

CORPORATE SOCIAL
RESPONSIBILITY



CORPORATE SOCIAL RESPONSIBILITY

The QAF Group's major business activities comprise bakery, primary production, and the trading and distribution of food products in Singapore, Malaysia, the Philippines and Australia.

We provide quality, wholesome and nutritious food to millions of people regionally. The health and well-being of the customers we serve are directly impacted by our manufacturing processes and the products we produce.

As a responsible corporate citizen, we are committed to operating and growing our businesses in a responsible and economically sustainable manner that minimizes our impact on the environment and eco-system.

We are also committed to making a positive impact on the people we serve through initiatives that contribute to the betterment of society.

Sustainable business practices not only ensure that future generations are assured of a stable food supply, it also reduces input costs and enables us to give back to society by enabling us to maintain the prices of our products. Our efforts will enable people to get the best nutritional value for their money that will enable them to live healthier lives.

Key CSR initiatives for the Group are social and environmental concerns pertaining to health, local community, labour and environment.

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To encourage more people to switch to whole-grains, Gardenia produced a soft and fine wholemeal bread that combined the goodness of whole-grains with the softness of white bread.

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PROMOTING HEALTHY EATING AND LIFESTYLES

We are committed to improving the health and well-being of consumers by helping them to eat and live better.

We achieve this through the innovation of healthy products and collaborations with health industry partners to instill healthy lifestyles.

Over the years, Gardenia has developed several healthy bakery products to address the special nutritional needs of consumers. These include sugar-free breads and breads with low glycemic index suitable for diabetics, breads fortified with L-carnitine to aid in weight management, breads with prebiotic properties, and breads containing beta glucans to help lower cholesterol.

In Singapore, Gardenia has been promoting a healthy diet and the benefits of whole-grains since 1999. To encourage more people to switch to whole-grains, Gardenia produced a soft and fine wholemeal bread that combined the goodness of whole-grains with the softness of white bread.

In Malaysia, Gardenia expanded its range of healthy breads with the introduction of a 100% wholegrain bread with Canadian purple wheat, an ingredient that is high in anti-oxidants.



Pairing of mom and kid in a Healthy Sandwich competition sponsored by GBKL during a roadshow by Nutrition Month Malaysia.

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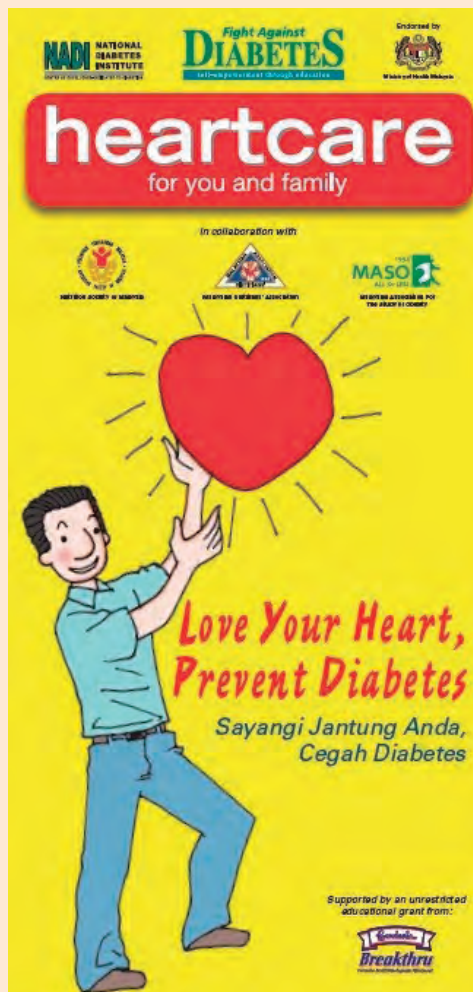
HEALTH PROMOTION INITIATIVES

In 2012, Gardenia supported and participated in numerous events organized by the Singapore Health Promotion Board to promote healthy eating including the FINEST Food Symposium and the National Healthy Lifestyle Campaign where attendees sampled Gardenia's wide range of Healthier Choice wholegrain breads.

In Malaysia, Gardenia partnered with the National Diabetes Institute for 3 years in its 'Fight Against Diabetes' educational programs. In 2012, it collaborated with the Nutrition Society of Malaysia

for the 4th consecutive year to promote healthy eating habits.

