



HAW PAR CORPORATION LIMITED
SUSTAINABILITY REPORT 2020
(Performance Report)

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1. READER'S GUIDE

1.1 About Haw Par Corporation Limited

Haw Par Corporation Limited (the "Company", together with its subsidiaries, the "Group") is a multinational group which has been listed on the Singapore Exchange since 1969. The Group is an enterprise with a strong consumer healthcare business with a range of healthcare products promoting a healthy lifestyle. The largest contribution to the healthcare business comes from our brand Tiger Balm. With a wide range of products available in over 100 countries, Tiger Balm is arguably the world's leading and most versatile topical analgesic brand. Besides the consumer healthcare business, the Group also engages in the leisure business and holds significant investments in securities and properties.

1.2 Report Scope

Our approach and governance for sustainability is set out on our company website: www.hawpar.com/sustainability

The Sustainability Report 2020 continues to outline our practices with a focus on performance data and commentary of our material Environmental, Social and Governance ("ESG") issues from 1 January 2020 till 31 December 2020 ("FY2020"). We have maintained the focus of our fourth report on our Healthcare business, which contributes 84% of our revenue and 44% of total revenue and other income. Information and data relate mainly to our operations in Singapore where we are headquartered. In addition, we have also provided qualitative information on our largest asset segment, Investment.

1.3 Methodology

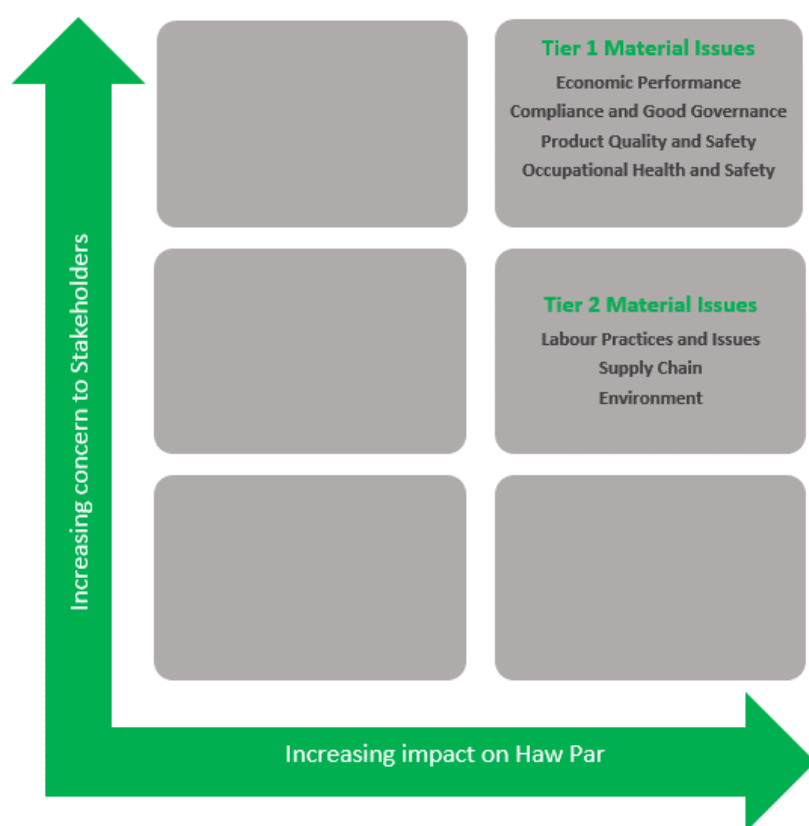
This report has been produced in accordance with the Global Reporting Initiative (GRI) Standards: Core option. In this GRI report, we focus on the key material issues for our business. The GRI Content Index can be found on page 9. The Sustainability Report is published annually as part of our Report to Shareholders and is available on our website.

Our Sustainability Report 2020 has not been externally assured. We welcome feedback from our stakeholders on this report at: sustainability@hawpar.com

2. BOARD STATEMENT

The Sustainability Steering Committee (SSC) consisting of senior management and led by the CEO champions sustainability efforts and priorities at the Group. The SSC reports to the Board, which has specifically considered sustainability issues as part of its strategic formulation, and has determined the ESG factors identified as material to the business of the Group. The Board oversees the management and monitoring of these ESG factors.

