the 'sandwiched' generation; the range of Silver products to give seniors greater insurance protection suited to their needs; Travel PreX to protect travellers with pre-existing medical conditions; SpecialCare Down Syndrome; and SpecialCare Autism.

EATING TASTY AND AFFORDABLE MEALS

At **Rice Garden** by NTUC Foodfare, Comcare cardholders can enjoy a meal of rice with two vegetables and one meat at \$1.50. Senior citizens, students, National Servicemen and Union members can have the same meal at \$2.00 at hawker centres and \$2.50 at coffee shops.

Since its first stall opened in Aljunied in 2009, Rice Garden has been growing in size every year – to a sizable 38 stalls across Singapore by December 2017.

SHOPPING WITH PLUS! CARD GIVES SHOPPERS MORE BANG FOR THE BUCK

NTUC Link's rewards programme gives its 2 million members discounts and cash rebates through LinkPoints earned at participating merchants such as NTUC FairPrice.

Union members benefit from a lower LinkPoints redemption rate for rewards of their choice and enjoy a much wider range of privileges, e.g., Flash Card Discounts.



RESKILLING AND UPSKILLING FOR GOOD JOB OPPORTUNITIES

In 2017, 80,000 PMETs attended courses at **NTUC LearningHub** to be up-skilled and re-skilled for life-long employability.

Singaporeans can use their \$500 SkillsFuture credit to offset the costs of more than 600 courses offered by LearningHub.

SHOPPING AND DINING AT MERCATUS MALLS

More than 156.5 million people shopped and dined, or simply unwound at Jurong Point, NEX, AMK Hub and Thomson Plaza – malls managed by Mercatus in 2017. All these malls also achieved more than 95% occupancy rate – a healthy sign.

Numbers at a glance

FAIRPRICE

SERVING

>600,000

CUSTOMERS PER DAY

FOODFARE

SERVING

220,000

MEALS DAILY

FIRST CAMPUS

EDUCATING

18,000

CHILDREN PER DAY

HEALTH

CARING FOR

8,000

PEOPLE YEARLY

INCOME

SERVING

>2 MILLION

CUSTOMERS

LEARNINGHUB

TRAINING

80,000

PEOPLE ANNUALLY

MERCATUS

SERVING

156.5 MILLION

SHOPPERS ANNUALLY

LINK

SERVING

2 MILLION

MEMBERS

imagine

WHERE WE WANT
TO GO



From the desks of our leaders

NTUC SOCIAL ENTERPRISES

Like all enterprises, our NTUC social enterprises are subject to disruptions and challenges. How then are we to continue doing good for people in Singapore? We have been doing so for close to 50 years. In this age of disruption, to fulfil our mission is very challenging. To continue to remain relevant and effective, our NTUC social enterprises need to adapt to change, embrace innovation and scale up. Core to this is embracing digital transformation. We have to be equal to the best in digitizing our businesses, change our business models to provide the most cost effective and best value services to our customers. This way, we will be well-poised to continue to do good for Singapore for the next 50 years and more.

Mr Lim Boon Heng, Chairman, NTUC Enterprise,

ENTERPRISE

In this time of rapidly changing economy and evolving business models, it is imperative for the group of NTUC Social Enterprises to gear ourselves up for more digital transformation to deliver new and better customer experiences. At the same time, we need to also entrench ourselves in operational excellence in order to drive costs down. We can only achieve all these if we invest in talent because people are central to the success of our innovation and transformation journey.

Moving forward, NTUC Social Enterprises will be working even more cohesively as a group. Drawing on the strength of the group, we will be able to stay relevant and competitive, and so continue to create a better future for people in Singapore.

Mr Kee Teck Koon, ED, NTUC Enterprise

FAIRPRICE

NTUC FairPrice is constantly innovating to meet the changing needs of the community and adapting to shifts in the industry as we serve our social mission. We continue to leverage retail technologies to empower customers to self-serve, to streamline business operations and to boost productivity. FairPrice has also been developing our data analytics capabilities to better understand and cater to specific customer needs, utilizing multiple platforms – both online and offline – to create an omni-channel experience to better serve our stakeholders and make lives better for all.

Mr Seah Kian Peng, CEO, NTUC FairPrice

FIRST CAMPUS

As a thought and practice leader in the development and care of young children, NTUC First Campus continually looks at ways to raise operational excellence and deliver a great experience to the families we serve. We have embraced the use of mobile apps and an online parents' portal so that teachers and parents can now co-operate to reinforce children's learning, allowing them to fulfil their fullest potential. We are also well under way in our digital transformation journey to improve our processes and increase productivity across the organisation.

Mr Chan Tee Seng, CEO, NTUC First Campus

FOODFARE

The cooked food sector, as with the larger business landscape continues to see an escalated growth of the digital economy, which alters how meals are served and consumed. At NTUC Foodfare, we embarked on a digital transformation journey to embrace retail technology for greater operational efficiency and launched an online ordering and payment platform to drive cashless transactions. While we strengthen our core retail and food services divisions, we leverage on our food science capabilities for our foray into the ready meals and Low GI (diabetic-friendly) food domain, to join in the war against Diabetes.

