

Making The Difference With People

Growing Our People to Grow Our Company



We strongly believe that the right people with the right skills and the right mindset is the fundamental building block of a winning company. To achieve sustainable long-term growth, we are creating a work environment that allows our people to tap their full potential by working with them to drive performance and helping them live our corporate values. In IDS, we call this our “High Performance, High Values” culture.

Leadership, Management & Talent Development

In a service-oriented business like ours, we are in the “People Business”. Our success is anchored upon the skills, knowledge and attitude of our people. To strengthen our talent pool, we have embarked on the development of a comprehensive Leadership, Management & Talent (LMT) development program. This program was launched in the fourth quarter of 2006, and will be fully rolled out in 2007. This program comprises four major development blocks as described below.

1. *Core Management Program Block* – Three distinct programs were internally designed for the senior, middle and supervisory management levels. The “Growth

Leadership Seminar” is designed to equip our senior management team with the necessary competencies and pragmatic wisdom to champion growth at IDS. The “Operations Excellence For Results Seminar” is targeted to enhance the execution competencies of our middle level management staff. The “Basic Management Program” focuses on providing our supervisory management staff with effective basic management skills.

In November 2006, we conducted two intensive “Growth Leadership Seminars” in Hong Kong for around 50 of our senior management staff. The feedback from the participants to this maiden program has been overwhelmingly positive. Another two such seminars were held in January 2007 in Kuala Lumpur for the rest of the senior management team. The “Operational Excellence For Results Seminar” and “Basic Management Program” will be held in 2007.

2. *Individual Development Program Block* – These are customized development programs tailored for each individual’s training and development needs. Key objective is to accelerate the career advancement of high potential staff.

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3. *Elective Program Block* – These are the training modules designed to enhance the industry-specific technical, functional and/or operational competencies of our staff.

4. *Accelerated Professional Program Block* – This refers to the professional recruitment of management trainees and interns and the implementation of the “New IDS Manager” training and development program. Our aim is to develop a pool of young management talents with the capability of contributing significantly to the business growth over the long-term. It is also aimed at building IDS as an employer of choice not only for mid-career individuals, but also for young graduates who are keen on developing a career in the Integrated-Distribution and Logistics industry.

In 2006, IDS embarked on this long-term investment in new talent by setting up a unique program structure and establishing a number of partnerships with distinguished universities in Asia and the US. The first intake of summer interns and management trainees is expected to be in the summer of 2007.



Group discussion during one of the Growth Leadership Seminars.



A joint initiative between our Hong Kong and South China business units to visit under-privileged children in Dongguan, China.

Performance Management

IDS instills a high performance culture across the Group through the implementation of a rigorous performance goal setting and review process. We encourage our employees to partner with their immediate supervisors to drive individual and team performance. In 2006, a series of performance management workshops was held to ensure that the process is carried out in an effective and consistent manner. In addition, coaching skills workshops were held to support managers and supervisors to provide effective counseling on ways to improve performance.

Corporate Social Responsibility and Education Projects

As part of the Li & Fung Group, IDS operates according to the highest level of ethical and social standards. As good corporate citizen, we respect the environment and the community in which we live and work. We also adhere to the most stringent guidelines to protect the health and safety of our workforce.

In 2006, we formally established a company-wide structure to drive Corporate Social Responsibility (CSR) programs and activities for IDS. We are committed to making a meaningful contribution to our society by actively engaging our employees in performing voluntary social and community work. The key objective is to integrate social values into our business decision-making process and achieve a win-win-win outcome for IDS, the environment and the community at large.

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During the period under review, we launched CSR initiatives in Hong Kong, China, Indonesia, Malaysia and the Philippines. These were met with strong support from our colleagues. Our programs included disaster relief, children welfare and education. This will be a sustained initiative throughout 2007 and beyond, and we expect to see a wider variety of local and regional initiatives.

During the year, we also began to engage with renowned academic institutions to drive collaboration between the industry and education sectors. The Group is playing an active role in the Advisory Committee of the Li & Fung Institute of Supply-Chain Management and Logistics under the Chinese University of Hong Kong, which was

inaugurated in October 2006. The Institute, sponsored by Li & Fung, was established to consolidate academic and applied research on supply chain management and logistics, and promote joint projects between the industry and the Institute.

On 14 December, IDS in conjunction with the Chulalongkorn University, Thailand, organized the inaugural Value-Chain Logistics Seminar in Bangkok to provide high-level and value-driven education in the areas of Integrated-Distribution, Logistics and Supply Chain. The seminar attracted an audience of 600. Proceeds from the event were donated to support student grants and academic research in Logistics and Supply Chain Management at the University.



Christmas party organized by our Malaysia colleagues at Rumah Shalom, a children's home.



Feeding program in the Philippines for children in Pasig city.