The material ESG factors that are the focus in the Sustainability Reporting of the Group for FY2020 are prioritised in the chart on the next page.



3. ESG SUSTAINABILITY REVIEW

Focus	Objective / Targets	Policies, Performance and Practices					
Tier 1 Material Issues							
Economic Performance	To ensure the Group is in good financial health and is poised for sustainable generation of shareholder value.						
		in SGD '000	2016	2017	2018	2019*	2020
		Direct Economic Value Generated: Revenues	266,654	288,348	345,781	360,453	217,867
		Economic Value Distributed	232,363	210,322	225,774	434,017	169,480
		Economic Value Retained	34,291	78,026	120,007	(73,564)	48,387
<i>* In 2019, we paid out 142% of our full year earnings as dividend (including special dividend) to mark the company's 50th anniversary.</i>							
<ul style="list-style-type: none">• The Group received the following awards in 2020:<ul style="list-style-type: none">○ Member of “FT High-growth Companies Asia Pacific 2020” – a ranking carried out by The Financial Times and Statista (revenue growth between 2015 to 2018)○ Member of “ST Singapore’s Fastest Growing Companies 2020” – a ranking carried out by The Straits Times and Statista (revenue growth between 2015 to 2018)							

		<ul style="list-style-type: none"> ○ The Edge Billion Dollar Club Award (Healthcare Services Pharmaceutical Sector) for 2020 (Cut-off date 31 March 2020) • Continual brand investment across all markets. • Continual product development for targeted markets. • Exercise due care and discipline in investment and expenditures.
Compliance and Good Governance	<p>To have an effective, transparent and robust governing platform that ensures long-term values are always in check.</p> <p><u>Target/s for 2021</u> Disclosure on maintaining a record of business practices free of corruption</p>	<ul style="list-style-type: none"> • High standard of corporate governance which promotes clarity and accountability. • Internal audit of different business units and functions carried out throughout the year. • Risk management review carried out quarterly. • Internal Audit reports independently to the Audit and Risk Committee. • Sustainability Steering Committee comprising senior representatives from different business units and functions, including Internal Audit, addresses sustainability issues concerning the Group. • Code of conduct undertaken by every employee. • Strong ethical stance on anti-corruption and preference to work with organisations that have a strong corporate governance structure. • The Group's anti-corruption policies have been communicated to staff and governance body members. • Abide by the laws and resolutions of every country in which we operate. • Being part of the corporate governance process of the target company is a pre-requisite for direct investment. • Whistle-blowing policy in place to address issues in confidence. • We did not incur any significant monetary fines or sanctions for any non-compliance with operational regulatory requirements or environmental conditions of our operations in 2020. • We did not incur any significant fines for non-compliance with laws and regulations concerning the provision and use of products and services in 2020. • We maintained a record of business practices free of corruption in 2020.
Product Quality and Safety	<p>To ensure that safety is never compromised in any part of our value chain as any repercussion can bring harm to the long-term value of the Group.</p> <p><u>Target/s for 2021</u> Disclosure on any product recall arising from quality or safety failure</p>	<ul style="list-style-type: none"> • Customer health and safety is a strong value that Haw Par Healthcare upholds. • Keep abreast with the latest development via regular engagement with stakeholders such as regulatory bodies, marketing authorisation holders, distributors, suppliers and consumers to maintain a high standard of Product Quality and Safety. • Maintain the manufacturing standards by ensuring a valid GMP certification for our production premises and facilities. • Maintain the ISO 9001 Quality Management System (QMS) which entails the critical review of management, development, manufacturing, marketing and distribution processes. • Conduct periodic customer satisfaction survey and evaluate feedback to keep the product quality and safety in check. • Develop KPIs and collect the relevant data to monitor the achievement of these objectives routinely. • Every aspect of the value chain from procurement and inspection of raw materials to shipment of finished goods goes through stages of checks in accordance with stringent GMP and QMS processes. • During the period 2018 to 2020, there were no incidents of non-compliance concerning product and labelling. • There were no incidents of any product recall arising from quality or safety failure.
Occupational Health and Safety	<p>To ensure that the Group's manufacturing unit remains free from risk to employees, or any other persons on our premises.</p> <p><u>Target/s for 2021</u></p>	<ul style="list-style-type: none"> • Commitment to the safety of our people and of those we work with. • Our Quality, Environmental, Health and Safety (QEHS) Policy outlines that we provide suitable training, instructions and information about work procedures such that workers can carry out their jobs effectively. • Annual review of safety practices and performance. • In the collective agreement, Haw Par Healthcare Singapore and the union agreed to co-operate and undertake to work together on workplace safety. Internally, we have established a safety committee and the Union is able to provide feedback to the committee directly. Monthly meetings are held by the safety committee. In 2020, COVID-19 safety measures were put in place.