Gardenia also collaborates with NGOs to publish articles to promote health awareness. It actively supports the research work of healthcare professionals and universities in Malaysia with complimentary products. In 2012, it supported the research paper by Sangeetha Shyam and Prof Fatimah Arshad titled, 'Low Glycaemic Index (GI) Diets Improve Management of Body Weight and Glucose Tolerance in Women with Previous History of Gestational Diabetes: A Randomized Trial'.



500,000 copies of Heart-care Booklets were produced by GBKL in collaboration with the National Diabetes Institute as part of a major health educational program.



Gardenia Singapore promoting the benefits of wholegrain bread to the young.



Winner of the inter-school Healthy Activities Scrapbook contest organised by the Nutrition Month Malaysia program and co-sponsored by GBKL.

SCHOOL HEALTH FAIRS

We believe that healthy eating habits should be instilled in the young and for more than 20 years, Gardenia has partnered with the Health Promotion Board in its School Health Fair program. The program teaches school children in Singapore to eat a healthy diet, stressing the importance of having breakfast and the benefits of eating wholegrain foods such as wholemeal breads.

In 2012, more than 23,000 students from various primary schools across Singapore participated in Gardenia's interactive School Health Fair program that included health talks, educational skits on healthy diets and healthy sandwich-making competitions.

In Malaysia, Gardenia has for the past 3 years conducted health programs in schools to promote healthy eating habits in conjunction with Nutrition Month Malaysia, which is usually held in April.

In the Philippines, Gardenia's School Nutri-tour program teaches school children how to incorporate good eating habits with an active lifestyle.

Gardenia also conducts free nutrition counseling services on good health and healthy diets in supermarkets and offices in the Philippines and partners with organizations that conduct medical and dental missions to bring the message of a healthy lifestyle to communities living in various depressed regions in the Philippines.



School children participate in a Healthy Sandwich-Making competition organised by Gardenia Singapore during a School Health Fair program.

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EDUCATIONAL FACTORY AND BREAD PLANT TOURS

Gardenia spreads its message of healthy eating to the larger community through free educational factory and bread plant tours of its technologically advanced production facilities.

In 2012, more than 25,000 students, youths and the elderly from schools, homes and non-profit organizations, visited the Gardenia bread plant in Singapore where they sampled Healthier Choice Gardenia wholegrain products and were provided with educational brochures.

In the Philippines, Gardenia's bread plant at Laguna has become one of the leading educational plant tour destinations in the country for students, parents, professionals and community organizations. In 2012, the plant played host to more than 350,000 visitors. The tour program incorporates a brief lecture on hygienic practices, healthy eating and nutrition.

In Malaysia, Gardenia has opened its factory to visitors since 1991 and now welcomes more than 25,000 visitors each year. Visitors get to see the bread-making process from start to finish and the logistical challenges of bringing fresh bread to consumers all over the country on a daily basis.



Spreading the message of healthy eating during a factory tour of Gardenia Singapore's bakery plant.



Visitors at Gardenia Philippines' bread plant tour in Laguna.

COMMUNITIES IN NEED

We strive to be a caring corporate citizen by giving back to society through our support of various philanthropic, community and charitable causes such as community development, sponsorships and aid programs.

ENCOURAGING ENTREPRENEURSHIP

We encourage entrepreneurship and provide people with opportunities to earn a livelihood. Gardenia's Territorial Distributorship and Pedicart program in the Philippines has enabled the unemployed to be their own boss and earn a decent living by selling Gardenia bread products house-to-house from pedicarts. Gardenia has also launched a similar livelihood program using motorcycles, the Sari-cycle program, where bread is sold near schools, parks, churches, offices and factories in Metro Manila.

TRANSFORMING LIVES

We take a pro-active role in transforming lives. During the year, Gardenia's active support of the Tuloy sa Don Bosco Foundation has given poor and abandoned children, many of whom were former drug addicts, snatchers and thieves, a chance to receive an education and be rehabilitated into responsible citizens. To enable the Foundation to earn extra income, Gardenia hires staff from Tuloy to run its in-house bread store at its plant in Laguna. It also accepts a number of Tuloy's students for on-the-job training and offers employment to qualified graduates.