Mr Perry Ong, CEO, NTUC Foodfare

HEALTH

NTUC Health has grown significantly over the years, both in terms of the scale of our existing services, as well as in new areas such as nursing homes and active ageing facilities. To position ourselves firmly for further growth to support an ageing population, we have embarked on our operational excellence journey focusing on service, process and people. We are committed to invest meaningfully in service training and process improvement, leveraging technology for greater efficiencies and capability development of our staff. We will also continue to learn, embrace innovation and explore new ways to deliver better health and care outcomes for seniors in partnership with government and industry partners.

Chua Song Khim, CEO, NTUC Health

INCOME

In the new digital economy, Income must be agile to steer our businesses so as to stay ahead of the game. To do so, we are embedding a customer centric focus to accelerate the digitalisation of our businesses and explore new business models enabled by digitization. By re-imagining insurance we continue to serve our policyholders including those who are unserved and underserved, so as to deliver positive impact as a social enterprise.

Ken Ng, CEO, NTUC Income

LEARNINGHUB

In 2017, we set off on a LEAN journey. Together with me, 19 management members and managers went through 8 months of LEAN learning journey, spending half day every Monday to pick up the tools of LEAN and applying them in our workplace for daily improvement. While we came up with one project each during this journey, the more significant benefit was a change in culture, one which embraces LEAN as a way of work and striving for operational excellence. Moving onto 2018, the LEAN journey continues and our goal is to go “Paperless-Wireless-Cashless” in our backend, saving transaction time and resources, as well as improving our customer experience. As the saying goes, what you don’t measure, you don’t achieve. Therefore our LEAN efforts in 2018 will leverage on data analytics to make sharper analysis and be more surgical in our efforts in daily improvement. As we scale to the next level, we will initiate Artificial Intelligence and technology projects to help digitize our processes and business model so that we can support more under the national initiative of Skillsfuture and the Industry Transformation Maps (ITMs).

Mr Kwek Kok Kwong, CEO, NTUC LearningHub

LINK

Twenty years ago, NTUC Link was started with a mission to stretch the dollar for our members. Today, we have evolved to deliver this and more. In the face of rapid digitisation and working towards Singapore’s growth of being a Smart Nation, NTUC Link has undergone a rapid transformation to become a community enabler. We achieve this by connecting and creating value for consumers and businesses through a loyalty-based, data-driven and omni-channel approach. By doing so, we enhance retail experiences and elevate the quality of life for all Singaporeans. As we look ahead, we will continue to strengthen our digital and analytic capabilities to stay at the fore of innovation. We also look forward to collaborating with other Social Enterprises to enable them on their digital journey into the future.

Mr Sandeep Bhalla, CEO, NTUC Link

MERCATUS

Mercatus has embarked on a digital transformation journey that will bring forth new innovative concepts to transform our business and bring forth greater labour productivity. In 2018, we will introduce new digital touch points to our malls, and the centrepiece of which is the M Malls app anchored by our new digital loyalty programme. The greater use of data analytics will enable us to personalise our offerings to the needs of our shoppers. Our buildings will also be made intelligent to help conserve energy while improving the labour productivity of both our staff and our vendors. Through adopting “Lean” methodology to revamp our work processes, Mercatus continue to seek excellence in our daily operations which will be underpinned by a new ERP system implemented across all our portfolio properties.








Mr David Poh, CEO, Mercatus

Who We Are

Enterprise






FairPrice

NTUC FairPrice

| | |
|--|--------------------|
|  | FairPrice |
|  | FairPrice Xtra |
|  | FairPrice Finest |
|  | FairPrice Xpress |
|  | FairPrice Online |
|  | FairPrice Shop |
|  | Cheers |
|  | Origins Healthcare |
|  | Unity Pharmacy |
|  | Warehouse Club |










Mercatus

Mercatus

| | |
|--|----------------------|
|  | AMK Hub |
|  | Jurong Point |
|  | NEX |
|  | One Marina Boulevard |
|  | Thomson Plaza |






Foodfare

NTUC Foodfare

| | |
|---|---------------|
|  | Foodfare |
|  | Wang Café |
|  | Heavenly Wang |
|  | Vanda Terrace |
|  | Rice Garden |
|  | Kitchen Loft |
|  | Tower Café |
|  | Food Emporium |
|  | Chef's Finest |

ntuc First Campus

NTUC First Campus

| | |
|---|--------------------------------------|
|  | My First Skool |
|  | The Little Skool-House International |
|  | The Caterpillar's Cove |
|  | afterschool by NTUC First Campus |
|  | SEED Institute |

ntuc Health

NTUC Health

| | |
|---|------------------------------|
|  | Care@home |
|  | NTUC Health Cluster Support |
|  | Henderson Home |
|  | NTUC Health Nursing Home |
|  | SilverACE |
|  | Silver Circle |
|  | SilverCOVE |
|  | Unity Denticare |
|  | Unity Family Medicine Clinic |

Income

made different

NTUC Income

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|---|--------|
|  | Income |
|---|--------|

ntuc LearningHub

NTUC LearningHub

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|  | LearningHub |
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Link

NTUC Link

| | |
|---|------------------|
|  | Plus! LinkPoints |
|---|------------------|