	<div>Disclosure on rate of recordable work-related injuries</div> <div><div>No. of Haw Par Healthcare Singapore employees in the safety committee 2020: 14 2019: 11 2018: 11</div><div><ul style="list-style-type: none">Regular sessions to remind employees of safety practices were conducted by supervisors, executives and safety committee members. Subject matter included proper usage of equipment, types and uses of issued safety personal items, fire and safety practices and other safety concerns arising from observations of daily walkabouts.Work-related injuries</div><div><table><tr><td></td><td>2020</td><td>2019</td><td>2018</td></tr><tr><td>Recordable work-related injuries+ No. of Injuries</td><td>0</td><td>4</td><td>4</td></tr><tr><td>Fatalities as a result of work-related injury No. of fatalities</td><td>0</td><td>0</td><td>0</td></tr></table></div><div><div>+ The work-injury incidents were reported to the Singapore Ministry of Manpower (MOM). None of the injuries were permanent and there was no further action from MOM. All cases considered closed.</div><div><ul style="list-style-type: none">During the period 2018 to 2020, there were no workers with high risk of diseases related to their occupation.</div></div></div>		2020	2019	2018	Recordable work-related injuries+ No. of Injuries	0	4	4	Fatalities as a result of work-related injury No. of fatalities	0	0	0										
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Tier 2 Material Issues																							
<div>Labour Practices and Issues</div>	<div><div>To identify employees' work motivation (including work-life balance) and the conditions in the environment supporting such motivation in order to make further improvements.</div><div><div>Target/s for 2021</div><div>Disclosure on number of training hours per employee by gender</div></div></div> <div><div><ul style="list-style-type: none">Employee at Haw Par Healthcare Singapore – Breakdown by Employment Contract and by Gender.</div><div><table><tr><td>Gender</td><td>Permanent</td><td>Contract / Temp</td><td>Total**</td></tr><tr><td>Male</td><td>119</td><td>0</td><td>119</td></tr><tr><td>Female</td><td>162</td><td>18</td><td>180</td></tr><tr><td>Total</td><td>281</td><td>18</td><td>299</td></tr></table></div><div><div>** Variants from prior years due to net recruitment/attrition</div><div>We do not have part-time employees.</div><div><ul style="list-style-type: none">Employee satisfaction and development are key success factors.We are supportive of working parents, and family care leave is available to our employees.Our local practices are in our Employee Handbook, which is readily available in the Group's intranet.Statistics and trends that warrant attention are monitored for appropriate measures.Training budgets are allocated to ensure continual talent development.In 2020 our employees each received an average of 4.75 training hours.Percentage of employees at the manufacturing division of Haw Par Healthcare Singapore covered by a collective bargaining agreement:</div><div><table><tr><td>2020</td><td>2019</td><td>2018</td></tr><tr><td>60%</td><td>69%</td><td>68%</td></tr></table></div><div><ul style="list-style-type: none">Whistle-blowing policy in place to address issues in confidence.</div></div></div>	Gender	Permanent	Contract / Temp	Total**	Male	119	0	119	Female	162	18	180	Total	281	18	299	2020	2019	2018	60%	69%	68%
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<div>Supply Chain</div>	<div><div>To guide and encourage corporate social responsibility across our supply chain.</div><div><ul style="list-style-type: none">Committed to an ethical and accountable procurement process that maintains integrity and fairness.Supplier Code of Conduct aims to integrate our sustainability principles across our supply chain, and aims to positively influence the environmental, social and governance performance of our suppliers.A vendor assessment is carried out for all contract manufacturers and suppliers based on product specifications and defined criteria.Products are tested by qualified and competent laboratories.</div></div>																						