(R-L): Gardenia Philippines' President & GM Jun Umali, the Department of Trade and Industry's Secretary and executives from SM Supermarket at the launch of 'Pinoy Tasty', an affordable loaf bread.

BRINGING AFFORDABLE FOOD TO THE PEOPLE

We actively participate in initiatives to improve people's quality of life by providing them with access to affordable food.

During the year, Gardenia collaborated with the Philippine Baking Industry Group, Inc to bring affordable loaf bread and pandesal, such as Pinoy Tasty and Pinoy Pandesal to lower-income Filipino consumers. The project was undertaken with the Department of Trade and Industry ('DTI') and other bakery associations.

In 2012, Gardenia also continued its participation in the DTI's Diskwento Caravan to provide discounted products and basic commodities to poor communities.

SPONSORSHIPS AND SUPPORT OF CHARITABLE CAUSES AND COMMUNITY PROGRAMS

During the year, we provided financial support to a range of charitable organizations and causes.

This included the setting up of the UOB-SMU Asian Enterprise Institute in Singapore to offer subsidized business consulting for small and medium enterprises. We also supported the POSB PASSion Run for Kids 2012 organized by the POSB and People's Association to support less fortunate children in the community and contributed to the arts through our support of the activities of the Wild Rice Ball.

In Australia, Rivalea is a regular sponsor of local sporting groups such as football, tennis, netball, hockey and swimming clubs. During the year, it supported the development of a new pitch for its local hockey club and the addition of new club rooms for its local tennis club.

Besides monetary support, we contribute our resources towards the welfare of the less fortunate. We support corporate social initiatives and community programs by offering complimentary sponsorships.

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In 2012, Gardenia distributed bakery products at heavily subsidized rates to some 25 charities, homes, hospitals and non-profit organizations in Singapore. It also sponsored the activities of the Health Promotion Board, Community Chest, People's Association, SAFRA, NTUC's Low Income Workers' Union and Singapore Press Holdings. More than 250,000 loaves of bread and bakery products were distributed to charitable organisations and through sponsorships of community programs.

In Malaysia, Gardenia continued its bread donations to various charities and organizations, including old folks homes, children's homes and shelters. Ever since it started operations back in 1986, it has been supplying free bread and products to more than 65 charity homes daily.

In 2012, Gardenia's 'Daily Bread' program in the Philippines donated an average of 10,000 loaves a week to various poor communities and foundations.

Gardenia also continued its 'I Shared Bread' campaign for the 2nd consecutive year, donating to 2 children's charities in the Philippines, 2 loaves of bread for every loaf of bread purchased by customers during the Happy Bread Day Fair.

RESPONDING TO CALAMITIES

As a caring corporate citizen, we have a responsibility to help communities stricken by natural disasters. In the Philippines, flooding caused by typhoons occur frequently and Gardenia regularly partners with relief and civic organizations such as the Philippine National Red Cross, Department of Social Welfare and Development, Armed Forces of the Philippines, GMA Kapuso Foundation and ABS-CBN Foundation to speedily serve victims of natural calamities like floods, typhoons and fires.

In 2009, Gardenia worked with relief organizations to provide basic goods, especially bread, to the victims



Gardenia Philippines partners with the Philippine National Red Cross to provide aid to victims of a fire in Pasay.

of the worst flooding in decades brought by Typhoon Ondoy. The massive flooding affected Metro Manila and surrounding provinces.

COMMUNITY INVOLVEMENT PROMOTING KINDNESS TO THE COMMUNITY

Beyond instilling healthy lifestyles, we are committed to cultivating a kinder and more caring society.

Gardenia was the first and most active corporate supporter of the Singapore Kindness Movement ('SKM') organized by the Ministry of Culture Community and Youth more than 8 years ago.

In 2012, it continued its complimentary support of the Kindness Movement. Two of Gardenia's popular speciality loaves, the Gardenia Fruit & Nut loaf and Gardenia California Raisin loaf carrying a special kindness message – 'Share goodness. There's always time to make someone's day', allowed SKM's kindness message to be spread to consumers at over 3,000 retail outlets throughout Singapore.



Gardenia Philippines' bread distribution program to curb hunger and malnutrition in less fortunate children.

We take an active part in community activities to foster close relationships and strong ties within the communities in which we operate. In Malaysia, Gardenia joins with the local community in celebrating various local festivals and organizes an Open House each year.