	<p><u>Target/s for 2021</u></p> <p>Disclosure on percentage of new suppliers that were screened for compliance with local labour law</p>	<ul style="list-style-type: none"> • Once our key suppliers meet Haw Par Healthcare's quality standards and regulatory requirements such as GMP certification for drug licence or ISO, they are subject to Haw Par Healthcare's audits. • We continually engage critical suppliers to remain updated on approved supplies of raw materials (our largest suppliers are in Asia). • In line with Haw Par Healthcare's policy, supplier audits are scheduled every three years for our key suppliers. • We generally screen our new suppliers for compliance with local labour law. • Local and foreign regulatory bodies visit and audit our raw material suppliers. 																					
Environment	<p>To minimise our environmental footprint through efficient use of resources.</p> <p><u>Target/s for 2021</u></p> <p>Disclosure on Greenhouse Gas (GHG) Emissions</p>	<ul style="list-style-type: none"> • We are committed to operating in an environmentally responsible and sustainable manner for the health of our communities and planet. • We monitor, manage and optimise use of resources in our operations to minimise impact on environment. • We continually develop and improve our systems and processes to enhance environmental sustainability in our operations. • We comply with all relevant environmental legislation in all countries in which we operate. <table border="1"> <thead> <tr> <th>Haw Par Healthcare Singapore</th><th>2020</th><th>2019</th></tr> </thead> <tbody> <tr> <td>Incidents of non-compliance with environmental laws and regulations</td><td>Nil</td><td>Nil</td></tr> <tr> <td>Energy consumption within the Organisation (MWh)</td><td>2,868.4</td><td>3,875.7</td></tr> <tr> <td>Purchased Grid Electricity</td><td></td><td></td></tr> <tr> <td>Water withdrawal from third-party water source (megalitre)</td><td>6.49</td><td>11.7</td></tr> <tr> <td>Water discharge (megalitre)</td><td>4.42</td><td>8.1</td></tr> <tr> <td>Water consumption (megalitre)</td><td>2.07</td><td>3.6</td></tr> </tbody> </table>	Haw Par Healthcare Singapore	2020	2019	Incidents of non-compliance with environmental laws and regulations	Nil	Nil	Energy consumption within the Organisation (MWh)	2,868.4	3,875.7	Purchased Grid Electricity			Water withdrawal from third-party water source (megalitre)	6.49	11.7	Water discharge (megalitre)	4.42	8.1	Water consumption (megalitre)	2.07	3.6
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4. CONTRIBUTIONS TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Delivering health and wellness to communities in which we operate is the focus of our initiatives to contribute to the society. In 2020, we continue with our heritage of providing Tiger Balm products to those in need.

Throughout the year, the Group has been supporting COVID-19 relief efforts through donations of Tiger Balm pain-relieving products to healthcare workers who suffer aches and pains from working long hours caring for their patients. In China, Singapore and Malaysia, we donated Tiger Balm products to medical personnel at hospitals and also at charities in Singapore such as SPD, Institute of Mental Health and National Kidney Foundation who are caring for vulnerable groups. Other front-liners – from security officers to cleaners providing essential support during this difficult time also received Tiger Balm Care Packs. In a unanimous show of appreciation to front-liners, our factory staff in Singapore joined the Group's initiatives through hand-wrapping Tiger Balm Care Packs. We also contributed Tiger Balm to Care Packs given out to lower-wage workers through Chemical Industries Employees' Union's "Gift from the Heart" outreach to members.