PROVIDING VALUABLE WORK EXPERIENCE FOR THE YOUNG

We invest in the young by providing them with opportunities to undertake a work stint in our facilities.

In Malaysia, Gardenia accepts undergraduate students into its bakeries for industrial training to expose and prepare them for the real work environment.

In Australia, Rivalea provides opportunities for local high school students to visit its production facilities and to undertake work experience, an initiative that has often led to students becoming valued future employees.



Daily bread contributions by GBKL to the special class students of Telok Gadong National School, Klang, for their recess breaks.



The Good Samaritan Home at Klang, one of the recipients of daily bread contributions by GBKL.

ENVIRONMENT

We are committed to minimizing and mitigating our negative environmental impact and maximizing our positive environmental contributions.

We focus on optimizing our operations to be more sustainable and collaborating for an environmentally sustainable world.

ENVIRONMENTAL MANAGEMENT SYSTEM

Rivalea has adopted the ISO 14001 standard for Environmental Management Systems and is currently working towards compliance with the ISO50001 standard for Energy Management Systems. All Rivalea sites are regulated under State Environment Protection Agencies and the company regularly monitors and reports on potential environmental impacts such as ground water, soil nutrients, air quality, odour and pollution.

BIOGAS TO ENERGY

Rivalea is particularly focused on its efforts to reduce emissions. It built its 1st biogas facility in 2009, ahead of the government's Voluntary Carbon Farming Initiative in 2011 to encourage farmers to reduce emissions. Rivalea's 2nd biogas facility commenced producing biogas in 2012.

Rivalea's biogas projects aim to reduce emissions by 30,000 tonnes of CO₂-equivalent annually. The next stage of this project aims to further reduce CO₂ emissions through utilization of biogas as a substitute fuel to replace LPG and grid electricity generated from coal.

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Rivalea's biogas facility at Corowa captures and burns methane from effluent to reduce greenhouse gas emissions.



Rivalea uses nutrient-rich treated waste water from its operations to grow valuable crops.

RECOVERING NUTRIENTS AND WATER FROM WASTE

Recovering nutrients and water from our animal farming operations is essential for meeting our environmental and sustainability objectives. Rivalea's farm at Corowa uses treated effluent water to grow wheat, maize and pasture crops that are milled into the highly nutritious diets that it feeds to its herd. Other by-products from its operations are also processed into products such as compost.

Rivalea is currently involved in a project investigating the use of algal biomass as a potential feed ingredient for its animals. The purpose of this project is to establish a sustainable resource that can be used as an alternative source of dietary protein and energy.

ENERGY SAVING PROJECTS

During the year, we undertook measures to improve our environmental footprint to ensure that our practices and processes are not harmful to the environment through the use of cleaner and more cost efficient energy sources.

In 2012, NCS Cold Store in Singapore completed the replacement of plant and machinery under the National Environment Agency's energy efficiency program. The energy efficient machinery will result in savings of about \$120,000 a year in electricity usage. In Malaysia, Gardenia has started the switch over

to the use of natural gas for most of its ovens and has replaced all conventional diesel-fired boilers in its production lines with electrical powered steam generators to reduce carbon emissions. To optimize electricity consumption, variable speed drives have been installed in all production lines.

In the Philippines, Gardenia's sustainability practices include recycling and garbage segregation programs. It uses environment-friendly liquefied petroleum gas for its baking processes and a Waste Water Facility treats all used water before it is discharged into the sewers. To reduce air pollution, delivery vehicles undergo regular maintenance.

COMMUNITY ENVIRONMENTAL MEETINGS

Rivalea adopts a proactive approach by holding regular community meetings with its local neighbours to discuss environmental issues and to work together on efforts to reduce or eliminate the environmental impacts of its operations. These meetings have enhanced relations with the local community.

ECONOMIC

DEEPENING OUR BONDS WITHIN THE COMMUNITY

We are committed to ensuring that our activities contribute to the development of the communities in which we operate for the benefit of future generations.

We foster close relationships and deepen our bonds within these communities through our support of key community projects. Together with other local businesses and local councils, Rivalea is currently involved in a project for the establishment of a new jetty on the Murray River at Corowa. We are honoured that the local council has announced that it will be naming the jetty 'Rivalea Wharf' in recognition of Rivalea's support of the local community.