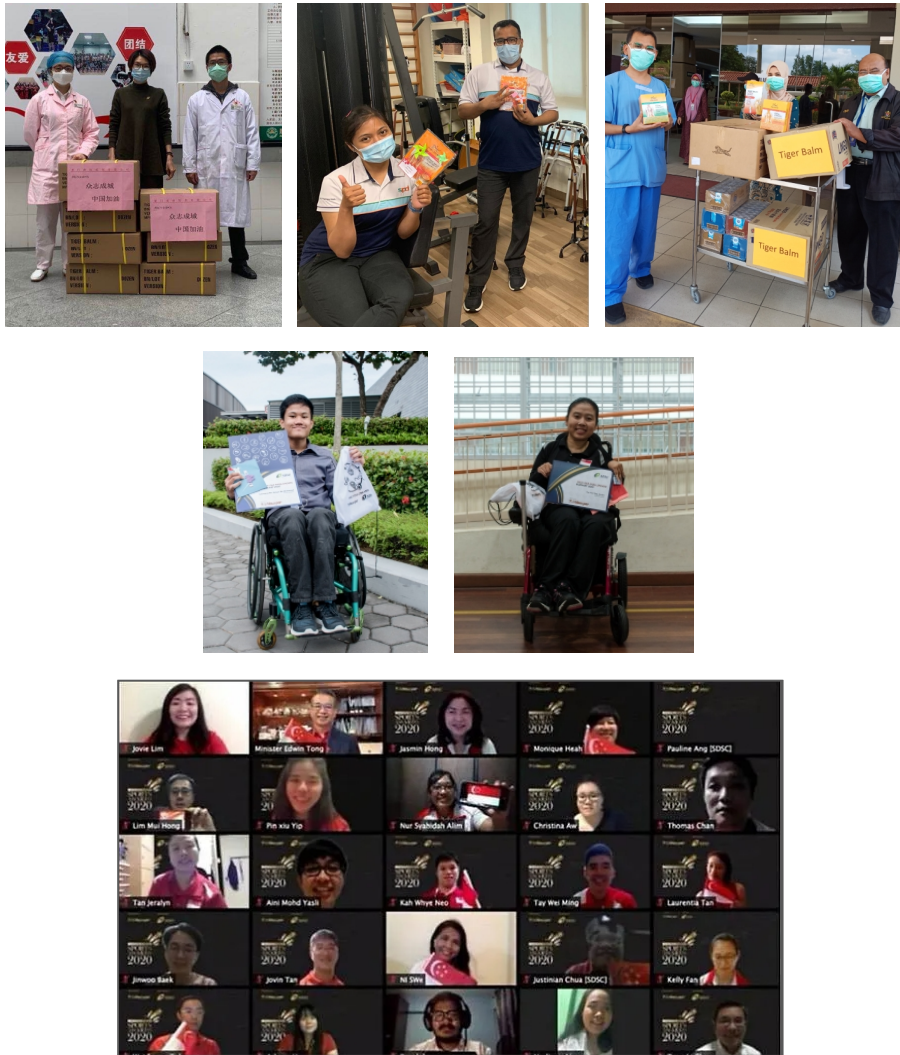
We believe that no one should be constrained from leading an active life, and sport is a force for wellbeing and empowerment. Since 2015, the Group has been supporting athletes from Singapore Disability Sports Council (SDSC). In 2020, we sponsored the 3rd edition of Haw Par Para Sports Bursary to help financially-marginalised athletes sustain their sports development, enabling more to live healthier and active lives. We also presented the Singapore Disability Sports Awards for the second consecutive year to recognise the achievements of the athletes and the community behind them.

Even as we cope with the impacts of the pandemic, we are mindful of other global threats that loom ahead, not least the loss of biodiversity and the implications for the health of our planet, and in correlation, the wellbeing of our communities. The Group aims to do its part to contribute to environmental protection and conservation. In line with our Blue Mission to inspire, educate, conserve, Underwater World Pattaya leveraged its unique showcase of hundreds of species of aquatic life enhanced with informational signage to raise awareness about environmental conservation and pledged its support for Earth Hour for the 11th time in 2020. As the tiger and leopard, listed among endangered species on Earth, are the namesakes of the Group and our company's founders, we have been sponsoring the Malayan Tiger Exhibit and the Leopard Exhibit at the Night Safari and the Singapore Zoo since 1995 and 1986 respectively. Taking direct action to protect the environment, Tiger Balm collaborated with Globe Hope in Finland in 2020 to launch a collectible Tiger Balm bag upcycled from old in-store marketing banners.

The United Nations adopted 17 Sustainable Development Goals in 2015 to achieve sustainable development for all by 2030. The Group contributes to five of the goals.