As a large local employer, Rivalea values its unique position in the local community and has a strong preference for using local suppliers and contractors for agriculture, farming operations and maintenance.

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OUR PEOPLE

Our people are at the heart of our operations and are the key driving force behind our successes and achievements.

INVESTING IN TRAINING AND EDUCATION

We invest in our employees through various upgrading and career development programs in the form of external and internal training courses.

In Singapore and Malaysia, Gardenia provides local and overseas training and exposure for employees across all levels of seniority to improve their skills and equip them with the necessary knowledge to meet the changing needs of the business.

In the Philippines, Gardenia provides company-sponsored education for employees who wish to undertake further studies and at Rivalea, employees have access to various training, development and career opportunities that also include tertiary qualifications.

INVESTING IN OCCUPATIONAL HEALTH AND SAFETY

We value our employees and invest in various initiatives that actively promote their health, safety and well-being.

Rivalea uses the SafetyMAP standard for Safety Management Systems and is working towards gaining accreditation to the ASNZ 4801 standard.

In 2012, it implemented a new online integrated incident reporting system that allows for real time incident reporting to enable speedy investigations.

Rivalea employees are encouraged to participate in exercise programs using the company gym and its running and walking tracks. They are also given annual flu vaccinations and information on a wide range of health and wellness topics.

Rivalea's in-house Rehabilitation Centre aids in the speedy recovery of any injured employee by providing safe alternative duties, rehabilitation and exercise programs.



Overseas training and exposure for employees of Gardenia Singapore and GBKL at the Pepperidge Farm Bakery, Bloomfield, Connecticut, USA.

INVESTING IN FAMILY WORK-LIFE BALANCE

Our guiding principles are family-oriented and designed to enable employees achieve a meaningful work-life balance.

In Singapore, Gardenia provides free daily transportation and complimentary lunches for employees. It also provides welfare initiatives like a complimentary loaf of Gardenia bread each day, complimentary tickets to local attractions such as the Singapore Zoo and specially packed mini-hampers to celebrate special occasions such as Singapore's National Day.

In the Philippines, Gardenia invests in the well-being of its employees through family-oriented bonding programs and activities to foster a greater sense of belonging. Gardenia hosts an annual plant visit for new employees' families, and celebrates the successes of employees' immediate family members who graduate from elementary, high school and college with graduation gift packs. It also offers the college-level children of employees the opportunity to undertake on-the-job-training at the company during their vacations. To help employees and their families supplement their income, Gardenia also conducts livelihood seminars on various topics including sandwich preparation, candle-making, beadwork and soap-making.

In Malaysia, Gardenia maintains a fund for the benefit of employees who require financial assistance. Employees are also provided with free daily transportation and complimentary meals.

In Australia, Rivalea's Employee Assistance Program provides assistance and counseling on a wide range of issues such as addictions, family matters, grief and bereavement and mental health issues.

Each year, Rivalea celebrates Christmas with employees and their families by holding a Christmas party. In 2012, close to 400 children attended the Christmas party and received an individual gift.



Staff volunteers from Gardenia Singapore at the Health Promotion Board's Pink Ribbon Formation Event.

DIVERSITY

We are a multi-cultural employer employing a diverse range of nationalities. As an equal opportunity employer, we follow fair practices in relation to all employment issues.

In Australia, Rivalea's Equal Employment Opportunity Committee represents the interests of all employees. New international employees and their families are provided with educational opportunities, including English Language classes.

PROMOTING STAFF VOLUNTEERISM FOR A GOOD CAUSE

We believe that helping others contributes towards living a fulfilling and enriching life. Employees are encouraged to take part in community service and to reach out to the needy.

Gardenia employees in the Philippines donate cash to the victims of flash floods through the Philippine Red Cross, and healthy employees are encouraged to donate blood to blood banks.

During the year, Gardenia employees in Singapore participated in the Health Promotion Board's Pink Ribbon Formation Event to promote breast cancer awareness. The event broke the Singapore Book of Records as the largest Pink Ribbon formation by some 3,000 people.

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In 2012, many Rivalea employees volunteered their time to set up a vegetable garden at a local primary school. Volunteers worked with students and their parents to build garden beds, supply and spread compost and install a watering system.

PRODUCT RESPONSIBILITY

Quality control is our highest priority and the foremost social responsibility towards our consumers. We take steps to ensure that our products and production processes are safe and comply with agreed specifications and government regulations.