People and the Community 2020 highlights



*Row 1: Supporting COVID-19 Frontline Heroes
Healthcare workers in China, Singapore and Malaysia (left to right) receiving Tiger Balm Care Packs.*

*Row 2: Haw Par Para Sports Bursary
36 athletes from SDSC received the Haw Par Para Sports Bursary Award in 2020. Two of the recipients: Muhammad Nur Amsyar Bin Abdemanaf – Cycling (left) and Jeralyn, Tan Yee Ting – Boccia (right).*

*Row 3: Singapore Disability Sports Awards
The virtual ceremony for the Singapore Disability Sports Awards organised by SDSC and presented by the Group in August 2020 was graced by the Guest-of-Honour Mr Edwin Tong, Minister for Culture, Community and Youth & Second Minister for Law (top row, second profile from the left).*

5. GRI CONTENT INDEX

GRI Standard	Disclosure Title	Page Reference
General Disclosures		
102-1	Name of the organisation	Reader's Guide, pg. 2
102-2	Activities, brands, products, and services	Reader's Guide, pg. 2
102-3	Location of headquarters	Reader's Guide, pg. 2
102-4	Location of operations	Reader's Guide, pg. 2
102-5	Ownership and legal form	Reader's Guide, pg. 2
102-6	Markets served	Reader's Guide, pg. 2 Annual Report, Tiger Balm – Global Player, pg. 20
102-7	Scale of the organisation	Reader's Guide, pg. 2
102-8	Information on employees and other workers	ESG Sustainability Review, Labour Practices and Issues, pg. 5
102-9	Supply chain	ESG Sustainability Review, Supply Chain, pg. 5 Annual Report, Tiger Balm – Global Player, pg. 20
102-10	Significant changes to the organisation and its supply chain	There were no significant changes to our supply chain in 2020.
102-11	Precautionary Principle or approach	CEO Statement, Company Website: www.hawpar.com/sustainability
102-12	External initiatives	We did not subscribe to or endorse any external initiatives in 2020.
102-13	Membership of associations	We do not have memberships that are strategic or beyond routine dues in 2020.
102-14	Statement from senior decision-maker	Board Statement, pg. 2 CEO Statement, Company Website: www.hawpar.com/sustainability
102-15	Key impacts, risks, and opportunities	CEO Statement, Company Website: www.hawpar.com/sustainability
102-16	Values, principles, standards, and norms of behaviour	Annual Report, Corporate Governance Report, pg. 34
102-18	Governance structure	ESG Sustainability Review, Compliance and Good Governance, pg. 4
102-40	List of stakeholder groups	Stakeholder Engagements, Company Website: www.hawpar.com/sustainability
102-41	Collective bargaining agreements	ESG Sustainability Review, Labour Practices and Issues, pg. 5
102-42	Identifying and selecting stakeholders	Stakeholder Engagements Annual Report, Corporate Governance Report, pg. 34 Company Website: www.hawpar.com/sustainability

102-43	Approach to stakeholder engagement	Stakeholder Engagements Annual Report, Corporate Governance Report, pg. 34 Company Website: www.hawpar.com/sustainability
102-44	Key topics and concerns raised	Stakeholder Engagements, Company Website: www.hawpar.com/sustainability
102-45	Entities included in the consolidated financial statements	Reader's Guide, pg. 2 Annual Report, Notes to the Financial Statements, Note 16, pg. 97
102-46	Defining report content and topic boundaries	Reader's Guide, Board Statement, pg. 2 Our Approach, Company Website: www.hawpar.com/sustainability
102-47	List of material topics	Reader's Guide, Board Statement, pg. 2
102-48	Restatements of information	None.
102-49	Changes in reporting	Annual Report, Notes to the Financial Statements, Note 2(b), pg. 70
102-50	Reporting period	Reader's Guide, pg. 2
102-51	Date of most recent report	Financial Year 2019 (1 January 2019 to 31 December 2019)
102-52	Reporting cycle	Reader's Guide, pg. 2
102-53	Contact point for questions regarding the report	Reader's Guide, pg. 2
102-54	Claims of reporting in accordance with the GRI Standards	Reader's Guide, pg. 2
102-55	GRI content index	GRI Content Index, pg. 9 - 12
102-56	External assurance	Reader's Guide, pg. 2

Material Topics

Economic Performance

103-1	Explanation of the material topic and its Boundary	ESG Sustainability Review, Economic Performance, pg. 3
103-2	The management approach and its components	ESG Sustainability Review, Economic Performance, pg. 3 Annual Report, Operations Review, pg. 18
103-3	Evaluation of the management approach	ESG Sustainability Review, Economic Performance, pg. 3 Annual Report, Operations Review, pg. 18
201-1	Direct economic value generated and distributed	ESG Sustainability Review, Economic Performance, pg. 3