All our major operations hold HACCP international certifications. Gardenia and Rivalea have also attained ISO9001:2008 food safety and quality control accreditations, with Rivalea possessing Export Registered Establishment, SQF 2000, Aus Meat Animal Welfare and Feed Safe accreditations. Additionally, it also holds accreditation with Australia's largest 2 supermarket chains.

Our trading and logistics operations at Ben Foods maintain its own in-house Quality Assurance team to ensure compliance with food industry regulations. It

has also formulated procedures to facilitate speedy product recalls. Ben Foods ensures that the sourcing of its products do not harm other animals – its Farmland brand of tuna is sourced from suppliers who practice fishing methods that do not endanger dolphins.

Rivalea's team of meat safety and quality assurance officers undertake daily testing of products and equipment relating to compliance, food safety and customer standards in its onsite microbiology laboratory. The laboratory is accredited with the National Association of Testing Authorities.

In Malaysia, all Gardenia products and production plants are certified halal by The Department of Islamic Development Malaysia (JAKIM). In 1994, we also formed a special Internal Halal Committee to ensure that all requirements are stringently adhered to and every aspect of the halal regulations complied with.

In Singapore, all Gardenia and Bonjour bakery products are also certified halal. In Australia, most of the Bakers Maison bakery products are certified halal by the Australian Federation of Islamic Councils Inc, Australia's National Islamic Organisation, with plans to certify more products in future.

Ingredients: Skipjack Tuna,
100% Polyunsaturated oil, Salt.

farmland®

185g NET

SKIPJACK Tuna

LIGHT

SANDWICH IN POLYUNSATURATED OIL

This TUNA has been fished from methods which do not endanger dolphins.

Packed in Thailand for: **Ben Foods (S) Pte Ltd**
Singapore: 1, Fishery Port Road, Jurong
Singapore 619729
Malaysia: Melody Enterprise
70, Jalan Seroja 12, Taman Johor Jaya,
81100 Johor Bahru, Johor



Farmland Tuna is fished from methods that do not endanger dolphins.

ANIMAL WELFARE

Rivalea is committed to the respectful and humane treatment of the animals in its care and this is achieved by breeding and raising animals within systems that deliver high standards of animal welfare.

Rivalea's commitment to removing all pregnant sow stalls by 2017 was completed in 2012, 5 years ahead of schedule and significantly ahead of the industry. Group housing pens that meet or exceed the Model Code of Practice have already been installed and from 2013, all pregnant sows will be housed in these pens. This ensures that they are able to perform natural social behaviours and are able to move around freely.

Rivalea is the leader in its field in the research and development of many aspects of animal welfare. Research strategies include optimising pregnant sow housing and sow grouping methods to minimise aggression, investigating alternative farrowing systems, reducing or eliminating elective husbandry procedures and free range outdoor systems. Rivalea is working alongside industry bodies to conduct research, produce recommendations and establish best practices that will be made available to the industry and the wider community.

ACCOLADES & AWARDS

In 2012, Rivalea was honoured to be recognized as a supplier of choice when it received a nomination for the prestigious Woolworths Supplier of the Year award. Of the many meat suppliers in 2012 to the Woolworths Group throughout Australia, only 4 suppliers were recognized with nominations. The nomination is an endorsement of Rivalea's outstanding standards of innovation and consistent quality.

Department of Trade and Industry, Center for Industrial Competitiveness Search for Model Company – Pro-Active Programs Achievement Awards

In the Philippines, Gardenia's continuous commitment to world-class quality standards, high productivity and strong CSR efforts won it 3 prestigious awards in the Department of Trade and Industry Center for Industrial Competitiveness Search for Model Company in 2011.

Gardenia emerged as the only company to win all the 3 Pro-Active Programs Achievement Awards for Quality and Productivity, Labor Management and Family Welfare/Community Relations.

Sustainability Advantage Award

The Sustainability Advantage Program is a business support service from the Department of Environment, Climate Change and Water which helps organisations to boost their environmental performance. Rivalea was recently awarded a Bronze Partner status in recognition of its efforts in sustainability.



Gardenia Philippines won all 3 Pro-Active Programs Achievement Awards in the Department of Trade and Industry – Center for Industrial Competitiveness Search for Model Company, 2011.