Compliance and Good Governance (Including Anti-Corruption and Fair Operating Practices)

103-1	Explanation of the material topic and its Boundary	ESG Sustainability Review, Compliance and Good Governance, pg. 4
103-2	The management approach and its components	ESG Sustainability Review, Compliance and Good Governance, pg. 4

103-3	Evaluation of the management approach	ESG Sustainability Review, Compliance and Good Governance, pg. 4
205-2	Communication and training about anti-corruption policies and procedures	ESG Sustainability Review, Compliance and Good Governance, pg. 4
205-3	Confirmed incidents of corruption and actions taken	ESG Sustainability Review, Compliance and Good Governance, pg. 4
419-1	Non-compliance with laws and regulations in the social and economic area	ESG Sustainability Review, Compliance and Good Governance, pg. 4

Product Quality and Safety

103-1	Explanation of the material topic and its Boundary	ESG Sustainability Review, Product Quality and Safety, pg. 4
103-2	The management approach and its components	ESG Sustainability Review, Product Quality and Safety, pg. 4 ESG Sustainability Review, Supply Chain, pg. 5
103-3	Evaluation of the management approach	ESG Sustainability Review, Supply Chain, pg. 5
417-2	Incidents of non-compliance concerning product and service information and labelling	ESG Sustainability Review, Product Quality and Safety, pg. 4

Occupational Health and Safety

103-1	Explanation of the material topic and its Boundary	ESG Sustainability Review, Occupational Health and Safety, pg. 4
103-2	The management approach and its components	ESG Sustainability Review, Occupational Health and Safety, pg. 4
103-3	Evaluation of the management approach	ESG Sustainability Review, Occupational Health and Safety, pg. 4
403-4	Worker participation, consultation and communication on occupational health and safety	ESG Sustainability Review, Occupational Health and Safety, pg. 4
403-5	Worker training on occupational health and safety	ESG Sustainability Review, Occupational Health and Safety, pg. 4
403-9	Work-related injuries	ESG Sustainability Review, Occupational Health and Safety, pg. 4
403-10	Work-related ill health	ESG Sustainability Review, Occupational Health and Safety, pg. 4

Labour Practices & Issues

103-1	Explanation of the material topic and its Boundary	ESG Sustainability Review, Labour Practices & Issues, pg. 5
103-2	The management approach and its components	ESG Sustainability Review, Labour Practices & Issues, pg. 5
103-3	Evaluation of the management approach	ESG Sustainability Review, Labour Practices & Issues, pg. 5

404-1	Average hours of training per year per employee by gender, and by employee category	ESG Sustainability Review, Labour Practices & Issues, pg. 5
404-3	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	ESG Sustainability Review, Labour Practices & Issues, pg. 5

Supply Chain

103-1	Explanation of the material topic and its Boundary	ESG Sustainability Review, Supply Chain, pg. 5
103-2	The management approach and its components	ESG Sustainability Review, Supply Chain, pg. 5
103-3	Evaluation of the management approach	ESG Sustainability Review, Supply Chain, pg. 5
414-1	Percentage of new suppliers that were screened using social criteria	ESG Sustainability Review, Supply Chain, pg. 5

Environment (Compliance, Energy Efficiency, Water and Effluents)

103-1	Explanation of the material topic and its Boundary	ESG Sustainability Review, Environment, pg. 6
103-2	The management approach and its components	ESG Sustainability Review, Environment, pg. 6
103-3	Evaluation of the management approach	ESG Sustainability Review, Environment, pg. 6
307-1	Non-compliance with environmental laws and regulations	ESG Sustainability Review, Environment, pg. 6
302-1	Energy consumption within the organisation	ESG Sustainability Review, Environment, pg. 6
303-2	Management of water discharge-related impacts	ESG Sustainability Review, Environment, pg. 6
303-3	Water withdrawal	ESG Sustainability Review, Environment, pg. 6
303-4	Water discharge	ESG Sustainability Review, Environment, pg. 6
303-5	Water consumption	ESG Sustainability Review, Environment, pg. 6